

DEXUS RENTS Trust - ASX release

15 February 2012

DEXUS RENTS Trust (ASX: DXRPA) 2012 half year results

DEXUS RENTS Trust provides the following documents to ASX Limited:

- Appendix 4D statement - results for announcement to the market
- Financial statements for DEXUS RENTS Trust for the period ending 31 December 2011, including Independent Auditor's Review Reports from PricewaterhouseCoopers.

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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 \$14bn. In Australia, DEXUS is a market leader in office and 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.
www.dexus.com

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

DEXUS RENTS TRUST (ASX: DXRPA) APPENDIX 4D

Results for announcement to the market

DEXUS RENTS Trust

ARSN 112 705 852

Financial reporting for the half year ended 31 December 2011

	31 Dec 2011	31 Dec 2010	% change
	\$'000	\$'000	
Income from ordinary activities	6,535	6,355	2.83%
Net profit from ordinary activities after tax attributable to security holders	6,432	6,237	3.13%
Net profit after tax attributable to security holders	6,432	6,237	3.13%
Distribution to security holders	6,324	6,344	-0.32%
Distributions per security	CPS	CPS	
30 September	158.00	155.00	1.94%
31 December	152.00	156.00	-2.56%
Total distributions	310.00	311.00	
	\$'000	\$'000	
Total assets	207,274	207,348	-0.04%
Total borrowings	Nil	Nil	0.00%
Security holders equity	204,137	204,094	0.02%
Market capitalisation	197,880	189,720	4.30%
	\$ per security	\$ per security	
Net tangible assets	100.07	100.05	-0.08%
Security price	97.00	93.00	12.76%
Securities on issue ('000)	2,040	2,040	0.00%
Record date - 31 December distribution	30 Dec 2011	31 Dec 2010	
Payment date - 31 December distribution	17 Jan 2012	18 Jan 2011	

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 half year ended 31 December 2011. No new entities were acquired during the half year ended 31 December 2011.

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.

Income from Ordinary Activities and Distributions to Security Holders is stable as compared to the half year ended 31 December 2010, in line with movements in the 90 day bank bill rate.

The 90 day bank bill rates during the half year ended 31 December 2011 and 31 December 2010 were as follows:

	2011	2010
30 September	4.9767%	4.8400%
31 December	4.7283%	4.8800%

For a review of the results of DEXUS RENTS Trust for the half year ended 31 December 2011, refer to the Financial Statements for the half year ended 31 December 2011.

Notes

Attached with this Appendix 4D is a copy of the Financial Statements for the half year ended 31 December 2011 together with the Independent Auditor's Review Report from PricewaterhouseCoopers.



DEXUS RENTS Trust (ARSN 112 705 852)

Interim Report
31 December 2011



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The Directors of DEXUS Funds Management Limited (DXFM) as Responsible Entity of DEXUS RENTS Trust (RENTS or the Trust) present their Directors' Report together with the Financial Statements for the half year ended 31 December 2011.

1 Directors

The following persons were Directors of DXFM at all times during the half year and to the date of this Directors' Report, unless otherwise stated.

Directors	Appointed	Resigned
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	
Tonianne Dwyer	24 August 2011	
Stewart F Ewen, OAM	4 August 2004	
Victor P Hoog Antink	1 October 2004	
Brian E Scullin	1 January 2005	31 October 2011
Richard Sheppard	1 January 2012	
Peter B St George	29 April 2009	

2 Review and results of operations

The results for the half year ended 31 December 2011 were:

- Profit attributable to unitholders was \$6.4 million (December 2010: \$6.2 million);
- Distributions paid and payable to unitholders was \$6.3 million (December 2010: \$6.3 million);
- Total assets were \$207.3 million (June 2011: \$207.2 million); and
- Net assets were \$204.1 million (June 2011: \$204.0 million).

3 Likely developments and expected results of operations

At the discretion of DXFM, as Responsible Entity of the Trust, the preference units of the Trust may be exchanged for cash or stapled securities in DEXUS Property Group (DXS) on the last business day prior to the Step-up Date if a realisation notice has been provided to unitholders no earlier than six months before and no later than 25 business days before 1 July 2012 (the Step-up Date).

Following the Step-up Date, the units will continue as preference units and the margin received by unitholders will increase by a once only step-up of two percent per annum for each distribution period unless they are exchanged for cash or DXS stapled securities. The preference units may be repurchased or exchanged on the last business day of each distribution period following the Step-up Date if a realisation notice has been provided to unitholders no earlier than six months before and no later than 25 business days before the last day of a distribution period.

