DEXUS RENTS Trust (ASX:DXRPA)

ASX Announcement

18 August 2010

DEXUS RENTS Trust annual results for the period ending 30 June 2010

Results for announcement to the market

DEXUS Funds Management Limited, as responsible entity for DEXUS RENTS Trust (DXRPA), provides the following documents to the Australian Securities Exchange:

- Appendix 4E Statement - "Results for announcement to the market"; and
- Financial Statements of DEXUS RENTS Trust for the period ending 30 June 2010, including Independent Audit Report from PricewaterhouseCoopers.

Contacts:

Media Relations		**Investor Relations**	
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About DEXUS

DEXUS is one of Australia's leading property groups specialising in world-class office, industrial and retail properties with total assets under management of $13.3bn. In Australia, DEXUS is the number 1 owner/manager of office, number 3 in industrial and, on behalf of third party clients, a leading manager and developer of shopping centres. DEXUS is committed to being a market leader in Corporate Responsibility and Sustainability and has been recognised as one of the Global 100 Most Sustainable Corporations at the World Economic Forum in Davos and recently achieved listing on the DJSI World and Asia Pacific Indexes.
www.dexus.com

DEXUS Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for DEXUS RENTS Trust (ASX: DXRPA)

DEXUS

PROPERTY GROUP

DEXUS RENTS Trust - Appendix 4E

Results for announcement to the market

DEXUS RENTS Trust (ASX:DXRPA) Appendix 4E
ARSN 112 705 852

Financial reporting for the year ended 30 June 2010

		30 June 2010	30 June 2009	% change
		$'000	$'000	
Income from ordinary activities		10,663	13,878	-23.17%
Net profit from ordinary activities after tax attributable to security holders		10,478	13,703	-23.53%
Net profit after tax attributable to security holders		10,478	13,703	-23.53%
Distribution to security holders		10,302	13,749	-25.07%
Distributions per security		**CPS**	**CPS**	
30 September		112.00	228.00	-50.88%
31 December		117.00	208.00	-43.75%
31 March		133.00	128.00	3.91%
30 June		143.00	110.00	30.00%
Total distributions		**505.00**	**674.00**	
Basic and diluted earnings		513.63	671.72	-23.54%
Tax deferred component of distribution		**90%**	**90%**	
		$'000	**$'000**	
Total assets		207,187	206,333	0.41%
Total borrowings		Nil	Nil	0.00%
Security holders equity		204,202	204,026	0.09%
Market capitalisation		169,320	146,880	15.28%
		$ per security	**$ per security**	
Net tangible assets		100.10	100.01	0.09%
Security price		83.00	72.00	15.28%
Securities on issue ('000)		2,040	2,040	0.00%
Record date – 30 June distribution		30 June 2010	30 June 2009	
Payment date – 30 June distribution		15 July 2010	15 July 2009	

DEXUS PROPERTY GROUP

DEXUS RENTS Trust - Appendix 4E

Results for announcement to the market

Distribution Reinvestment Plan (DRP)

DEXUS RENTS Trust does not operate a DRP.

New entities

DEXUS RENTS Trust held no interest in any associate or joint venture during the year ended 30 June 2010. No new entities were acquired during the year ended 30 June 2010.

Results commentary

DEXUS RENTS Trust owns preference units in DEXUS Commercial Trust, a subsidiary of DEXUS Office Trust.

DEXUS RENTS Trust pays quarterly distributions where the distribution rate is determined on the first day of each quarter. Until 1 July 2012, the rate will be equal to the 90 day bank bill rate plus 1.3% per annum.

The decline in Income from Ordinary Activities and Distributions to Security Holders is due to the decline in the 90 day bank bill rate for the first two quarters of the year in comparison to prior year.

The 90 day bank bill rates during the year ended 30 June 2010 and 30 June 2009 were as follows:

	2010	2009
30 September	3.1600%	7.7600%
31 December	3.3533%	6.9600%
31 March	4.1100%	3.9000%
30 June	4.4183%	3.1133%

For a review of the results of DEXUS RENTS Trust for the year ended 30 June 2010, refer to the Financial Statements for the year ended 30 June 2010.

Notes

Attached with this Appendix 4E is a copy of the Financial Statements for the year ended 30 June 2010 together with the Independent Auditor's Review Report from PricewaterhouseCoopers.

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DEXUS Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for DEXUS Property Group (ASX: DXS)

DEXUS PROPERTY GROUP

FINANCIAL STATEMENTS
DEXUS RENTS TRUST

(ARSN 112 705 852)

30 JUNE 2010

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All press releases, Financial Statements and other information are available on our website: www.dexus.com

The Directors of DEXUS Funds Management Limited (DXFM) as Responsible Entity of DEXUS RENTS Trust (the Trust) present their Directors' Report together with the Financial Statements for the year ended 30 June 2010.

