

DEXUS Property Group Annual Results 2008

Victor Hoog Antink
Chief Executive Officer



DEXUS Funds Management Limited
ABN 24 060 920 783
Australian Financial Services Licence Holder

DEXUS
PROPERTY GROUP

State of the market - DEXUS focus

Market

- Credit crunch is creating volatile financial markets
- Property sector fundamentals are sound
- Flight to quality

DEXUS focus

- Active property management
- Active capital management

Strong results underpinning distribution growth

- Financial highlights

- Stable operating earnings \$498m
- Strong DPU growth 11.9c, up 5.3%
- Gearing reduced 33.2%

- Operational highlights

- Like for like property income growth 4.5%
- Strong leasing activity 818,000 sqm
- Stable portfolio occupancy 93.7%
- Steady lease duration 4.8 yrs

2008 Achievements

- Retail portfolio disposal
 - Focusing strategy on office and industrial
- Acquisition of CalWest's 20% JV interest
 - Creating flexibility to reposition the US portfolio
- Internalisation of management platform
 - Full alignment with investor interests
- Australia's largest 6 Star development program

1 Bligh, Sydney NSW - Artist Impression



Agenda

- Overview
- Financial performance
 - Craig Mitchell
- Office portfolio
 - Louise Martin
- Industrial portfolio
 - Andrew Whiteside
- International portfolio
 - Paul Say
- Third party funds management
- Summary and outlook

DEXUS House, 343 George Street, Sydney



Our business today

- Total portfolio value \$15.3 bn
 - Owned property portfolio \$8.9 bn
 - Third party funds management \$6.4 bn

- Quality and scale:

	Owned ¹	Group
- No 1 in office	\$4.6 bn	\$7.1 bn
- No 3 in industrial	\$1.6 bn	\$2.3 bn
- Retail	\$0.3 bn	\$3.7 bn
- International	\$2.2 bn	\$2.2 bn

- Market leader in sustainability

- Experienced management team



1. Excludes cash & other

Expanded leadership team



DEXUS Executive Committee. Left to right: Paul Say - Corporate Development/US, Andrew Whiteside - Industrial, Jane Lloyd - Retail, Tanya Cox - COO, Victor Hoog Antink - CEO, Pat Daniels - HR, John Easy - Legal, Mark Turner - Unlisted/Europe, Louise Martin - Office, Craig Mitchell - CFO

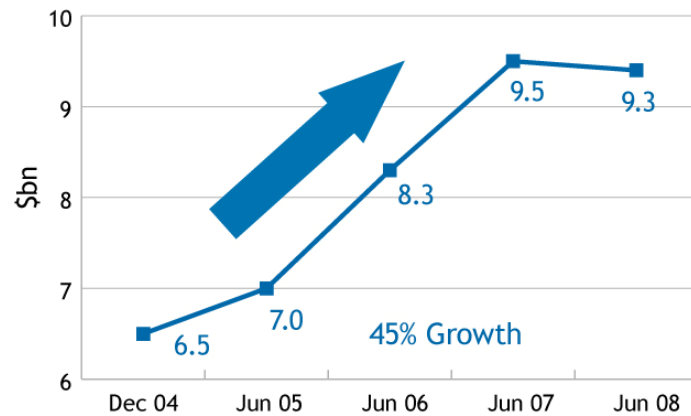
Financial performance

Craig Mitchell
Chief Financial Officer

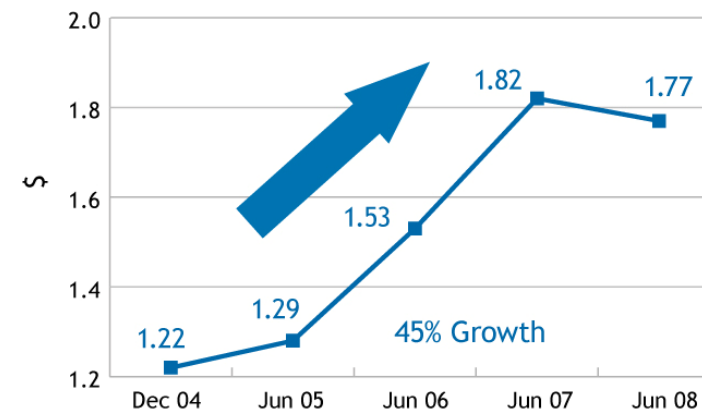


Consistent performance

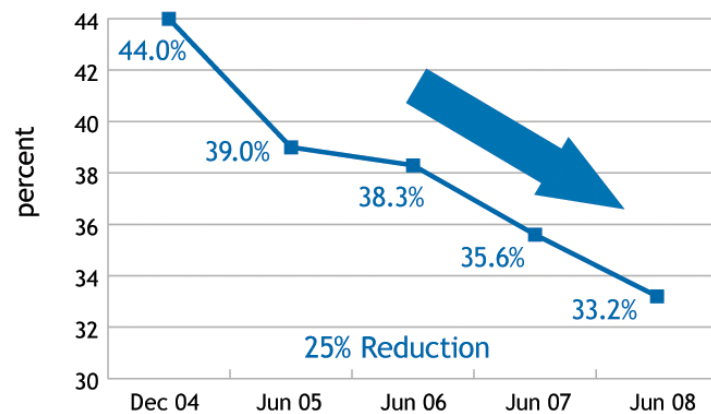
Total assets



Net tangible asset value per security



Gearing ratio



Distributions per security



Stable operating earnings

	Jun 08 \$'m	Jun 07 \$'m
Office	242.6	254.5
Industrial (Aust & Int)	237.6	222.8
Retail	27.6	55.2
Development gains	5.9	0.0
Management income ^{1,2}	16.2	13.9
Responsible Entity fees ²	(31.9)	(33.1)
Operating Earnings	498.0	513.3
Net finance cost and other ³	(175.1)	(218.3)
Distribution adjustments ⁴	32.5	30.8
Distribution	355.4	325.8
Distributions per security	11.9c	11.3c

1. Represents proportionate share of DXH EBIT of \$21.8m (refer appendix slide 57) ie. 50% share from 1 July 2007 to 21 February 2008 and then 100% ownership to 30 June 2008

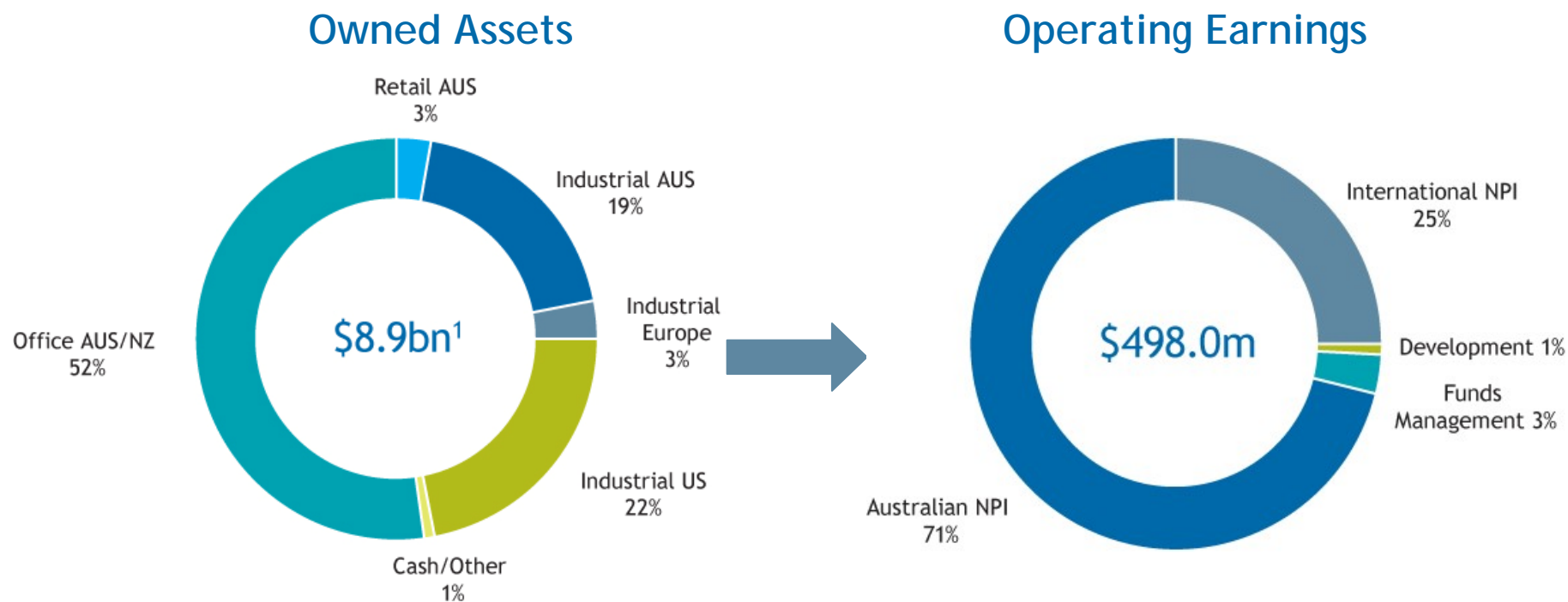
2. Includes \$10m of responsible entity fees, grossed up for presentation purposes. The management fee revenue (\$10m) and responsible entity fee expenses (\$10m) are eliminated from 21 February 2008 as the management company is a wholly owned consolidated entity

3. Includes \$213.2m finance costs less \$70.0m of unrealised interest rate swap MTM refer appendix slide 56 + other costs.

4. Refer to appendix slide 56 - includes all distribution adjustments except for prop. revals. of \$185.4m & unrealised MTM of interest rates swaps of \$70.0m (included in net interest above).



Risk adjusted returns



1. Excludes intangible assets of \$255m for management rights

Capitalisation rates soften

- 75% of the portfolio book independently valued
- Average capitalisation rates have softened by 40 bps in the last six months
- Entire portfolio revaluation increase of \$184m or 2% over 12 months

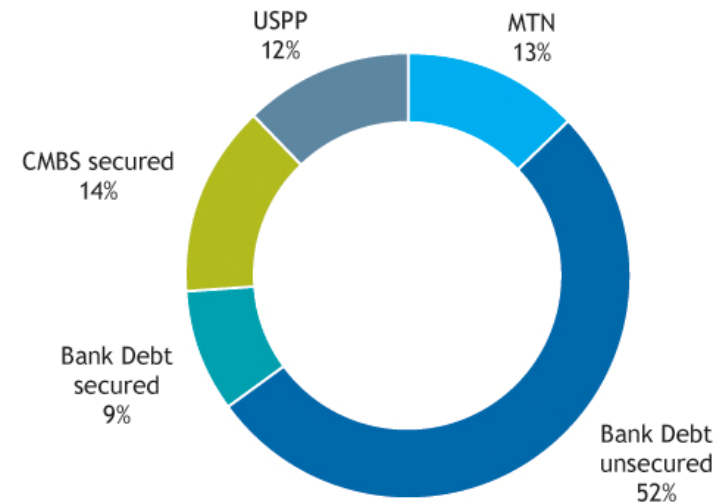
	Cap rate Jun 07 %	Cap rate Jun 08 %	Inv. property \$'m ¹	1H08 \$'m ²	2H08 \$'m ²	FY08 \$m ²
Australia office	6.1	6.4	4,336	293	(26)	267
Australia industrial	7.2	7.5	1,447	87	(66)	21
Australia retail	5.6	5.8	280	1	2	3
North America industrial	6.5	6.9	1,805	(10)	(52)	(62)
European industrial ³	6.8	7.4	314	(35)	(10)	(45)
Total	6.4	6.7	8,182	336	(152)	184

1. Excludes cash and assets held as property, plant and equipment and equity accounted assets
2. Revaluation amounts exclude investment properties accounted for using the equity method - \$1m
3. Discount rate quoted due to cashflow valuation being performed.