In the event of an exchange for cash, unitholders will receive face value (\$100) for each preference unit held plus any unpaid distribution amount. In the event of an exchange for stapled securities in DXS, unitholders will receive DXS stapled securities for each preference unit at a ratio of the face value for each preference unit, plus any unpaid distribution amount, divided by 98% of the average of the daily volume weighted average sales prices of DXS stapled securities sold on the ASX during the 20 business days prior to the last business day before Step-up date or the last business day of a distribution period.

All options are available to DXFM in the current market and a final decision has not yet been made as at the date of this Directors' Report.

4 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 on page 3 and forms part of this Directors' Report.

5 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 the 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.

6 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 14 February 2012. The Directors have the power to amend and reissue the Financial Statements.



Christopher T Beare
Chair
14 February 2012



Victor P Hoag Antink
Chief Executive Officer
14 February 2012



Auditor's Independence Declaration

As lead auditor for the review of DEXUS RENTS Trust for the half year ended 31 December 2011, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of DEXUS RENTS Trust.

A handwritten signature in black ink, appearing to read 'EA Barron', written over a circular scribble.

EA Barron
Partner
PricewaterhouseCoopers

Sydney
14 February 2012

DEXUS RENTS Trust**Statement of Comprehensive Income**

For the half year ended 31 December 2011

	Note	31 Dec 2011 \$'000	31 Dec 2010 \$'000
Revenue			
Distribution revenue		6,524	6,344
Interest revenue		11	11
Total revenue		6,535	6,355
Expenses			
Other expenses		(103)	(118)
Total expenses		(103)	(118)
Profit attributable to unitholders of DEXUS RENTS Trust		6,432	6,237
Total comprehensive income attributable to unitholders of DEXUS RENTS Trust		6,432	6,237
		Cents	Cents
Earnings per unit¹			
Basic earnings per unit	8	-	-
Diluted earnings per unit	8	-	-

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 8 of the Notes to the Financial Statements.

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

DEXUS RENTS Trust
Statement of Financial Position
As at 31 December 2011

	Note	31 Dec 2011 \$'000	30 June 2011 \$'000
Current assets			
Cash and cash equivalents		3,245	3,214
Receivables		10	2
Other		19	-
Total current assets		3,274	3,216
Non-current assets			
Financial assets at fair value through profit or loss	2	204,000	204,000
Total non-current assets		204,000	204,000
Total assets		207,274	207,216
Current liabilities			
Payables		36	45
Provisions		3,101	3,142
Total current liabilities		3,137	3,187
Total liabilities		3,137	3,187
Net assets		204,137	204,029
Equity			
Contributed equity	3	197,705	197,705
Retained profits		6,432	6,324
Total equity		204,137	204,029

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

DEXUS RENTS Trust**Statement of Changes in Equity**

For the half year ended 31 December 2011

		Contributed equity	Retained profits	Total equity
	Note	\$'000	\$'000	\$'000
Opening balance as at 1 July 2010		197,705	6,497	204,202
Profit attributable to unitholders of DEXUS RENTS Trust		-	6,237	6,237
Transactions with owners in their capacity as owners				
Distributions paid or provided for	4	-	(6,344)	(6,344)
Closing balance as at 31 December 2010		197,705	6,390	204,095
Opening balance as at 1 July 2011		197,705	6,324	204,029
Profit attributable to unitholders of DEXUS RENTS Trust		-	6,432	6,432
Transactions with owners in their capacity as owners				
Distributions paid or provided for	4	-	(6,324)	(6,324)
Closing balance as at 31 December 2011		197,705	6,432	204,137

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

DEXUS RENTS Trust**Statement of Cash Flows**

For the half year ended 31 December 2011

	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Cash flows from operating activities		
Payments in the course of operations (inclusive of GST)	(139)	(136)
Interest received	11	11
Distributions received	6,524	3,160
Net cash inflow from operating activities	6,396	3,035
Cash flows from financing activities		
Distributions paid	(6,365)	(6,079)
Net cash outflow from financing activities	(6,365)	(6,079)
Net increase/(decrease) in cash and cash equivalents	31	(3,044)
Cash and cash equivalents at the beginning of the period	3,214	3,185
Cash and cash equivalents at the end of the period	3,245	141

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 interim Financial Statements for the half year ended 31 December 2011 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These Financial Statements do not include notes of the type normally included in an annual financial report. Accordingly these Financial Statements should be read in conjunction with the annual Financial Statements for the year ended 30 June 2011 and any public pronouncements made by the Trust during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(b) 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 relating to financial assets at fair value through profit and loss, no key assumptions concerning the future or other estimation of uncertainty at the end of each reporting period have a significant risk of causing material adjustments to the Financial Statements in the next reporting period.