1. Directors and other key management personnel

1.1 Directors

The following persons were Directors of DXFM at all times during the financial year and to the date of this Directors' Report:

Directors	Appointed
Christopher T Beare	4 August 2004
Elizabeth A Alexander AM	1 January 2005
Barry R Brownjohn	1 January 2005
John C Conde AO	29 April 2009
Stewart F Ewen OAM	4 August 2004
Victor P Hoog Antink	1 October 2004
Brian E Scullin	1 January 2005
Peter B St George	29 April 2009

1.2 Other key management personnel

In addition to the Directors listed above the following persons were deemed by the Board Nomination and Remuneration Committee to be Key Management Personnel (KMP) at all times during the financial year.

Directors	Title
Victor P Hoog Antink	Chief Executive Officer
Tanya L Cox	Chief Operating Officer
Patricia A Daniels	Head of Human Resources
John C Easy	General Counsel
Jane Lloyd	Head of US Investments
Louise J Martin	Head of Office
Craig D Mitchell	Chief Financial Officer
Paul G Say	Head of Corporate Development
Mark F Turner	Head of Funds Management
Andrew P Whiteside	Head of Industrial

2. Remuneration report

Remuneration received by the KMP of the Trust is a cost of DEXUS Holdings Pty Limited (DXH) and not the Trust. DXH does not recover any proportion of KMP remuneration from the Trust.

3. Directors' interests

As at the date of this Directors' Report, no Director directly or indirectly held:

- RENTS securities; or
- Options over, or any other contractual interest in, RENTS securities; or
- An interest in any other fund managed by DXFM or any other entity that forms part of the DEXUS Property Group.

4. Principal activities

During the year the principal activity of the Trust consisted of an investment in preference units of DOT Commercial Trust (DCT), a sub trust of DEXUS Office Trust (DOT). DOT forms part of the DEXUS Property Group (DXS) stapled security. There were no significant changes in the nature of the Trust's activities during the year.

5. Total value of trust assets

The total value of the assets of the Trust as at 30 June 2010 was $207.2 million (2009: $206.3 million). Details of the basis of the valuation are outlined in note 1 of the Notes to the Financial Statements and form part of this Directors' Report.

6. Review and results of operations

The Trust's results for the year ended 30 June 2010 was:

- Profit attributable to unitholders was $10.5 million (2009: $13.7 million);
- Distributions paid and payable to unitholders was $10.3 million (2009: $13.7 million);
- Total assets were $207.2 million (2009: $206.3 million); and
- Net assets were $204.2 million (2009: $204.0 million).

7. Likely developments and expected results of operations

In the opinion of the Directors, disclosure of any further information regarding business strategies and the future developments or results of the Trust, other than the information already outlined in this Directors' Report or the Financial Statements accompanying this Directors' Report would be unreasonably prejudicial to the Trust.

8. Significant changes in the state of affairs

The Directors are not aware of any matter or circumstance, not otherwise dealt with in this Directors' Report or the Financial Statements that has significantly or may significantly affect the operations of the Trust, the results of those operations, or the state of the Trust's affairs in future financial years.

9. Matters subsequent to the end of the financial year

Since the end of the financial year the Directors of DXFM are not aware of any matter or circumstance not otherwise dealt with in this Directors' Report or the Financial Statements that has significantly or may significantly affect the operations of the Trust, the results of those operations, or the state of the Trust's affairs in future financial years.

10. Distributions

Distributions paid and payable by the Trust for the year ended 30 June 2010 are outlined in note 10 of the Notes to the Financial Statements and forms part of this Directors' Report.

11. DXFM's fees and associate interests

Details of fees paid or payable by the Trust to DXFM and its associates for the year ended 30 June 2010 are outlined in note 14 of the Notes to the Financial Statements and form part of this Directors' Report.

The number of units in the Trust held by DXFM or its related entities as at the end of the financial year were nil (2009: nil).

12. Interests in the Trust

The movement in units on issue in the Trust during the year and the number of units on issue as at 30 June 2010 are detailed in note 8 of the Notes to the Financial Statements and form part of this Directors' Report.

The Trust did not have any options on issue as at 30 June 2010 (2009: nil).

13. Environmental regulation

The Trust's senior management, through its Board Risk Committee, oversee the policies, procedures and systems that have been implemented to ensure the adequacy of its environmental risk management practices. It is the opinion of this Committee that adequate systems are in place for the management of its environmental responsibilities and compliance with its various licence requirements and regulations. Further, the Committee is not aware of any breaches of these requirements and to the best of its knowledge all activities have been undertaken in compliance with environmental requirements.

14. Indemnification and insurance

The insurance premium for a policy of insurance indemnifying Directors, officers and others (as defined in the relevant policy of insurance) is paid by DXH.

The Auditor, PricewaterhouseCoopers ("PwC"), is indemnified out of the assets of the Trust pursuant to the DEXUS specific Terms of Business agreed for all engagements with PwC, to the extent that the Trust inappropriately uses or discloses a report prepared by PwC. The Auditor, PwC, is not indemnified for the provision of services where such an indemnification is prohibited by the *Corporations Act 2001*.