Strong capital framework

- Robust internal capital management processes
- Diversified funding sources
 - Bank and capital markets
 - Domestic & international
- Transparent debt structure
 - No off balance sheet debt (no look through adjustments)
 - Majority of facilities unsecured - all rank pari passu
 - Recourse of all secured facilities limited to the underlying assets
- Refinancing risk spread across 9 years

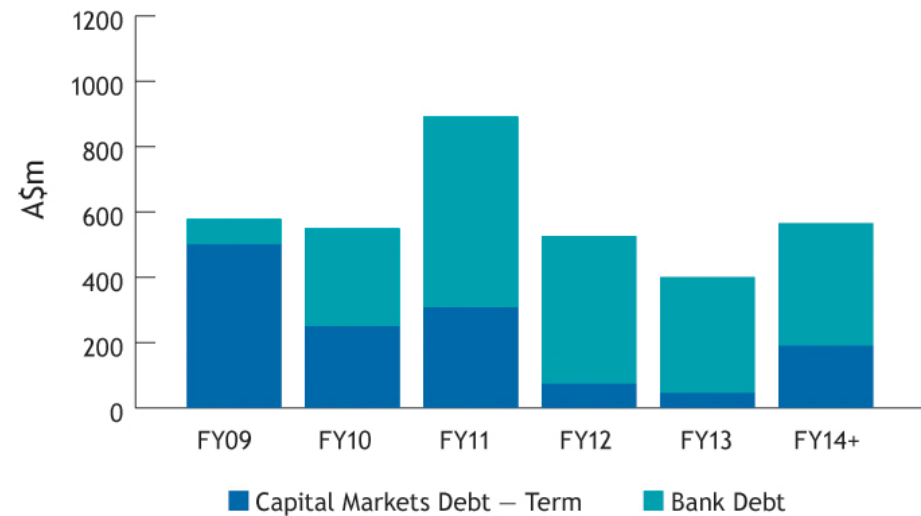
Facility mix June 08



Pro-active debt management

- Refinanced all 2008 maturities
 - \$500m, average term 5.5 yrs
 - \$300m, average term 3.8 yrs
- \$580m debt maturities in FY09
 - \$250m commitments already secured
- Committed undrawn facilities of approx \$500m
- Well within key covenants¹
 - Gearing <55% actual 33.2%²
 - Interest cover > 2.0x actual 3.0x
 - Priority debt < 30% actual 9.2%

Maturity profile June 08



1. As per public bond covenants

2. Adjusted for cash

Key financial risk management measures

	Jun 08	Jun 07
Gearing ¹	33.2%	35.6%
Interest cover	3.0x	2.9x
Headroom (approx)	\$500m	\$400m
Duration of debt	3.0 yrs	2.8 yrs
Interest hedge duration	6.2 yrs	6.0 yrs
Weighted average cost of debt ²	5.4%	5.7%
Debt hedged	86%	93%
Foreign balance sheet hedged ³	93%	91%
Foreign income hedged ⁴	91%	96%
S&P Rating	BBB+	BBB+

1. Gearing = Interest Bearing Liabilities (excluding deferred borrowing costs) less cash / Total Tangible Assets (excluding derivatives and deferred and current tax assets) less cash. Gearing based on covenant definitions = 33.9% (not adjusted for cash).

2. Inclusive of margins and fees

3. Excludes working capital and cash

4. Refer appendix for further details

Distribution policy

- Distribution policy to pay:
 - 100% of trust operating earnings
 - 100% of funds management earnings
 - Up to 100% of development profits

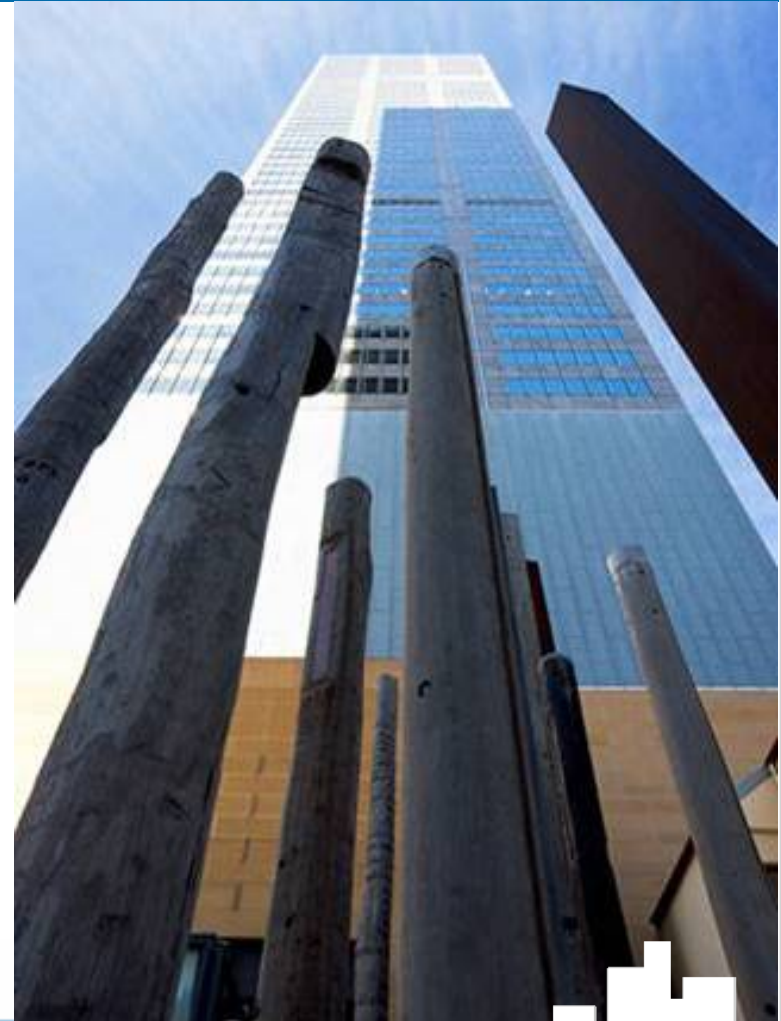
The Zenith, Pacific Highway, Chatswood NSW



Strong financial position

- Consistent financial returns
- Stable operating earnings
- Effective capital management
- Well positioned for the future

Governor Phillip Tower, 1 Farrer Place, Sydney NSW



Office Portfolio

Louise Martin
Head of Office



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Highlights – solid performance

- Solid portfolio performance
- High quality portfolio
- Strong like for like NPI growth
- Occupancy high
- Under-rented portfolio
- Substantial progress of development pipeline

30 The Bond, Sydney NSW

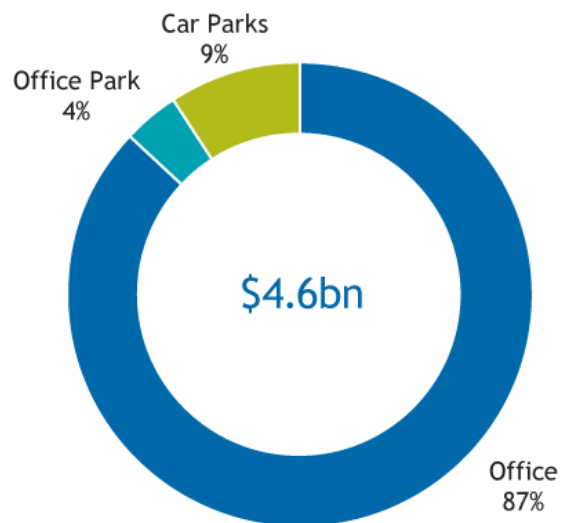


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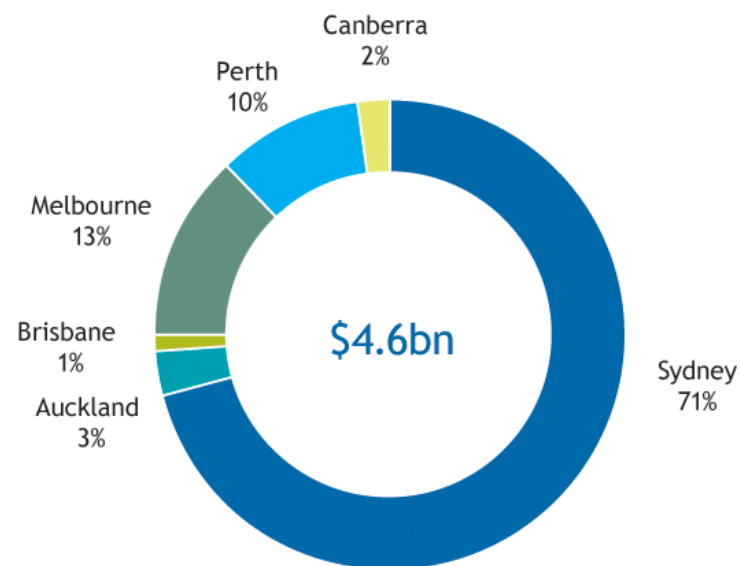
Quality portfolio – strategic location, quality assets

- High quality assets – 95% of office buildings are Prime or A-grade¹
- Geographic spread – 71% of portfolio located in Sydney

Allocation by asset class



Geographical allocation by market

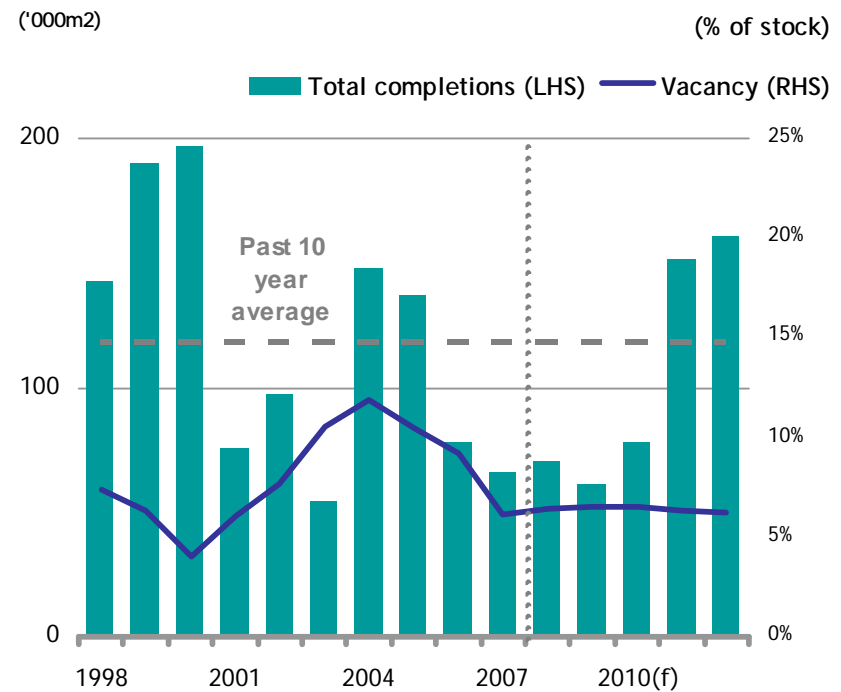


1. Includes office parks. Does not include car parks.

Office Market - well positioned

- Solid growth from market rents in all major office markets
- Historically high occupancy rates
- Easing leasing market
- Further rises in rents expected nationally - although outlook variable by market
- We are well-positioned by market
- Quality assets to outperform secondary

Sydney CBD net absorption



Strong portfolio fundamentals

- Solid like on like growth of 4.4%
- High occupancy levels at 98%
- Access to market growth
 - 13% portfolio under-rented
 - 42% exposed to market over next 2 years
- Capital values steady

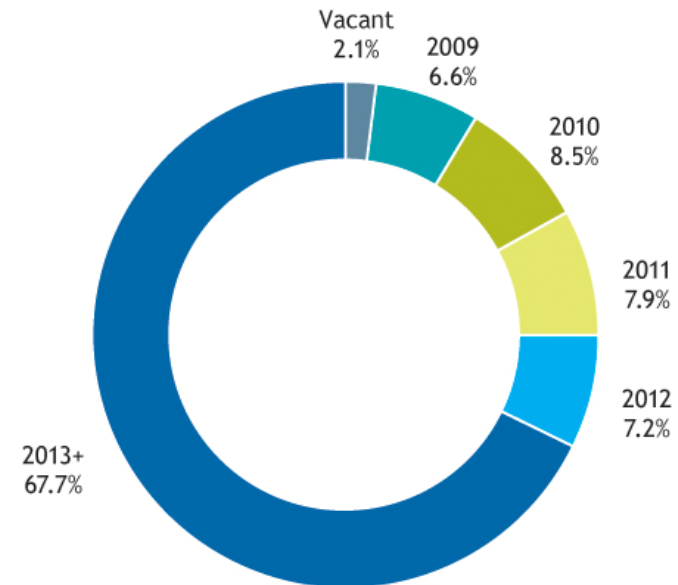
Net Property Income	Like for like	Occupancy (area)	Occupancy (income)	% Over/Under Rented	Mkt reviews over 2 yrs	Retention rates	Lease duration ¹	Portfolio value	Avg cap rate
\$242.6m	4.4%	97.7%	97.9%	13% under	42%	72%	5.7yrs	\$4.6bn	6.4%