Note 2

Financial assets at fair value through profit and loss

<u>Name of Entity</u>	<u>Principal activity</u>	<u>31 Dec 2011</u>	<u>30 Jun 2011</u>
		<u>\$'000</u>	<u>\$'000</u>
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 3**Contributed equity**

(a) Value of units on issue	For the 6 months to 31 Dec 2011 \$'000	For the 12 months to 30 Jun 2011 \$'000
Ordinary units		
Opening balance at the beginning of the period	-	-
Closing balance at the end of the period	-	-
Preference units		
Opening balance at the beginning of the period	197,705	197,705
Closing balance at the end of the period	197,705	197,705
Total value of units issued at the end of the period	197,705	197,705
(b) Number of units on issue	For the 6 months to 31 Dec 2011 No. of units	For the 12 months to 30 Jun 2011 No. of units
Ordinary units		
Opening balance at the beginning of the period	1	1
Closing balance at the end of the period	1	1
Preference units		
Opening balance at the beginning of the period	2,040,000	2,040,000
Closing balance at the end of the period	2,040,000	2,040,000

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. 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.

At the discretion of DXFM, as Responsible Entity of the Trust, the preference units of the Trust may be exchanged for cash or stapled securities in DEXUS Property Group (DXS) on the last business day prior to the Step-up Date if a realisation notice has been provided to unitholders no earlier than six months before and no later than 25 business days before 1 July 2012 (the Step-up Date).

Following the Step-up Date, the units will continue as preference units and the margin received by unitholders will increase by a once only step-up of two percent per annum for each distribution period unless they are exchanged for cash or DXS stapled securities. The preference units may be repurchased or exchanged on the last business day of each distribution period following the Step-up Date if a realisation notice has been provided to unitholders no earlier than six months before and no later than 25 business days before the last day of a distribution period.

Note 3

Contributed equity (continued)

In the event of an exchange for cash, unitholders will receive face value (\$100) for each preference unit held plus any unpaid distribution amount. In the event of an exchange for stapled securities in DXS, unitholders will receive DXS stapled securities for each preference unit at a ratio of the face value for each preference unit, plus any unpaid distribution amount, divided by 98% of the average of the daily volume weighted average sales prices of DXS stapled securities sold on the ASX during the 20 business days prior to the last business day before Step-up date or the last business day of a distribution period.

Note 4

Distributions paid and payable

	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
30 September 2011 (paid 18 October 2011)	3,223	3,162
31 December 2011 (paid 17 January 2012)	3,101	3,182
Total distributions paid and payable	6,324	6,344

	31 Dec 2011	31 Dec 2010
	Cents per unit	Cents per unit
30 September 2011 (paid 18 October 2011)	158.00	155.00
31 December 2011 (paid 17 January 2012)	152.00	156.00
Total cents per unit	310.00	311.00

Note 5

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 unitholders as at the date of completion of this report.

Note 6

Events occurring after reporting date

Since the end of the period, 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 7

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 8**Earnings per unit**

	31 Dec 2011	31 Dec 2010
	Cents per unit	Cents per unit
Basic earnings per ordinary unit	-	-
Basic earnings per preference unit	315.29	305.74
Diluted earnings per ordinary unit	-	-
Diluted earnings per preference unit	315.29	305.74
<hr/>		
(a) Reconciliation of earnings used in calculating earnings per unit	31 Dec 2011	31 Dec 2010
	\$'000	\$'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	6,432	6,237
Profit attributable to unitholders of the Trust used in the calculation of basic and diluted earnings per unit	6,432	6,237
<hr/>		
(b) Weighted average number of units used as a denominator	31 Dec 2011	31 Dec 2010
	No. of units	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

DEXUS Rents Trust
Directors' Declaration

For the half year ended 31 December 2011

In the Directors' opinion:

- (a) the Financial Statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2011 and of its performance for the half year ended on that date;
- (b) there are reasonable grounds to believe that DEXUS RENTS 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 half year ended 31 December 2011.

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



Christopher T Beare
Chair
14 February 2012



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of DEXUS RENTS Trust, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the DEXUS RENTS Trust (the Trust).

Directors' responsibility for the half-year financial report

The directors of DEXUS Funds Management Limited (the Responsible Entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the the Trust's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DEXUS RENTS Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of DEXUS RENTS Trust is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Trust's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'EA Barron', with a large, stylized flourish underneath.

EA Barron
Partner

Sydney
14 February 2012