15. Audit

15.1 Auditor

PricewaterhouseCoopers (PwC or the Auditor) continues in office in accordance with section 327 of the Corporations Act 2001.

15.2 Non-audit services

Details of the amounts paid or payable to the Auditor, for audit and non-audit services provided during the year are set out in note 3 of the Notes to the Financial Statements.

The Board Audit Committee is satisfied that the provision of non-audit services provided during the year by the Auditor (or by another person or firm on the Auditor's behalf) is compatible with the standard of independence for auditors imposed by the *Corporations Act 2001.*

The reasons for the Directors being satisfied are:

- A Charter of Audit Independence was adopted during the year that provides guidelines under which the Auditor may be engaged to provide non-audit services without impairing the Auditor's objectivity or independence.

- The Charter states that the Auditor will not provide services where the Auditor may be required to review or audit its own work, including:
  - the preparation of tax provisions, accounting records and financial statements;
  - the design, implementation and operation of information technology systems;
  - the design and implementation of internal accounting and risk management controls;
  - conducting valuation, actuarial or legal services;
  - consultancy services that include direct involvement in management decision making functions;
  - investment banking, borrowing, dealing or advisory services;
  - acting as trustee, executor or administrator of trust or estate;
  - prospectus independent expert reports and being a member of the due diligence committee; and
  - providing internal audit services.

- Board Audit Committee regularly reviews the performance and independence of the Auditor and whether the independence of this function has been maintained having regard to the provision of non-audit services. The Auditor has provided a written declaration to the Board regarding its independence at each reporting period and Board Audit Committee approval is required before the engagement of the Auditor to perform any non-audit service for a fee in excess of $100,000.

The above Directors' statements are in accordance with the advice received from the Board Audit Committee.

15.3 Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out in the Financial Statements and forms part of this Directors' Report.

16. Rounding of amounts and currency

The Trust is a registered scheme of the kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in this Directors' Report and the Financial Statements. Amounts in this Directors' Report and Financial Statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Financial Statements, except where otherwise stated, are expressed in Australian dollars.

17. Management representation

The Chief Executive Officer and Chief Financial Officer have reviewed the Trust's financial reporting processes, policies and procedures together with its risk management, internal control and compliance policies and procedures. Following that review it is their opinion that the Trust's financial records for the financial year have been properly maintained in accordance with the Corporations Act 2001 and the Financial Statements and their notes comply with the accounting standards and give a true and fair view.

18. Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Financial Statements were authorised for issue by the directors on 17 August 2010. The directors have the power to amend and reissue the Financial Statements.

Christopher T Beare
Chair
17 August 2010

Victor P Hoog Antink
Chief Executive Officer
17 August 2010

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Auditor's Independence Declaration

As lead auditor for the audit of DEXUS RENTS Trust for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DEXUS RENTS Trust during the period.

J A Dunning
Partner
PricewaterhouseCoopers

17 August 2010

	Notes	2010 $'000	2009 $'000
Revenue			
Distribution revenue		**10,652**	13,850
Interest revenue		**11**	28
Total revenue		**10,663**	13,878
Expenses			
Other expenses	2	**(185)**	(175)
Total expenses		**(185)**	(175)
Net profit attributable to unitholders of DEXUS RENTS Trust		**10,478**	13,703
Total comprehensive income attributable to unitholders of DEXUS RENTS Trust for the year		**10,478**	13,703
Earnings per unit[1]		**Cents**	Cents
Basic earnings per unit	18	-	-
Diluted earnings per unit	18	-	-

[1] Earnings per unit represents the earnings attributable to the ordinary unitholder, DEXUS Office Trust. Details of earnings per unit attributable to preference unitholders are included in note 18 of the Notes to the Financial Statements.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

	Notes	2010 $'000	2009 $'000
Current assets			
Cash and cash equivalents		**3,185**	2,330
Receivables	4	**2**	3
Total current assets		**3,187**	2,333
Non-current assets			
Financial assets at fair value through profit or loss	5	**204,000**	204,000
Total non-current assets		**204,000**	204,000
Total assets		**207,187**	206,333
Current liabilities			
Payables	6	**68**	63
Provisions	7	**2,917**	2,244
Total current liabilities		**2,985**	2,307
Total liabilities		**2,985**	2,307
Net assets		**204,202**	204,026
Equity			
Contributed equity	8	**197,705**	197,705
Retained profits	9	**6,497**	6,321
Total equity		**204,202**	204,026

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

	Notes	Contributed equity $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2008		197,705	6,367	204,072
Total comprehensive income for the year		-	13,703	13,703
Transactions with owners in their capacity as owners:				
Distributions paid or provided for	10	-	(13,749)	(13,749)
Balance at 30 June 2009		197,705	6,321	204,026
Balance at 1 July 2009		**197,705**	**6,321**	**204,026**
Total comprehensive income for the year		**-**	**10,478**	**10,478**
Transactions with owners in their capacity as owners:				
Distributions paid or provided for	10	**-**	**(10,302)**	**(10,302)**
Balance at 30 June 2010		**197,705**	**6,497**	**204,202**

The above Statement of Changes In Equity should be read in conjunction with the accompanying notes.