1. By income

Office leasing - strong performance, active management

- Strong leasing with 93,000 sqm¹ leased
- Average rental increase was 6.9%
- Major leasing deals:
 - 123 Albert Street, Rio Tinto 26,000 sqm, 10 yrs
 - Southgate, IBM, 15,500 sqm, 9 yrs
 - 14 Moore Street, Commonwealth/Australia, 6,400 sqm, 5 yrs
- Leasing focus on vacancies & FY09 expiries

Office lease expiry by income



1. Includes 26,000 sqm of development under construction

Significant office development underway

- 123 Albert Street
 - 38,600 sqm of office
 - 68% pre-committed to Rio Tinto with option to expand
 - demolition commenced, completion due Dec HY 2010
 - estimated development cost \$350m

- 1 Bligh Street
 - 42,000 sqm office component only
 - negotiations with tenants are well advanced
 - demolition commenced, completion due June HY 2011
 - estimated development cost¹ \$410m

Property	GLA (sqm)	Est. development cost ¹ (\$'m)
Underway	86,000	785
Future pipeline	116,400	287
Total	202,400	1,072

1 Bligh, Sydney NSW - Development works

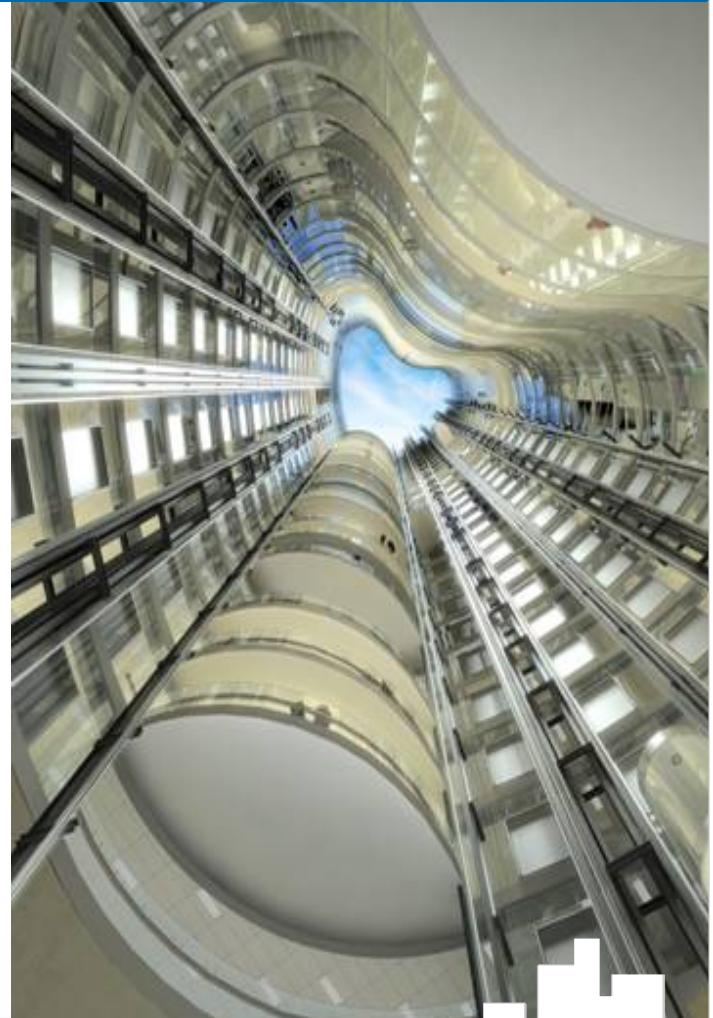


1. DXS interest only

2009 office focus

- Active management through integrated model - property, asset and development management
- Service excellence in property management
 - Extend internalisation in Australia
 - Implementation over the next 12 mths
- Continued implementation of sustainability programs
- Development delivery

1 Bligh, Sydney NSW – Artist Impression of atrium



Australian Industrial Portfolio

Andrew Whiteside
Head of Industrial



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Highlights – active management delivering results

- Strong portfolio fundamentals
 - high quality institutional grade assets
 - highly diversified portfolio
 - strategically located
- Active management approach
- Delivering strong results
- Driving value:
 - delivering on developments
 - prudent future expansion

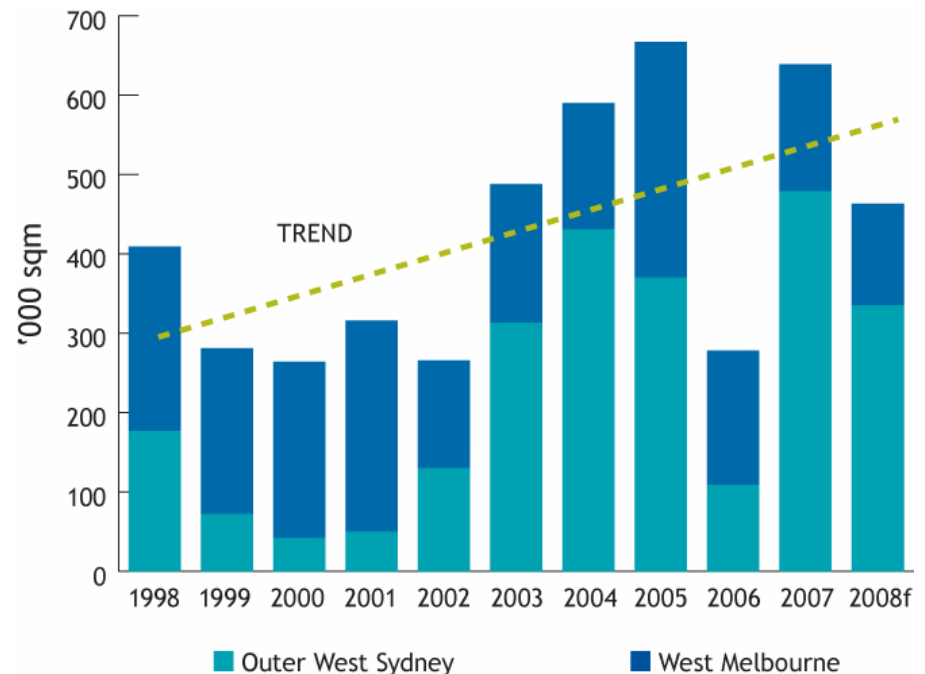
Axxess Corporate Park, Mount Waverley, VIC



Industrial market - positive outlook

- Take-up in FY09 is expected to ease due to business uncertainty
- Competition constrained and reduction in speculative construction
- Long term trend for major users to seek business efficiencies through infrastructure, location & design
- We are well-positioned in our key markets to take advantage of the market cycle
 - Asset positioning
 - Tenant relationships

Industrial take-up - long term trend



Source: Jones Lang LaSalle, DEXUS forecast

Portfolio fundamentals - strong performance

- 2.3% like for like growth
- Strong rent review structure
- High occupancy at almost 99%
- Strong retention rates at 78%
- Net revaluation increase, despite cap rates softening by 24 bps over 12 months

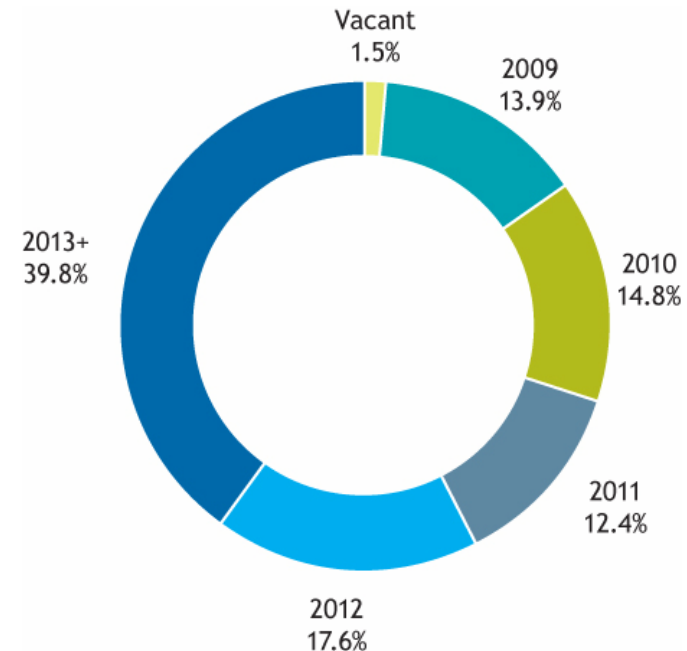
Net Property Income	Like for like	Occupancy (area)	Occupancy (income)	% Over / Under Rented	Mkt review over 2 years	Retention rates	Lease duration ¹	Portfolio value	Avg cap rate
\$105.7	2.3%	98.6%	98.5%	4% Over	30.2%	78%	4.4yrs	\$1.6bn	7.5%

1. By income

Industrial leasing – strong activity

- Strong leasing with 289,000 sqm¹ leased
- 78% renewed
- Average rental increase of 4.2%
- Major leasing deals include:
 - AWH, Lara 117,000 sqm – 15 years
 - SCT, Acacia Ridge 15,000 sqm – 5 years
 - Best Bar, Laverton 13,000 sqm – 10 years
 - Fantech, Dandenong 12,000 sqm – 10 years
- Only 1 major vacancy and 1 key expiry in 09

Industrial lease expiry by income



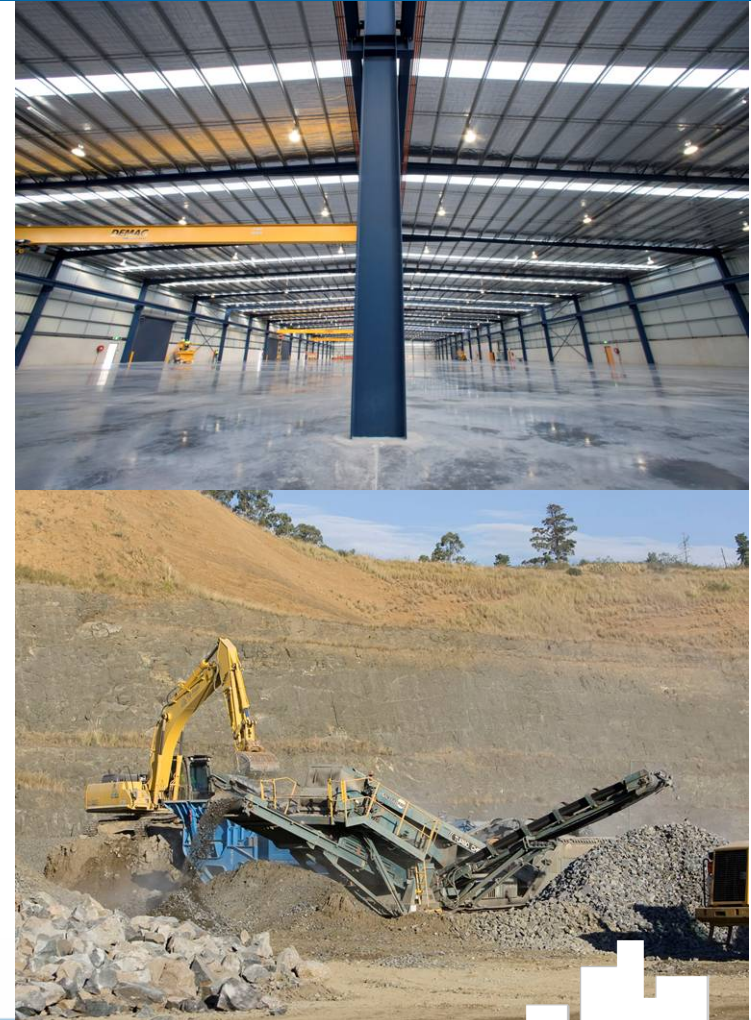
1. Includes 23,000sqm of development under construction.