	Note	2010 $'000	2009 $'000
Cash flows from operating activities			
Payments in the course of operations (inclusive of GST)		**(179)**	(172)
Interest received		**11**	28
Distributions received		**10,652**	13,850
Net cash inflow from operating activities	17	**10,484**	13,706
Cash flows from financing activities			
Distributions paid		**(9,629)**	(16,136)
Net cash outflow from financing activities		**(9,629)**	(16,136)
Net increase/(decrease) in cash and cash equivalents		**855**	(2,430)
Cash and cash equivalents at the beginning of the year		**2,330**	4,760
Cash and cash equivalents at the end of the year		**3,185**	2,330

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose Financial Statements for the year ended 30 June 2010 have been prepared in accordance with the requirements of the Trust's Constitution, the *Corporations Act 2001,* Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and interpretations. Compliance with Australian Accounting Standards ensures that the Financial Statements and notes also comply with International Financial Reporting Standards (IFRS).

These Financial Statements are prepared on a going concern basis and in accordance with historical cost conventions and has not been adjusted to take account of either changes in the general purchasing power of the dollar or changes in the values of specific assets, except for the revaluation of certain non-current assets and financial instruments (refer note 1(b)).

The Trust has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a Statement of Comprehensive Income and a Statement of Changes in Equity. Comparative information has been re-presented so that it is also in conformity with the revised standard.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Critical accounting estimates
The preparation of Financial Statements requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Trust's accounting policies. Other than the estimation of fair values described in note 1(b), no key assumptions concerning the future or other estimation of uncertainty at the reporting date have a significant risk of causing material adjustments to the Financial Statements in the next annual reporting period.

(b) Financial assets at fair value through profit and loss

The Trust has designated its investment in DCT as a financial asset at fair value through profit and loss to reduce a measurement or recognition inconsistency. The investment is revalued at each reporting date to its fair value in accordance with AASB 139 *Financial Instruments Recognition and Measurement*. Changes in the fair value of the investment are recognised in the Statement of Comprehensive Income for the year.

The fair value of the investment is determined using a discounted cash flow analysis. The discount rate applied in calculating the fair value of the investment is 1.3% per annum over the 90 day bank bill rate.

(c) Revenue recognition

Distribution revenue
Distributions are recognised when declared. Amounts not received at the end of the reporting period are included as a receivable in the Statement of Financial Position.

Interest revenue
Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the Statement of Financial Position as a receivable.

(d) Expenses

Expenses are brought to account on an accruals basis and, if not paid at the end of the reporting period, are reflected in the Statement of Financial Position as a payable.

(e) Goods and Services Tax

Revenues, expenses and capital assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the ATO is classified as operating cash flows.

Note 1. Summary of significant accounting policies (continued)

(f) Taxation

Under current legislation, the Trust is not liable for income tax, provided it satisfies certain legislative requirements.

(g) Distributions

In accordance with the Trust's Constitution, the Trust distributes its distributable income to unitholders by cash. Distributions are provided for when they are approved by the Board of Directors and declared.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Receivables which are known to be uncollectible are written off.

(j) Financial assets and liabilities

(i) Classification

DEXUS RENTS Trust has classified its financial assets and liabilities as follows:

Financial Asset/Liability	Classification	Valuation basis	Reference
Cash	Fair value through profit and loss	Fair value	Refer note 1(h).
Receivables	Loans and receivables	Amortised cost	Refer note 1(i).
Other financial assets	Fair value through profit and loss	Fair value	Refer note 1(b).
Payables	Financial liability at amortised cost	Amortised cost	Refer note 1(k).

Financial assets and liabilities are classified in accordance with the purpose for which they were acquired.

(ii) Fair value estimation of financial assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

(k) Payables

These amounts represent liabilities for amounts owing at the end of the reporting period. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Earnings per unit

Basic and diluted earnings per unit is determined by dividing the net profit attributable to unitholders of the Trust by the weighted average number of ordinary units outstanding during the year.

Note 1. Summary of significant accounting policies (continued)

(m) Operating segments

During the current financial year, the Trust adopted AASB 8 *Operating Segments* which replaced AASB 114 *Segment Reporting.* The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a review of the reportable segments presented. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the Board of Directors of DXFM as they are responsible for the strategic decision making within the Trust. The adoption of AASB 8 has not had an impact on the measurements reflected in the Trust's Financial Statements.

(n) Rounding of amounts

The Trust is the kind referred to in Class Order 98/0100, issued by the Australian Securities and Investment Commission, relating to the rounding off of amounts in the Financial Statements. Amounts in the Financial Statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2010 reporting period. Our assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013). AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets. Under the new guidance, a financial asset is to be measured at amortised cost only if it is held within a business model whose objective is to collect contractual cash flows and the contractual terms of the asset give rise on specific dates to cash flows that are payments solely of principal and interest on the principal amount outstanding. All other financial assets are to be measured at fair value. The standard is not applicable until 1 January 2013 but is available for early adoption. The Trust is currently assessing the impact of this standard but does not expect it to be significant.

(ii) Revised AASB 124 *Related Party Disclosures* (effective from 1 January 2011). In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The Trust will apply the amended standard from 1 July 2011. It is not expected to have any impact on the Trust's Financial Statements.

(iii) AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective from 1 January 2010). In May 2010, the AASB issued a number of improvements to existing Australian Accounting Standards. The Trust will apply the revised standards from 1 July 2010 where applicable. The Trust is currently assessing the impact of the revised rules but does not expect it to be significant.

(iv) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013). On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Trust is listed on the ASX and is therefore not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. As a consequence, the two standards will have no impact on the Financial Statements of the Trust.

Note 2. Other expenses

	Note	2010 $'000	2009 $'000
Audit and other fees	3	**30**	34
Other professional fees		**12**	-
Custodian fees		**12**	15
Registry costs and listing fees		**91**	81
Other expenses		**14**	17
Annual reporting expense		**26**	28
Total other expenses		**185**	175

Note 3. Audit and advisory fees

During the year the auditor of the Trust and its related practices and non-related audit firms earned the following remuneration:

	2010 $	2009 $
(a) Assurance services		
Audit Services		
PwC Australia audit and review of Financial Statements and other audit work under the *Corporations Act 2001*	**28,459**	22,485
Total remuneration for assurance services	**28,459**	22,485
(b) Taxation services		
Fees paid to PwC Australia	**1,223**	11,126
Total remuneration for taxation services	**1,223**	11,126
Total remuneration for assurance and taxation services	**29,681**	33,611

Note 4. Current assets - receivables

	2010 $'000	2009 $'000
GST receivable	**2**	3
Total current assets - receivables	**2**	3

Note 5. Financial assets at fair value through profit and loss

Name of Entity	Principal activity	2010 $'000	2009 $'000
DOT Commercial Trust (DCT)	Office property investments	**204,000**	204,000
Total financial assets at fair value through profit or loss		**204,000**	204,000

On 15 June 2005, the Trust purchased 1,976,320 preference units in DCT for $100 each. Preference units do not confer on their holders any rights on the winding up of DCT or any rights to distributions. However, where a distribution is declared to preference unitholders, this distribution must be paid in preference to any distribution declared to ordinary unitholders. Preference units hold no voting rights in relation to DCT, other than where the matter is in relation to the rights of the preference units. In these matters, each preference unit carries 1,000 votes on a poll.

Note 6. Current liabilities - payables

	2010 $'000	2009 $'000
Accruals	**68**	63
Total current liabilities - payables	**68**	63

Note 7. Current liabilities - provisions

	2010 $'000	2009 $'000
Provision for distribution		
Opening balance as at 1 July 2009	**2,244**	4,631
Additional provisions	**10,302**	13,749
Payment of distributions	**(9,629)**	(16,136)
Closing balance as at 30 June 2010	**2,917**	2,244

Provision for distribution

A provision for distribution has been raised for the period ended 30 June 2010. This distribution was paid on 15 July 2010.

Note 8. Contributed equity

	2010	2009
	$'000	$'000
(a) Value of units on issue		
Opening balance as at 1 July	**197,705**	197,705
Closing balance as at 30 June	**197,705**	197,705

	2010	2009
	No. of units	No. of units
(b) Number of units on issue		
Opening balance as at 1 July	**2,040,001**	2,040,001
Closing balance as at 30 June	**2,040,001**	2,040,001

Terms and Conditions

Each preference unit ranks equally with all other preference units for the purposes of distributions and on termination of the Trust.

The one ordinary unit holds all the voting rights in the Trust, but has no beneficial interest in the Trust assets. The preference units hold the beneficial interest in the assets of the Trust. Payment of distributions to preference unitholders is at the Directors' discretion.

The preference units entitle holders to receive non-cumulative quarterly floating rate distributions at a margin of 130 basis points above the 90-day bank bill rate. The preference units may be exchanged for cash or stapled securities in DXS on 30 June 2012 (the Step-up Date). For each distribution period following the Step-up Date, the margin will increase by a once only step-up of 2 percent per annum unless the preference units are repurchased or exchanged.

Payments which become due and payable to holders are guaranteed on an unsecured and subordinated basis by the Responsible Entity of each of the DXS stapled trusts (each a guarantor). This guarantee ranks ahead of the distribution payments on stapled securities, but is subordinated to the claims of senior creditors.