Developments – momentum in key markets

- Strategic sites in 2 key locations
 - Laverton North, Melbourne
 - Greystanes, Western Sydney
- Contributing to portfolio diversification and earnings
- Staged approach with steady enquiry
 - proven appeal to users
 - project track record

Property	GLA (sqm)	Est. development cost \$'m
Completed ¹	63,200	50
Underway	3,400	3
Future pipeline	580,900	865
Total	647,500	918

Top: Laverton North, Bottom: SEL Greystanes



1. Includes Laverton North, Vic – Best Bar, completed August 08

Greystanes, NSW – strategic site

- Acquired major development site in Western Sydney
- 48 hectares, delivered in stages (2008 - 2010)
- De-risked: Planning, land-form, infrastructure, services
- Significant ESD features
- Flexible product mix
- Realisation via:
 - Pre-committed development
 - Land sales
- Estimated total development cost of \$325m¹

DEXUS Industrial Estate, Greystanes NSW



1. Including land cost

2009 industrial focus

- Active focus on the fundamentals
 - experienced team in estate & development management
 - delivering growth through active management
 - extracting value from operations

- Well positioned for future growth
 - quality, capacity and scaleable portfolio
 - development pipeline momentum in key markets
 - leveraging tenant relationships: owner, manager, developer

Pound Road West, Dandenong VIC



International Industrial Portfolio

Paul Say
Head of Corporate Development



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Highlights – performing to expectations

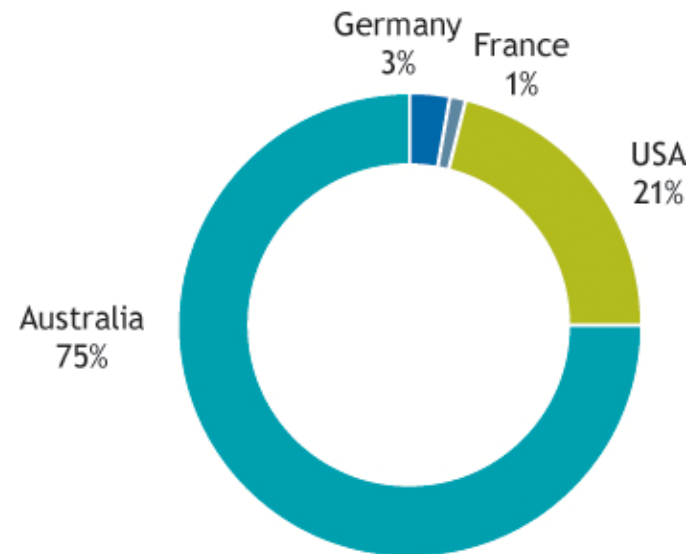
Sound portfolio fundamentals

- Quality institutional grade assets
- Diversified by location with a high concentration in key hub locations
- Diversified by size and use

Driving value through active management

- Strong focus on leasing
- delivering on new projects
- executing our international strategy through the Calwest JV buyout

Total property portfolio by value¹



1. By Australian dollars

North American Market - resilient industrial sector

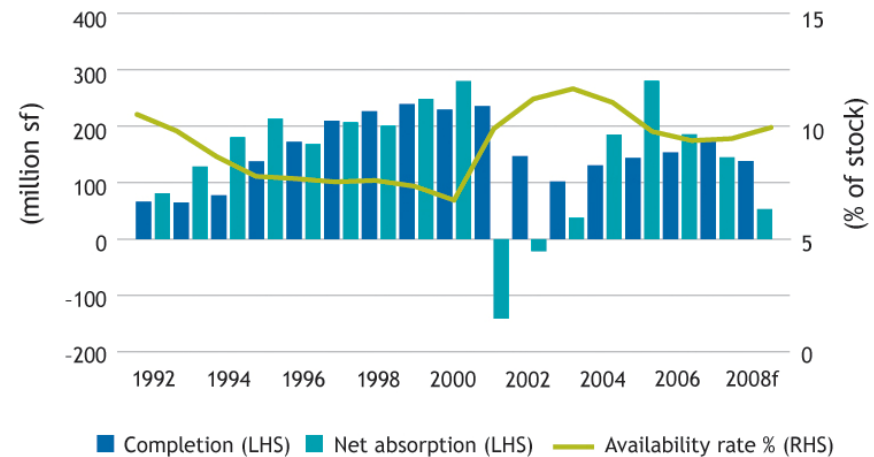
Current situation

- Demand solid last 12 months, particularly around key hub locations
- New supply levels have peaked
- Rental growth slowing in-line with the economy

Outlook

- Decreasing demand due to economic slowdown
- US manufacturing sector to benefit from the low US dollar

US Industrial demand/supply

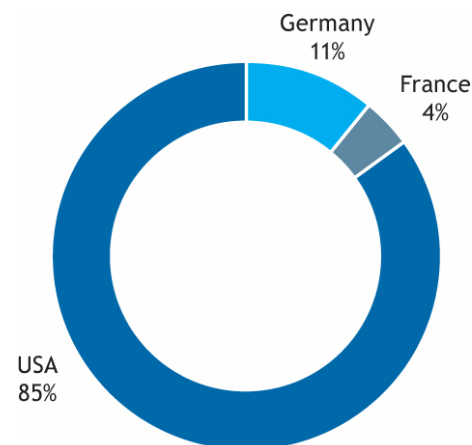


Source: RREEF

North America – strong portfolio performance

- Strong like for like NPI growth of 7.2%
- Arrears stable
- WALE increased to 3.9 yrs
- North American valuations down by 3.3%

International portfolio
by value ³



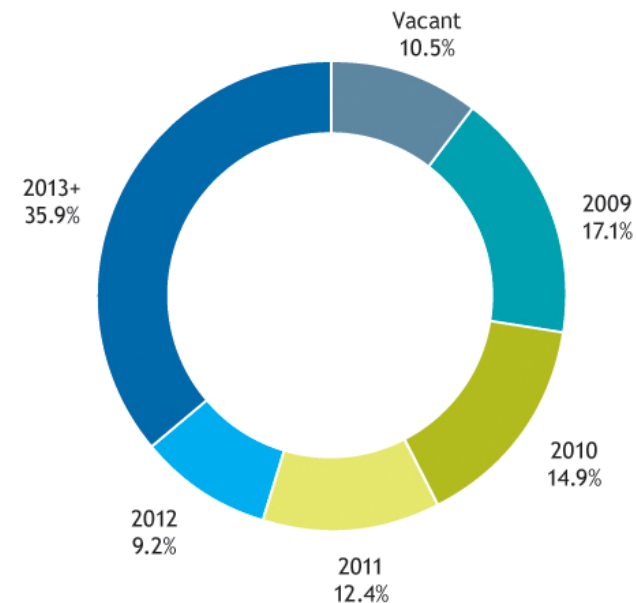
	Net Property Income	Like for like	Occupancy by area	Occupancy by income	% Over/Under Rented	Mkt review over 2 years	Retention rates	Lease duration ¹	Portfolio value ²	Avg cap rate
North America	US\$98.6m	7.2%	91.8%	89.5%	11.3% Under	32.0%	74%	3.9yrs	A\$1.9bn	6.9%

1. By income
2. Conversion rate AUD/USD = 0.9626
3. By Australian dollars

North America – adding value through leasing

- Area leased 385,000 sqm
- Retention rates consistent at 74%
- Vacancies up by 3% mainly due to acquisitions
- Leasing focus on vacancies and pending 2009/10 expiries
 - Sterling renewed at \$1.7m pa rent uplift
 - San Antonio 16,000sqm under offer

North America
lease expiry by income



North America – limited development activity

- Limited development activity underway
- Developments
 - Summit Oaks, completed July 08
 - Atlantic Corporate Park, completed this month
 - San Antonio, stage 1 commenced
- Whirlpool investment program target close to completion

Property	GLA (sqm)	Est. development cost (\$'m) ²
Completed ¹	33,400	95
Underway	59,100	45
Future pipeline	12,700	20
Total	105,200	160

Top: Summit Oaks, Santa Clarita, California, USA
 Bottom: Atlantic Corporate Park, Sterling, Virginia, USA



1. Includes projects completed since 30 June 08
2. Conversion rate AUD/USD = 0.9626

European Market – industrial sector slowing

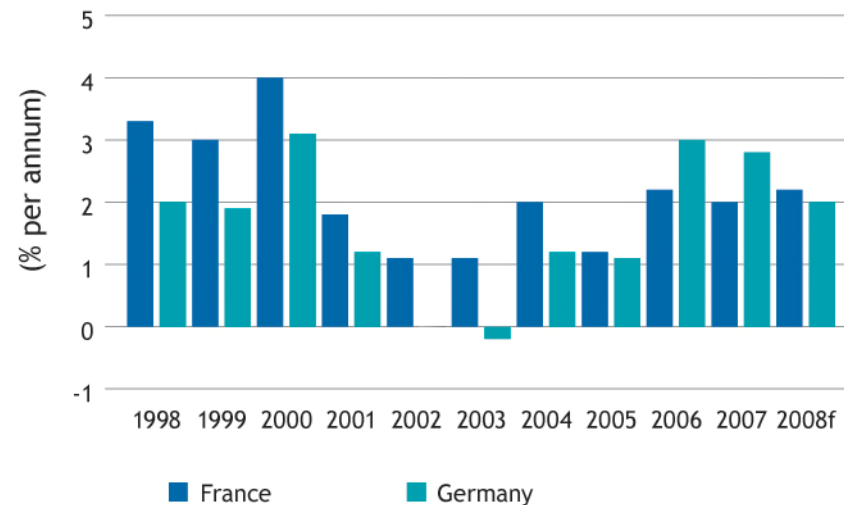
Current situation

- Demand solid last 12 months, particularly around infrastructure hubs
- Supply levels high
- Index rents as a result of increasing construction costs

Outlook

- Economic growth in France and Germany to ease mildly but remain positive
- Rent growth expected to slow in 2009

Economic growth - France & Germany

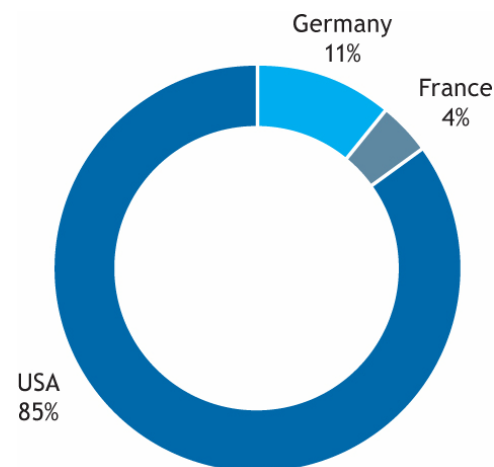


Source: International Monetary Fund, World Economic Outlook Database, April 2007

Europe - portfolio fundamentals

- Portfolio value down by 12.5%
- Vacancies increased to 11%
- WALE increased to 3.6 yrs
- Arrears are stable

International property portfolio
by value³



	Net Property Income	Like for like	Occupancy (area)	Occupancy (income)	% Over / Under Rented	Mkt review over 2 years	Retention rates	Lease duration ¹	Portfolio value ²	Avg Discount rate ⁴
Europe	€13.3m	n/a	85.1%	88.7%	2.1% Under	19.5%	n/a	3.6yrs	A\$0.3bn	7.4%