Note 9. Retained profits

	2010	2009
	$'000	$'000
Retained profits as at 1 July	**6,321**	6,367
Total comprehensive income attributable to unitholders	**10,478**	13,703
Distributions provided for or paid	**(10,302)**	(13,749)
Retained profits as at 30 June	**6,497**	6,321

Note 10. Distributions paid and payable

	2010 **$'000**	2009 $'000
30 September 2009 (paid 16 October 2009)	**2,285**	4,651
31 December 2009 (paid 18 January 2010)	**2,387**	4,243
31 March 2010 (paid 19 April 2010)	**2,713**	2,611
30 June 2010 (payable 15 July 2010)	**2,917**	2,244
Total distributions paid and payable	**10,302**	13,749

	2010 **Cents per unit**	2009 Cents per unit
30 September 2009 (paid 16 October 2009)	**112.00**	228.00
31 December 2009 (paid 18 January 2010)	**117.00**	208.00
31 March 2010 (paid 19 April 2010)	**133.00**	128.00
30 June 2010 (payable 15 July 2010)	**143.00**	110.00
Total cents per unit	**505.00**	674.00

Note 11. Financial risk management

To ensure the effective and prudent management of the Trust's capital and financial risks, the Trust (as part of DXS), has a well established framework consisting of a Board Finance Committee and a Capital Markets Committee. The Board Finance Committee is accountable to and primarily acts as an advisory body to the DXFM Board and includes three Directors of the DXFM Board. Its responsibilities include reviewing and recommending financial risk management polices and funding strategies for approval.

The Capital Markets Committee is a management committee that is accountable to both the Board Finance Committee and the Group Management Committee. It convenes at least quarterly and conducts a review of financial risk management exposures including liquidity, funding strategies and hedging. It is also responsible for the development of financial risk management policies and funding strategies for recommendation to the Board Finance Committee, and the approval of treasury transactions within delegated limits and powers.

Further information on the DXS governance structure, including terms of reference, is available at www.dexus.com

1. Capital risk management

Capital risk management is not managed at the individual trust level, but rather holistically as part of DXS.

DXS manages its capital to ensure that entities within DXS will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The Trust is not rated by ratings agencies, however, DXS is rated BBB+ by Standard and Poor's and Baa1 by Moody's. The Trust considers potential impacts upon the rating when assessing the strategy and activities of the Trust.

DXFM has been issued with an Australian Financial Services Licence (AFSL). The licence is subject to certain capital requirements including the requirement to hold minimum net tangible assets (of $5 million), and maintaining a minimum level of surplus liquid funds. Furthermore, the Responsible Entity maintains trigger points in accordance with the requirements of the licence. These trigger points maintain a headroom value above the AFSL requirements and the entity has in place a number of processes and procedures should a trigger point be reached.

2. Financial risk management

The Trust's activities expose it to a variety of financial risks: credit risk, market risk (interest rate risk), and liquidity risk. Financial risk management is not managed at the individual trust level, but rather holistically as part of DXS. DXS's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of DXS.

Risk management is implemented by a centralised treasury department (Group Treasury) whose members act under written policies approved by the Board of Directors of the Responsible Entity. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Trust's business units. The treasury policies approved by the Board of Directors cover overall treasury risk management, as well as policies and limits covering specific areas such as liquidity risk, interest rate risk, foreign exchange risk, credit risk and the use of derivatives and other financial instruments. In conjunction with its advisers, as part of DXS, the Responsible Entity continually reviews the Trust's exposures and (at least annually) updates its treasury policies and procedures.

(a) Liquidity risk

Liquidity risk is the risk that the Trust will not have sufficient available funds to meet financial obligations in an orderly manner when they fall due or at an acceptable cost.

The Trust identifies and manages liquidity risk by continuously monitoring forecast and actual cash flows.

Note 11. Financial risk management (continued)

(a) Liquidity risk (continued)

Refinancing risk
A key liquidity risk is the Trust's ability to refinance its current facilities or alternative forms of capital. As the Trust's facilities mature, they are usually required to be refinanced with a replacement facility or alternative form of capital. The Trust distributes the majority of its realised operating income and therefore is not available to be used for funding requirements. The refinancing of existing facilities or alternative forms of capital or the requirement to raise new debt may also result in margin price risk, whereby market conditions may result in an unfavourable change in credit margins on the new or refinanced facilities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate because of changes in market prices. The market risk that the Trust is exposed to is detailed further below.

(i) Interest rate risk
Interest rate risk is the risk that fluctuating interest rates will cause an adverse impact on interest payable (or receivable), or an adverse change on the capital value (present market value) of long-term fixed rate instruments.

Interest rate risk for the Trust arises from distributions on the Trust's units which are priced based on the 90 day bank bill rate (until 1 July 2012). This exposes the Trust to cash flow interest rate risk.

The primary objective of DXS's risk management policy for interest rate risk is to minimise the effects of interest rate movements on the DXS portfolio of financial assets and liabilities and financial performance. The policy sets out the minimum and maximum hedging amounts for the Trust which is managed on a portfolio basis.