1. By income

2. Conversion rate: AUD/EUR = 0.6096

3. By Australian dollars

4. Discount rate quoted due to cashflow valuation being performed

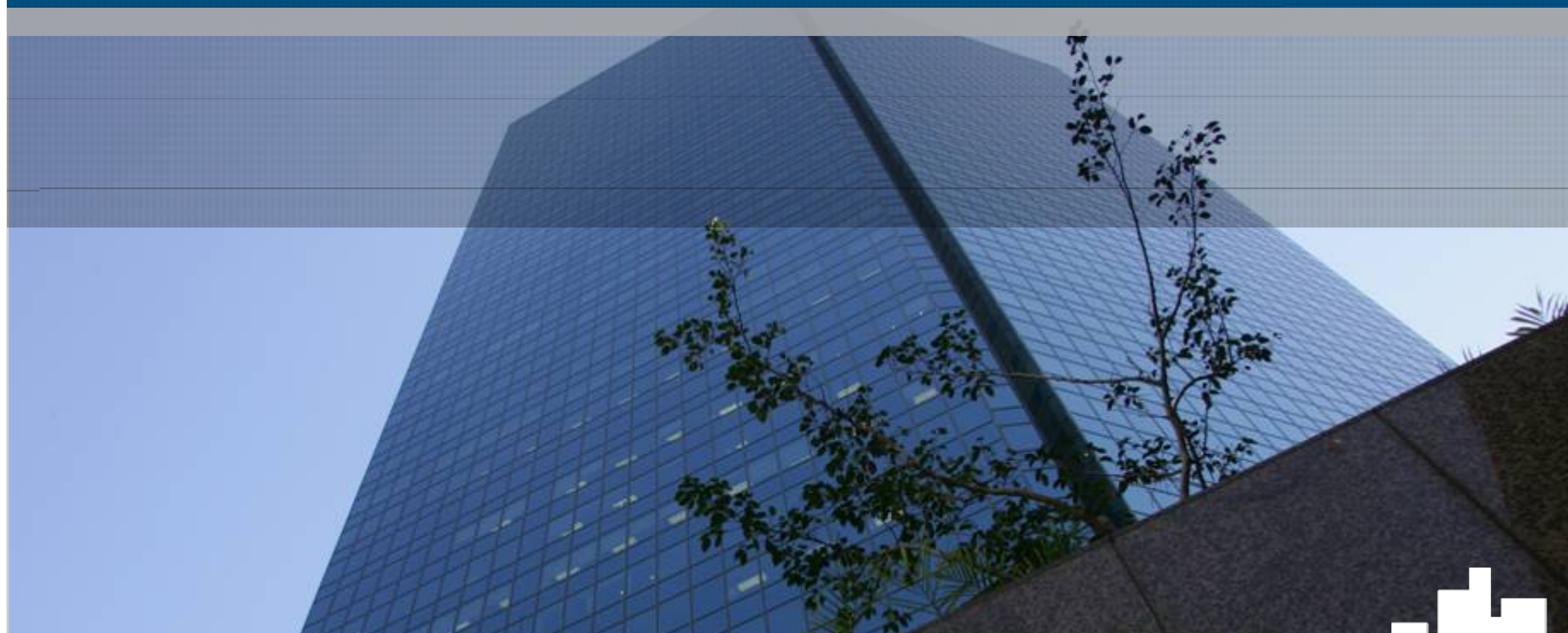
2009 International focus

- European focus
 - Focus on active management of portfolio
 - Future repositioning
- North American focus
 - Continued delivery of solid performance
 - Reposition the portfolio over time
 - reduce to selected US markets
 - increase efficiency and synergies
 - leverage our capabilities/expertise and extract further value as owner, manager, developer



Third Party Funds Management

Victor Hoog Antink



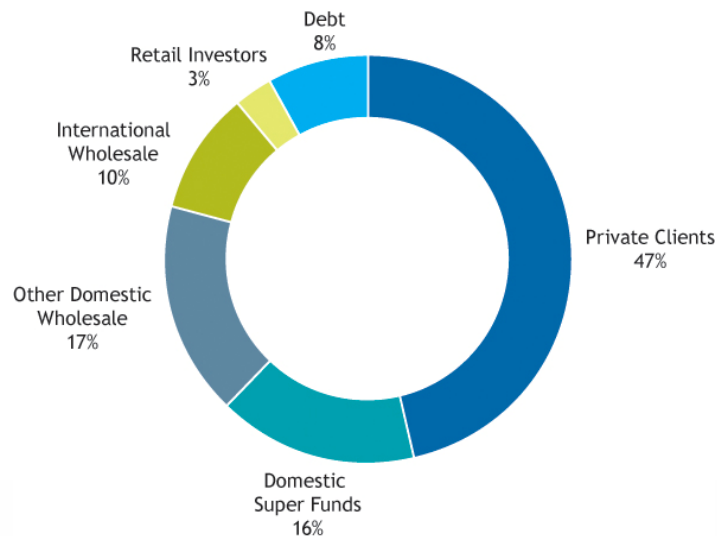
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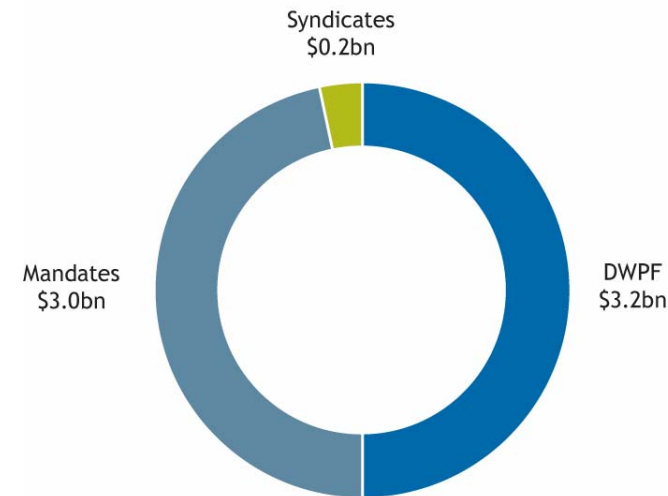
Third party management business - highlights

- Third party funds increased by 39% to \$6.4bn
- One of the largest third party platforms in Australia
- Well diversified by investor base and asset class
- \$900 million development pipeline underway

Source of Funds



Fund breakdown



Summary and Outlook

Victor Hoog Antink
Chief Executive Officer



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Well positioned for the future

- Clear vision and strategy
- High quality portfolio
- Stable and sustainable property earnings
- Quality developments adding value
- Strong balance sheet with low gearing
- Experienced management team
- Well-positioned to take advantage of market cycle

DEXUS House, 343 George Street, Sydney NSW



2009 focus

- Active portfolio management
- Active capital management
- Seek long-term value add opportunities
- FY09 guidance

Sydney CBD - GPT & Australia Square

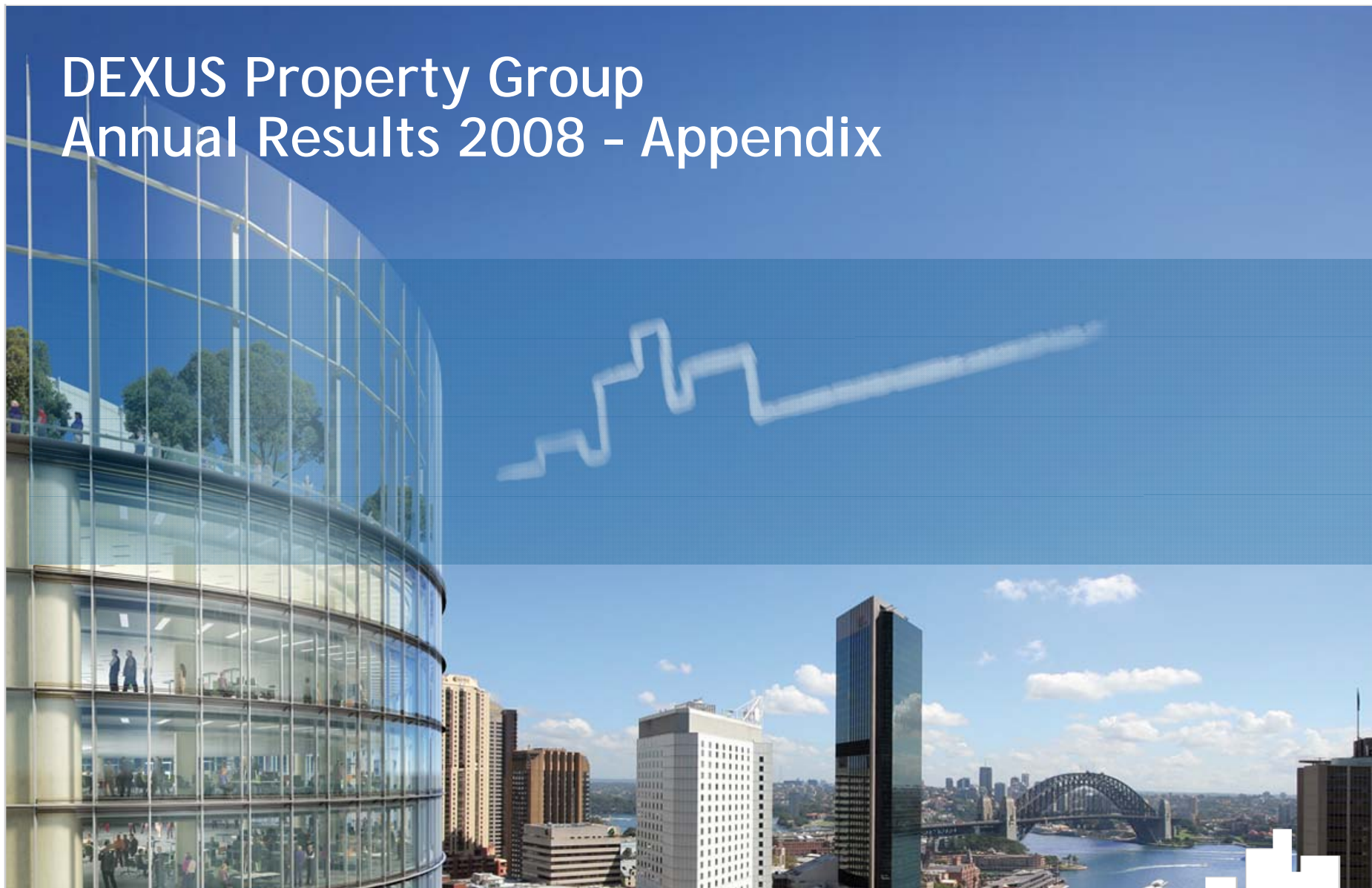


Questions

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DEXUS Property Group Annual Results 2008 - Appendix



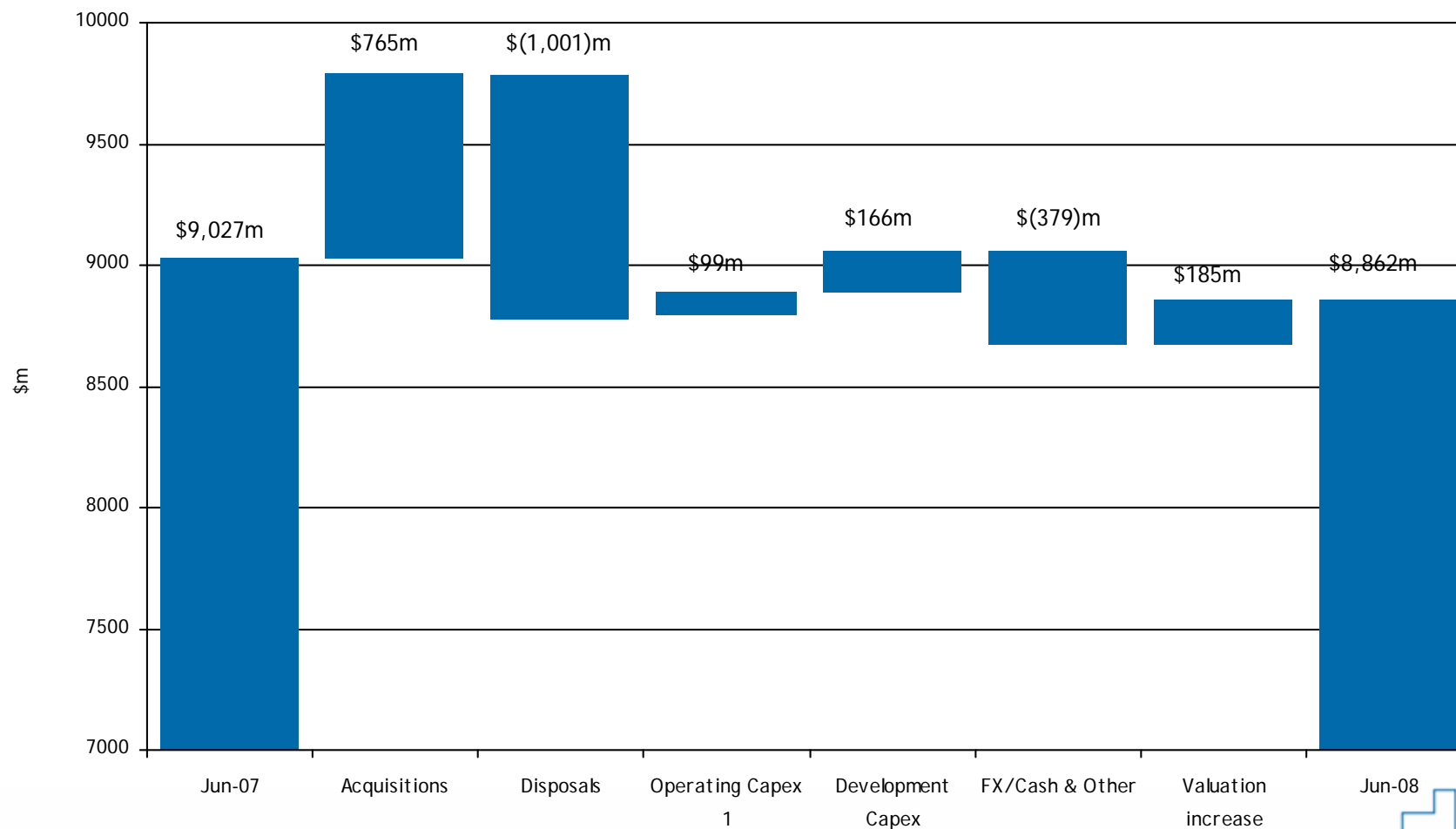
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Balance sheet

DEXUS Property Group	Jun 08 \$'m	Jun 07 \$'m
Cash & receivables	140	96
Property assets	8,734	9,152
Other (including derivative financial instruments & intangibles)	475	239
Total assets	9,349	9,487
Payables & provisions	323	290
Interest bearing liabilities	3,007	3,353
Other (including derivative financial instruments)	184	139
Total liabilities	3,514	3,782
Less minority interest	206	438
Net tangible assets (after minority interest)	5,629	5,267
NTA per security (excluding minority interest) (\$)	1.77	1.82
Gearing (net of cash)	33.2%	35.6%

Movement in funds under management



1. Includes accruals of \$8m

Net property income reconciliation to P&L

	30 Jun 08 \$'m
Property revenue	664.8
Less: Property expenses	(159.6)
Plus: Net Property Income from equity a/c investments	4.5
Less: Depreciation, bad debts and eliminations	(1.9)
Total NPI	507.8
Represented by:	
Office	242.6
Industrial Australia	105.7
Industrial North America	110.0
Industrial Europe	21.9
Retail	27.6
Total NPI by sector as reported	507.8
Management Income ^{1,2}	16.2
Development Gains	5.9
Responsible Entity fees ²	(31.9)
Operating Earnings	498.0

1. Represents proportionate share of DXH EBIT of \$21.8m (refer appendix slide 57) ie. 50% share from 1 July 2007 to 21 February 2008 and then 100% ownership to 30 June 2008

2. Includes \$10m of responsible entity fees, grossed up for presentation purposes. The management fee revenue (\$10m) and responsible entity fee expenses (\$10m) are eliminated from 21 February 2008 as the management company is a wholly owned consolidated entity

Interest reconciliation

		30 Jun 08
	\$'m	\$'m
Interest paid/payable	183.1	
Other finance costs	3.3	
Interest expense		186.4
Realised interest rate swaps	(25.3)	
Unrealised interest rate swaps MTM	70.0	
Net fair value loss (gain) of interest rate swaps		44.7
Total interest expense		231.1
Less interest capitalised		(17.9)
Finance Costs		213.2

Income statement - net profit

	Jun 08 \$'m	Jun 07 \$'m
Operating earnings	498.0	513.3
Other income/expenses	(17.0)	(3.8)
Finance costs ¹	(213.2)	(129.7)
Minority interests	(7.0)	(42.0)
Tax expense ²	(7.9)	(33.6)
Revaluations ³	185.4	864.6
NPAT to stapled security holders	438.3	1,168.8

1. Includes unrealised mark to market of interest rate swaps of \$70.0m (refer appendix slide 56)

2. Reduction due to impact of lower revaluation increments & unrealised MTM losses in the current period

3. Includes investment properties accounted for using equity method (\$1m)

Profit to distribution reconciliation

June 08 \$m	Grp Cons'd	Prop Revals	MTM Derivs & FX	Incentive amort	St-line rent adj	Def Tax	P/L on sale of inv prop	RENTS capital distribution	Translation of FX for hedge rates & other	Distributable Earnings
Revenue from ordinary activities										
Property revenue	664.8			32.2	(3.5)					693.5
Interest revenue	8.1									8.1
Management fees	26.8									26.8
Total revenue from ordinary activities	699.7									728.4
Share of net profits of associates accounted for using the equity method	2.5	(1.0)					6.1			7.6
Net gain on sale of investment properties	2.3						3.6			5.9
Net fair value gain of investment properties	184.4	(184.4)								-
Net foreign exchange gain/(loss)	3.4		(0.5)							2.9
Other income	1.3									1.3
Total income	893.6									746.1
Expenses										
Property expenses	(159.6)									(159.6)
Net fair value gain/(loss) of derivatives	(3.5)		3.5							-
Responsible Entity fees	(21.9)									(21.9)
Finance costs	(213.2)		70.0							(143.2)
Depreciation	(3.0)									(3.0)
Compensation Related Expenses	(23.3)									(23.3)
Other expenses	(15.9)									(15.9)
Total expenses	(440.4)									(366.9)
Profit before tax	453.2	(185.4)	73.0	32.2	(3.5)		9.7			379.2
Tax expense										
Income tax benefit/(expense)	1.5					(5.7)				(4.2)
Withholding tax expense	(9.4)					7.2				(2.2)
Total tax expense	(7.9)									(6.4)
Net profit attributable to other minority interests	(7.0)							(13.4)		(20.4)
Translation of FX for hedge rates & other									3.0	3.0
Profit after tax and minority interest	438.3	(185.4)	73.0	32.2	(3.5)	1.5	9.7	(13.4)	3.0	355.4
Distribution										355.4
Average weighted securities on issue (million) ¹										2,986.5
Distribution per security (cents)										11.9

1. Weighted average number of units is weighted on an entitlement basis.

Funds management contribution

DEXUS Holdings Pty Ltd

	12 months 30 Jun 08 \$'m
Management Fee Revenue	<u>89.8</u>
EBIT ¹	21.8
Interest income	1.2
Interest expense - DXO loans ²	(7.5)
- Deutsche Bank loan ³	(3.8)
Tax expense	<u>(3.6)</u>
Net income after tax	8.1
Economic interest as reflected in the DXS Financial Statements is \$5.2m represented by \$2.9m (8 mths at 50%) & \$2.3m (4 months at 100%)	

DEXUS Operations Trust - Parent Entity

	12 months 30 Jun 08 \$'m
Equity accounted profit (50%)	2.9
Consolidated profit (100%)	<u>2.3</u>
Income from DXH	5.2
Other income & expenses	<u>(0.6)</u>
EBIT (pre MTM of derivatives)	4.6
Interest income - DXH loans ⁴	7.5
Intercompany & bank interest	5.0
Interest expense	(10.0)
Unrealised mark to market of derivatives	<u>1.2</u>
Net profit before tax	8.3
Available franking credits	14.1

1. Reduction in EBIT compared to 30 Jun 07 due to change to cost recovery regime (with respect to Asset Management and Development fees) post internationalisation on 21 Feb 08. After deducting Deutsche Bank's share, DXH's proportionate share of EBIT for the year = \$16.2m (refer slide 10)
2. Represents: Interest on DXO loan notes for 12 months of \$5.7m + interest on new DXO loan for 4 mths of \$1.8m.
3. Represents: interest on Deutsche Bank loan notes for 8 mths of \$3.8m (Deutsche Bank loan notes repaid on 21 Feb 08, using new DXO loan)
4. Represents: Interest on DXH loan note (pre-existing) for 12 mths of \$5.7m + Interest on new DXH loan from 21 Feb of \$1.8m.

Comparing operating cash flow and distribution

	Jun 08 \$'m
Net cash inflow for operating activities	374.4
Add (Distributable Cash) net gain on sale of investment properties	5.9
Total net cash inflow	380.3
Less maintenance and leasing capex ¹	(90.8)
Operating funds inflow	289.5
Plus natural take up of DRP ² (excluding underwritten amount)	144.0
Operating funds inflows after DRP	433.5
Less distribution paid ³	338.0
Residual	95.5

1. Excludes non cash rent free incentives

2. Total DRP's \$243.7m including underwritten amount of \$99.7m

3. Distribution paid in Aug 07 & Feb 08, refer note 29 of statutory accounts

External revaluation summary

Property Sector	% of Book Value externally valued	Valuation \$m	Previous Book Value ¹ (\$m)	Change in Book Value %	Portfolio Average Cap Rate % ²
Office					
Aust - New South Wales	30	1,049	961	9.2	6.1
Aust - Victoria	0	0	0	0	7.2
Aust - ACT	56	60	64	(6.0)	7.4
New Zealand	100	123	114	7.8	7.0
Total Office	28	1,232	1,139	8.2	6.4
Industrial					
New South Wales	32	236	235	0.8	7.5
Victoria	54	268	261	2.5	8.0
South Australia	0	0	0	0	8.0
Queensland	39	23	21	9.6	7.4
Western Australia	100	122	113	7.3	7.3
Sub-total Industrial - Australia	45	649	630	3.0	7.5
North America	100	1,805	1,868	(3.3)	6.9
Europe	100	314	359	(12.5)	7.4
Total Industrial	78	2,768	2,857	(3.1)	7.2
Whitford City Shopping Centre	0	0	0	0	5.8
Total Investment Properties³	49	4,000	3,996	0.1	6.7

1. DXS interest and excludes assets held as Property Plant and Equipment (PP&E)
2. Average cap rate for all properties per region.
3. Investment Properties excluding investment accounted for using Equity Method - \$55m

Revaluation summary

	Office \$m	Industrial \$m	Retail \$m	North America \$m	Europe \$m	Total \$m
P&L Revaluations - investment properties¹						
External Valuations	94	19	-	(62)	(45)	6
Internal Valuations	173	2	3	-	-	178
Sub Total	267	21	3	(62)	(45)	184
P&L revaluations - equity accounted properties¹						
External Valuations	1	-	-	-	-	1
Sub Total	1	-	-	-	-	1
Total P&L Revaluations	268	21	3	(62)	(45)	185
Carry value - investment properties¹						
Externally Revalued ²	1,232	649	0	1,805	314	4,000
Internally Revalued	3,104	798	280	0	-	4,182
Sub Total	4,336	1,447	280	1,805	314	8,182
Carry value - equity accounted¹						
Externally Revalued	55	-	-	-	-	55
Internally Revalued	60	-	-	-	-	60
Sub Total	115	-	-	-	-	115
Total Carry Value	4,451	1,447	280	1,805	314	8,297

1. Excludes assets held as property, plant and equipment

2. This comprises the properties externally revalued at 30 June 2008.

Debt profile

	Facility limit A\$m	Drawn Amount A\$m	Maturity Dates	Security ¹	Currency
Syndicated bank debt	300	251	Mar 10	Unsecured	Multicurrency ²
	218	215	Sept 10		
Bilateral bank debt	360	302	Dec 10	Unsecured	Multicurrency ²
	145	0	Sept 11		
	178	51	May 12 - Jul 12		
	250	193	Dec 12		
	375	315	Sep 13 - Dec 13		
Secured bank debt	79	79	Mar 09	Secured	US\$
	234	234	Sept 11		
	3	3	Oct 11 - Jan 15		
Medium term notes	250	250	Feb 10	Unsecured	A\$
	200	200	Feb 11		
	5	5	Sept 10		US\$
US private placement notes	416	416	Feb 11 - Mar 17	Unsecured	US\$
CMBS	500	500	Apr 09	Secured	A\$
Total	3,511	3,014			
Bank Guarantee utilised		7			
Headroom		491			

1. All unsecured facilities rank pari passu. The recourse of all secured facilities is limited to the secured assets

2. Capacity to draw in A\$, US\$, EUR, GBP, CAD, NZ\$, JPY, HKD, SGD

Debt profile by jurisdiction

	Weighted average cost of debt ¹	Interest bearing liabilities ²	Interest hedge duration
Australia/New Zealand (A\$)	6.04%	A\$776m	4.8yrs
USA (US\$)	5.10%	US\$1,732m	6.8yrs
Europe (€)	4.63%	€201m	5.9yrs
Canada (C\$)	4.93%	C\$70m	9.5yrs
Average/Total ³	5.39%	A\$3,014m	6.2yrs
Plus amortised debt costs		(\$7m)	
Current & Non-current interest bearing liabilities		A\$3,007m	

- Balance Sheet naturally hedged through interest bearing liabilities
- Cross currency swaps used for cash management/timing purposes only and have an exchange of principal at commencement and maturity
 - A\$467m/US\$420m - matched to maturity of A\$500m CMBS
 - A\$78m/C\$70m - funding lines permit drawing in C\$

1. Weighted average of fixed and floating rates for the current period, inclusive of margins & fees

2. Balance as at 30 June 2008

3. Conversion rates: AUD/USD 0.9626, AUD/EUR 0.6096, AUD/CAD 0.9715. Cross currency swap principal amounts included at contract exchange rates.