The Trust does not transact derivative financial instruments rather, derivative financial instruments are transacted at the DXS level to hedge the Trust's cash flow interest rate risk. Cash flow interest rate risk on borrowings is managed through the use of interest rate swaps, whereby a floating interest rate exposure is converted to a fixed interest rate exposure.

Sensitivity on interest rates
An increase of a 50bps increase in interest rates would result in an increase to the Trust's distribution of $1.0 million (2009: $1.0 million). The sensitivity on cash flow arises due to the impact that a change in interest rates will have on the Trust's distribution calculation. The increase or decrease in the distribution is proportional to the increase or decrease in interest rates.

(c) Credit risk

Credit risk is the risk of loss to the Trust in the event of non-performance by the Trust's financial instrument counterparties. Credit risk arises from cash and cash equivalents and loans and receivables. The Trust has exposure to credit risk on all financial assets.

The Trust manages this risk by:

- Adopting a process for determining an approved counterparty, with consideration of qualitative factors as well as the counterparty's rating; and
- Regularly monitoring loans and receivables on an ongoing basis.

The maximum exposure to credit risk at 30 June 2010 and at 30 June 2009 is the carrying amount of financial assets recognised on the Statement of Financial Position of the Trust. The Trust does not hold any significant amounts of collateral as security.

As at 30 June 2010, there were no loans or receivables that were past due or impaired (2009: nil).

The credit quality of financial assets that are neither past due nor impaired is consistently monitored to ensure that there are no adverse changes in credit quality.

Note 11. Financial risk management (continued)

(d) Fair value of financial instruments

Fair value interest rate risk is the risk of an adverse change in the net fair (or market) value of an asset or liability due to movements in interest rates.

At 30 June 2010, the carrying amounts and fair value of financial assets and liabilities are shown as follows:

	2010 Carrying amount [1] $'000	**2010 Fair value [2] $'000**	2009 Carrying amount [1] $'000	2009 Fair value [2] $'000
Financial assets				
Cash and cash equivalents	**3,185**	**3,185**	2,330	2,330
Loans and receivables (current)	**2**	**2**	3	3
Financial assets at fair value through profit and loss	**204,000**	**204,000**	204,000	204,000
Total financial assets	**207,187**	**207,187**	206,333	206,333
Financial liabilities				
Payables	**68**	**68**	63	63
Provisons	**2,917**	**2,917**	2,244	2,244
Total financial liabilities	**2,985**	**2,985**	2,307	2,307

[1] Carrying value is equal to the value of the financial instruments on the Statement of Financial Position.
[2] Fair value is the amount for which the financial instrument could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, however, not recognised on the Statement of Financial Position.

Refer note 1(b) for the fair value methodology

Determination of fair value
The Trust uses methods in the determination and disclosure of the fair value of financial instruments. These methods comprise:
Level 1: the fair value is calculated using quoted prices in active markets.
Level 2: the fair value is determined using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable data.

The following table presents the Trust's financial assets and liabilities measured and recognised at fair value at 30 June 2010.

Financial assets and liabilities	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**2010 $'000**
Financial assets				
Financial assets at fair value through profit and loss	**-**	204,000	-	204,000
	-	**204,000**	**-**	**204,000**

Note 12. Contingent liabilities

The directors of the Responsible Entity are not aware of any contingent liabilities in relation to the Trust, other than those disclosed in the Financial Statements, which should be brought to the attention of security holders as at the date of completion of this report.

Note 13. Commitments

There are no commitments receivable or payable which have not been recognised at the end of the reporting period.

Note 14. Related parties

Responsible Entity
The Trust was formed on 27 January 2005, at which time DXFM was appointed as the Responsible Entity.

Responsible Entity fees
Under the terms of the Trust Constitution, the Responsible Entity is not entitled to receive fees in relation to the management of the Trust. However, DXH is entitled to be reimbursed for expenses incurred in relation to administration or management of the Trust.

During the year the Trust paid $15,144 (2009: $5,168) to DXH in relation to administration expenses.

Related party transactions
All related party transactions are conducted on normal commercial terms and conditions unless otherwise stated.

Unitholdings
The Trust has no investments in the Responsible Entity. The Trust has an investment in DCT, a sub trust of DOT, whose Responsible Entity is also DXFM. DOT is part of the DXS stapled security which is listed on the Australian Stock Exchange.

The following persons were Directors of DXFM at all times during the year:

Directors
C T Beare, BSc, BE (Hons), MBA, PhD, FAICD[1,4,5]
E A Alexander AM, BComm, FCA, FAICD, FCPA[1,2,6]
B R Brownjohn, BComm[1,2,5,6]
J C Conde AO, BSc, BE(Hons), MBA [1,3,4]
S F Ewen OAM[1,4]
V P Hoog Antink, BComm, MBA, FCA, FAPI, FRICS, MAICD
B E Scullin, BEc[1,3,7]
P B St George, CA(SA), MBA [1,2,5,6]

[1] Independent Director
[2] Audit Committee Member
[3] Compliance Committee Member
[4] Nomination and Remuneration Committee Member
[5] Finance Committee Member
[6] Risk & Sustainability Committee Member (name changed from Board Risk Committee on 2 June 2010)
[7] Nomination and Remuneration Committee Member from 1 July 2009 to 31 August 2009

No Directors held an interest in the Trust for the years ended 30 June 2010 and 30 June 2009.