Interest rate hedging profile

Interest rate hedging	FY08	FY09	FY10	FY11	FY12	FY13	Avg FY14+ ⁵
A\$m average hedged ¹	918	616	601	611	488	494	278
A\$ hedge rate (ex margin) ²	4.94%	4.54%	4.30%	4.81%	4.64%	5.13%	5.98%
A\$ blended rate (inc margin) ³	6.04%	6.86%	6.90%	7.49%	7.72%	7.61%	7.98%
US\$m average hedged ^{1, 3}	1,415	1,576	1,574	1,504	1,477	1,384	603
US\$ hedge rate (ex margin) ²	4.74%	4.75%	4.87%	4.91%	4.88%	4.89%	4.99%
US\$ blended rate (inc margin) ³	5.10%	5.21%	5.65%	6.06%	6.12%	6.16%	6.31%
€m average hedged ¹	190	180	180	178	168	145	52
€ hedge rate (ex margin) ²	3.96%	3.96%	3.96%	3.97%	3.97%	3.98%	4.00%
€ blended rate (inc margin) ³	4.63%	4.99%	5.14%	5.43%	5.38%	5.78%	5.64%
C\$m average hedged ¹	70	70	70	70	70	70	62
C\$ hedge rate (ex margin) ²	4.77%	4.77%	4.77%	4.77%	4.77%	4.77%	4.77%
C\$ blended rate (inc margin) ³	4.93%	5.65%	5.80%	6.10%	6.12%	6.12%	6.10%
Total hedged (A\$m) ^{1, 4}	2,736	2,621	2,603	2,537	2,370	2,242	1,054
Hedge rate (ex margin)^{2, 4}	4.72%	4.61%	4.63%	4.77%	4.72%	4.84%	5.16%
Blended rate (inc margin)^{3, 4}	5.39%	5.72%	6.00%	6.48%	6.57%	6.61%	7.36%

1. Average amount hedged for the year
2. Weighted average hedge rate for the year
3. Weighted average fixed and floating rate (end July-08) including estimated margin and fees
4. Conversion rates: AUD/USD 0.9626, AUD/EUR 0.6096, AUD/CAD 0.9715
5. Hedging out to 10 years

Foreign income hedging profile

Foreign income hedging	FY08	FY09	FY10	FY11	FY12
Combined hedging profile	91%	96%	93%	92%	91%
US\$ hedging profile ¹	94%	99%	98%	99%	98%
Foreign exchange contracts (US\$m)	12.4	9.5	5.2	4.4	4.4
Average A\$/US\$ rate	0.6978	0.6844	0.6725	0.7096	0.7098
NZ\$ hedging profile ²	84%	76%	40%	20%	0%
Foreign exchange contracts (NZ\$m)	7.9	7.5	4.0	2.0	0
Average A\$/NZ\$ rate	1.1417	1.1311	1.1780	1.1847	n/a
€ hedging profile ³	76%	89%	83%	82%	84%
Foreign exchange contracts (€m)	0	0	0	0	0
Average A\$/ € rate	n/a	n/a	n/a	n/a	n/a
CAD hedging profile ⁴	74%	79%	80%	82%	81%
Foreign exchange contracts (CAD)	0	0	0	0	0
Average A\$/CAD rate	n/a	n/a	n/a	n/a	n/a

1. Hedging as % of US\$ exposure, including foreign interest expense ("natural hedging") and Foreign Exchange Contracts ("FECs")

2. Hedging as % of NZ\$ exposure, via FECs only

3. Hedging as % of € exposure. Natural hedging only.

4. Hedging as % of CAD exposure. Natural hedging only.

Developments - completed

Property	Country	Area sqm	Estimated final cost ^{1,2} (\$m)	Estimated yield on cost (%)
Completed				
Industrial - Australia				
DEXUS Industrial Estate, Laverton Nth - Fosters	Australia	45,270	32.5	7.2
DEXUS Industrial Estate, Laverton North - Best Bar	Australia	12,950	12.3	7.3
Pound Road West, Dandenong South, VIC - Orica	Australia	4,965	9.5	7.5
Industrial - North America				
Summit Oaks - Valencia, CA	US	12,950	47.3	8.8
Atlantic Corporate Park, Sterling: VA	US	20,440	49.8	9.2
TOTAL Completed		96,585	151.4	

1. Represent DEXUS Property Group's interest of costs including land

2. Conversion rate: AUD/USD: 0.9

Developments - underway

Property	Country	Area sqm	Expenditure to date ^{1,2} (A\$m)	Estimated cost ^{1,2} (A\$m)	Estimated yield on cost (%)	Est. completion date
INDUSTRIAL						
Redwood Gardens - Sperian Protection Australia	Australia	3,400	1.9	3.9	7.5%	Oct 2008
San Antonio - Stage 1	USA	59,100	16.3	45	10.6%	Jun HY 2010
OFFICE						
I Bligh Street, Sydney	Australia	42,000	106.9	410	7.3%	Jun HY 2011
123 Albert Street, Brisbane	Australia	35,600	59.8	350	6.8%	Dec HY 2010
60 Miller Street, North Sydney	Australia	4,500	5.9	25	8.3%	Jun HY 2009
TOTAL Underway		148,600	190.8	833.9		

1. Represent DEXUS Property Group's interest

2. Conversion rate: AUD/USD: 0.9626

Developments – pipeline

Property	Country	Building Area sqm	Expenditure to date ^{1,2} (A\$m)	Estimated cost ^{1,2} (A\$m)	Estimated yield on cost ³ (%)	Est. completion date
INDUSTRIAL						
DEXUS Industrial Estate, Laverton Nth ³	Australia	369,000	63.7	390	7.5	2015+
Axxess Corporate Park, Mt Waverley	Australia	16,000	4.1	55	8.0	2011
3 Brookhollow Avenue, Baulkham Hills	Australia	23,000	10.0	95	8.0	2012
Greystanes, NSW ³	Australia	172,500	73.2	325	7.5	2011
Beaumeade	USA	12,700	4.4	20	8.5	2010
Vacant Land, Texas (Garland, Plano)	USA	159,000		n/a	n/a	
OFFICE						
144 Wicks Road, North Ryde	Australia	105,000	31.6	187	7.25	2012
105 Phillip Street, Parramatta	Australia	20,400	15.7	100	8.0	2011
TOTAL Pipeline			\$208.8	\$1,172		

1. Represent DEXUS Property Group's interest

2. Conversion rate: AUD/USD 0.9626

3. Includes land sales for DEXUS Industrial estate, Laverton Nth with an estimated cost of \$20m and Greystanes of \$55m, estimated yield on cost excludes profit on land sales

Acquisitions

Property	Date	Interest %	Acquisition cost ¹		Yield on Acquisition Cost	Notes
			\$m	A\$m		
ACQUISITIONS - AUSTRALIA						
Greystanes, NSW	Dec 07	100		73.2	n/a	\$84m to be paid in further stages
ACQUISITIONS - NORTH AMERICA						
Chicago, IL, USA	Dec 07	100	US\$29.5	34.5	6.5%	
San Antonio, TX, USA	Jul 07	100	US\$59.5	63.6		Settlement of existing assets
San Antonio, TX, USA	Jul 07	96.5	US\$6.6	7.6	n/a	Stage 1 development land acquired in JV with SBDC
DEXUS Industrial LLC, USA	Oct 07	20	US\$316.9	357.2		Acquisition of CalWest 20% minority interest in the US JV
Toronto, Canada	Dec 07	100	C\$71.4	79.9	6.3%	10 year lease to Whirlpool Limited
Perris, CA, USA	Jan 08	100	US\$128.6	145.4	6.5%	10 year lease to Whirlpool Limited
TOTAL Acquisitions				762		

1. Represent DEXUS Property Group's interest of development costs including land

Whirlpool - investment program update

The program's overall blended yield estimated to be 6.6%

Location	Estimated acquisition date	Area '000 sqm	Estimated acquisition cost (m)
Completed to date			
Orlando, FL, USA	Jun 07	47	US\$25.1
Toronto, ONT, Canada	Dec 07	70	C\$71.4
Perris, CA, USA	Jan 08	157	US\$128.6
			A\$257.2 ¹
Locations secured			
Columbus, OH, USA	Jun HY 2010	145	US\$69.6
Seattle, WA, USA	Jun HY 2010	84	US\$76.8
Atlanta, GA, USA	Dec HY 2009	139	US\$81.6
			A\$238.4 ²
Total		641	A\$495.6

1. Conversion rate: AUD/USD = 0.8816, AUD/CAD = 0.8621
2. Conversion rate: AUD/USD: 0.9562

Disposals

Property	Date	Interest %	Settlement amount A\$m	Notes
Retail portfolio sale (5 properties)	Oct 07	50	950.4	Sale to DWPF
DEXUS Industrial Estate, Laverton Nth - Coles Distribution Centre	Dec 07	50	58.0	Sale to AXA
TOTAL Disposals			1,008.4	

Australian major tenants by income

Office	% of Total NPI	Industrial	% of Total NPI
1. State of NSW	9.3	1. Coles Myer Limited	6.6
2. Woodside Energy Ltd	6.5	2. Elders Ltd	5.6
3. Commonwealth of Australia	4.7	3. Visy	3.8
4. S&K Parking	4.0	4. IBM Global Services	3.1
5. IBM Australia Limited	3.9	5. Toll Transport Pty Ltd,	2.5
6. State of Victoria	3.1	6. Commonwealth of Australia	2.2
7. Lend Lease Corporation Limited	3.1	7. Fosters Group Limited	2.0
8. Dabserv Pty Limited	2.7	8. Alinta Limited	1.8
9. The Herald & Weekly Times Limited	2.1	9. Panasonic Australia Ltd	1.8
10. HBOS Australia Ltd	1.9	10. L'Oréal Australia Pty Ltd	1.7

Major tenants by location and income

Australia

	% of total NPI
1. State of NSW	6.4
2. Woodside Energy	4.5
3. Commonwealth of Australia	3.8
4. IBM	3.5
5. S&K Parking	2.8
6. State of Victoria	2.2
7. Lend Lease Corporation	2.2
8. Coles Group Limited	1.9
9. Dabserv Pty Limited	1.8
10. Elders Limited	1.5

North America

	% of total NPI
1. Whirlpool Corporation	8.0
2. AT&T Corporation	2.6
3. US Government (TSA)	1.9
4. Fedex Ground Package System	1.6
5. Exodus Communications, Inc.	1.5
6. Square D Company	1.3
7. Skechers USA, Inc.	1.3
8. Domtar Paper Company	1.2
9. B&E Storage	1.1