Other key management personnel

In addition to the Directors listed above the following persons were deemed by the Board Nomination and Remuneration Committee to be key management personnel during all or part of the financial year.

Directors	Title
Victor P Hoog Antink	Chief Executive Officer
Tanya L Cox	Chief Operating Officer
Patricia A Daniels	Head of Human Resources
John C Easy	General Counsel
Jane Lloyd	Head of US Investments
Louise J Martin	Head of Office
Craig D Mitchell	Chief Financial Officer
Paul G Say	Head of Corporate Development
Mark F Turner	Head of Funds Management
Andrew P Whiteside	Head of Industrial

Note 14. Related parties (continued)

Other key management personnel (continued)

Remuneration received by key management personnel of the Trust is a cost of DXH and not the Trust. DXH does not recover any proportion of their remuneration from the Trust.

No key management personnel or their related parties held an interest in the Trust for the years ended 30 June 2010 and 30 June 2009.

There were no loans or other transactions with key management personnel or their related parties during the years ended 30 June 2010 and 30 June 2009.

Note 15. Events occurring after reporting date

Since the end of the year, the Directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in their Directors' Report or the Financial Statements that has significantly or may significantly affect the operations of the Trust, the results of those operations, or state of the Trust's affairs in future financial periods.

Note 16. Operating segments

The Chief Operating Decision Maker (CODM) has been identified as the Board of Directors of DXFM as they are responsible for the strategic decision making for the Trust. The CODM monitors the performance and makes decisions on the allocation of resources for the Trust on a stand alone basis. Therefore management has determined that there are no separate operating segments within the Trust.

The Trust operates within the property trust investment sector with all investments being located in Australia.

Note 17. Reconciliation of net profit to net cash inflow from operating activities

	2010 **$'000**	2009 $'000
Net profit	**10,478**	13,703
Change in operating assets and liabilities		
Decrease in receivables	**1**	5
Increase/(decrease) in payables	**5**	(2)
Net cash inflow from operating activities	**10,484**	13,706

Note 18. Earnings per unit

(a) Basic earnings unit

	2010 cents per unit	2009 cents per unit
Basic earnings per ordinary unit	-	-
Basic earnings per preference unit	513.63	671.72

(b) Diluted earnings per unit

	2010 cents per unit	2009 cents per unit
Diluted earnings per ordinary unit	-	-
Diluted earnings per preference unit	513.63	671.72

(c) Reconciliation of earnings used in calculating earnings per unit

	2010 $'000	2009 $'000
Profit attributable to ordinary unitholders of the Trust used in the calculation of basic and diluted earnings per unit	-	-
Profit attributable to preference unitholders of the Trust used in the calculation of basic and diluted earnings per unit	10,478	13,703
Profit attributable to unitholders of the Trust used in the calculation of basic and diluted earnings per unit	10,478	13,703

(d) Weighted average number of units used as a denominator

	2010 No. of units	2009 No. of units
Weighted average number of ordinary units outstanding used in the calculation of basic and diluted earnings per unit	1	1
Weighted average number of preference units outstanding used in the calculation of basic and diluted earnings per unit	2,040,000	2,040,000

The Directors of DEXUS Funds Management Limited as Responsible Entity of DEXUS RENTS Trust (the Trust) declare that the Financial Statements and notes set out on pages 6 to 22:

(i) comply with applicable Australian Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the Trust's financial position as at 30 June 2010 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

In the Directors' opinion:

(a) the Financial Statements and notes are in accordance with the *Corporations Act 2001*;

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and

(c) the Trust has operated in accordance with the provisions of the Constitution dated 27 January 2005 during the year ended 30 June 2010.

Note 1(a) confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Christopher T Beare
Chair
17 August 2010

PRICEWATERHOUSECOOPERS

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Independent auditor's report to the unitholders of DEXUS RENTS Trust

Report on the financial report

We have audited the accompanying financial report of DEXUS RENTS Trust (the Trust) which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for DEXUS RENTS Trust.

Directors' responsibility for the financial report

The directors of DEXUS Funds Management Limited (the responsible entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

PRICEWATERHOUSECOOPERS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of DEXUS RENTS Trust is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Trust's financial position as at 30 June 2010 and its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of DEXUS RENTS Trust for the year ended 30 June 2010 included on DEXUS RENTS Trust web site. The Trust's directors are responsible for the integrity of the DEXUS RENTS Trust web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

JA Dunning

JA Dunning
Partner

Sydney
17 August 2010