Europe

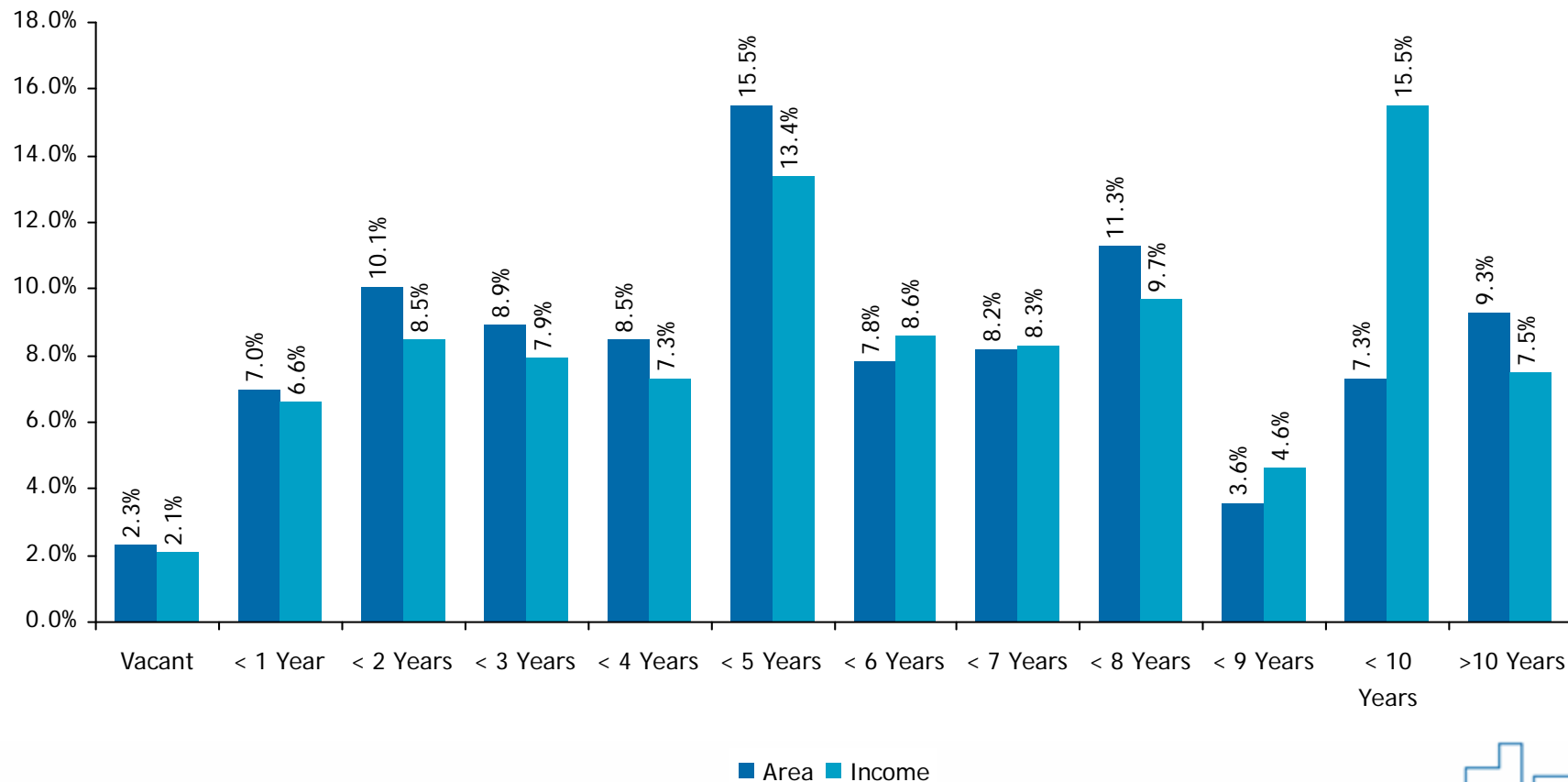
	% of total NPI
1. Edeka Südwest	19.5
2. Industriereifenkontor Lüdke	9.6
3. Karstadt Vermietungsges. mbH	7.7
4. Compass	7.7
5. CAE	6.7

Retail

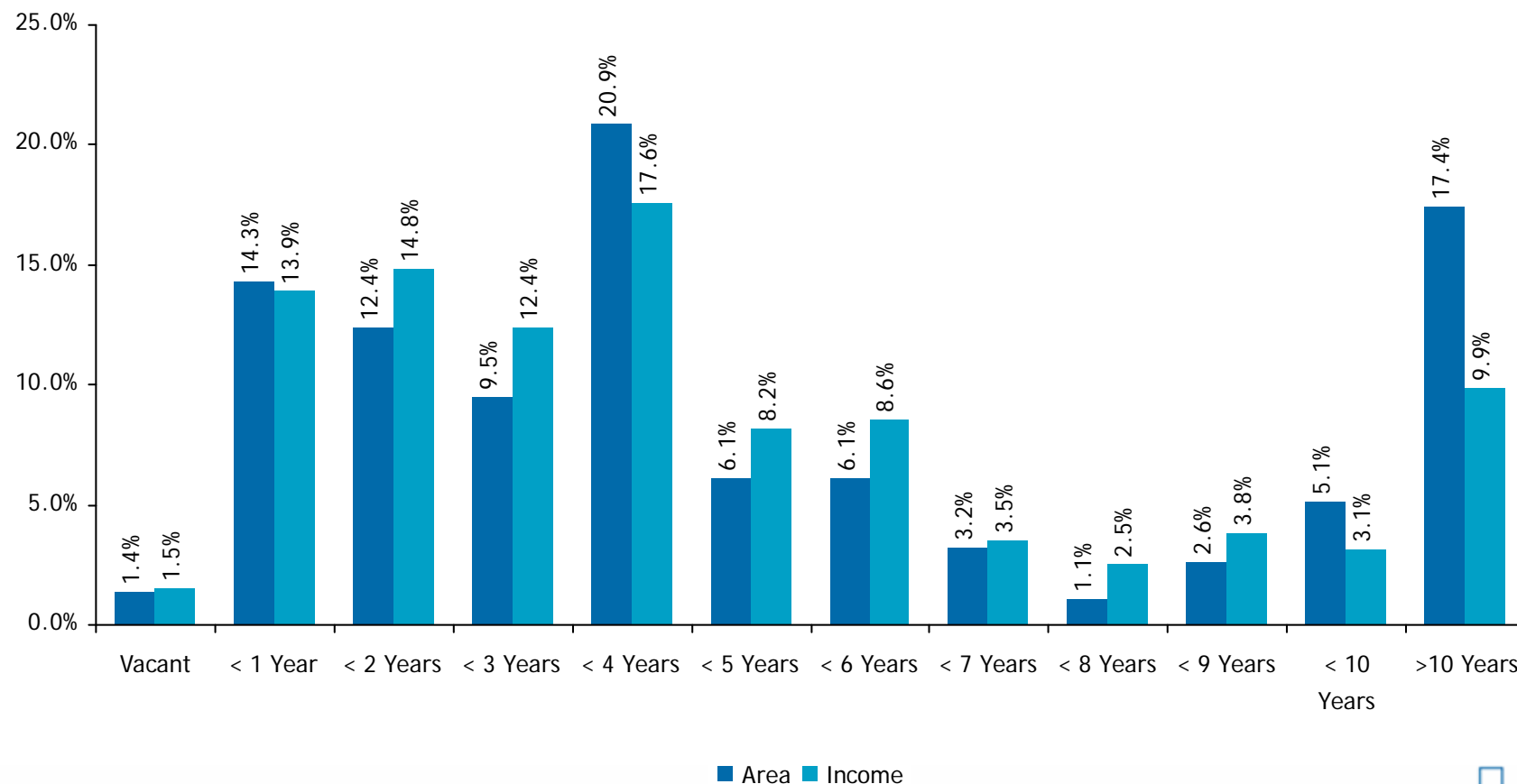
- Completed the sale of five retail assets to DWPF
- Portfolio income of \$27.6m
- Whitford City Shopping Centre, WA, the remaining retail property
- Anticipated to be sold in financial year 2008/2009

Centre	Whitford City
Centre MAT (\$psm)	7,379
Specialty MAT (\$psm)	9,282
Total centre MAT growth (\$psm)	9.9%
Total centre MAT growth (\$pa)	12.0%
Total specialty MAT growth (\$psm)	7.5%
Total specialty MAT growth (\$pa)	9.0%
Specialty occupancy cost	13.1%
Net property income	\$15.4m (7.4% like for like increase)
Occupancy	99.9% by area
Average lease duration	4.5yrs by area

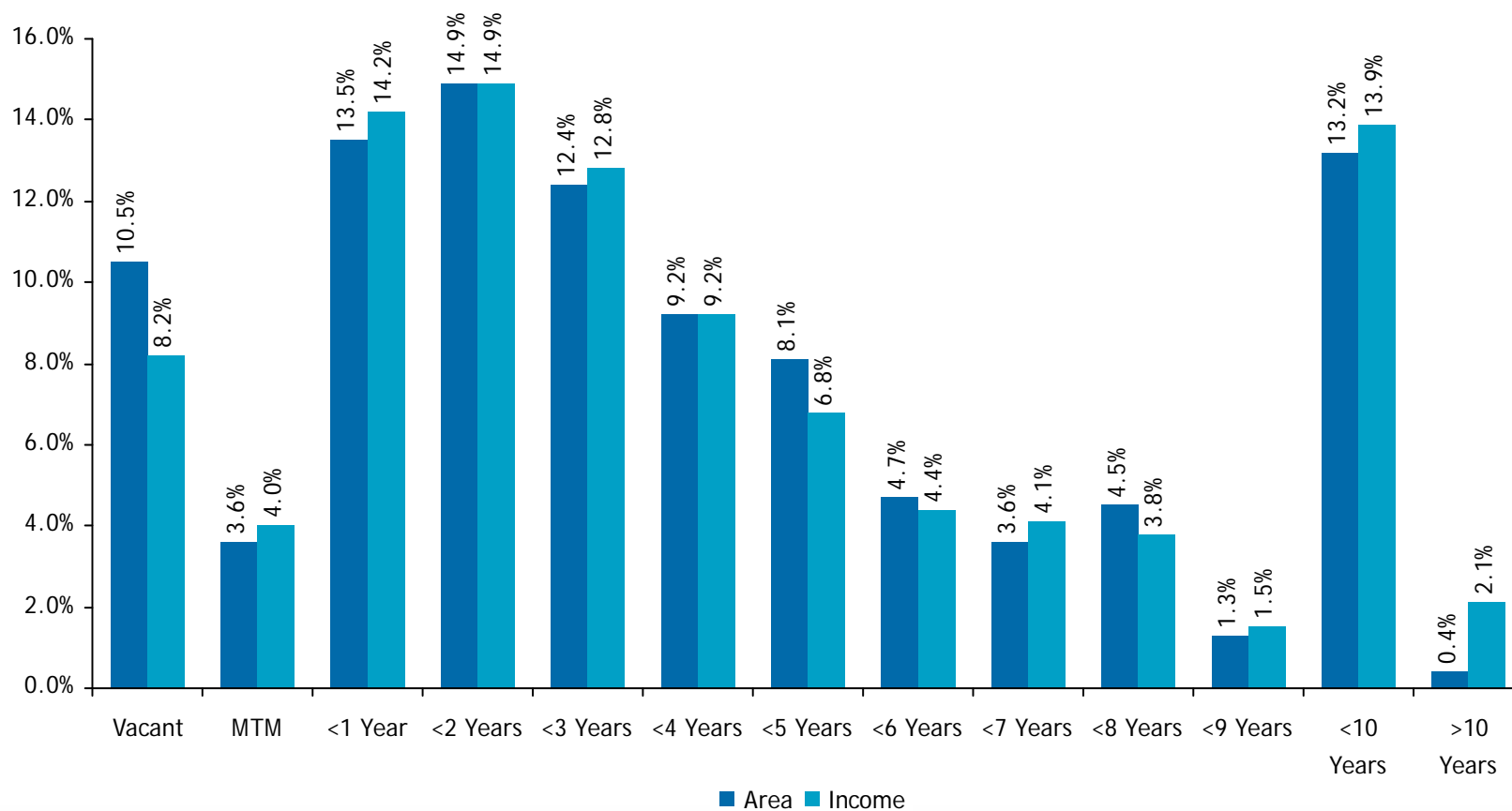
Australia / New Zealand office - lease expiry



Australian industrial - lease expiry

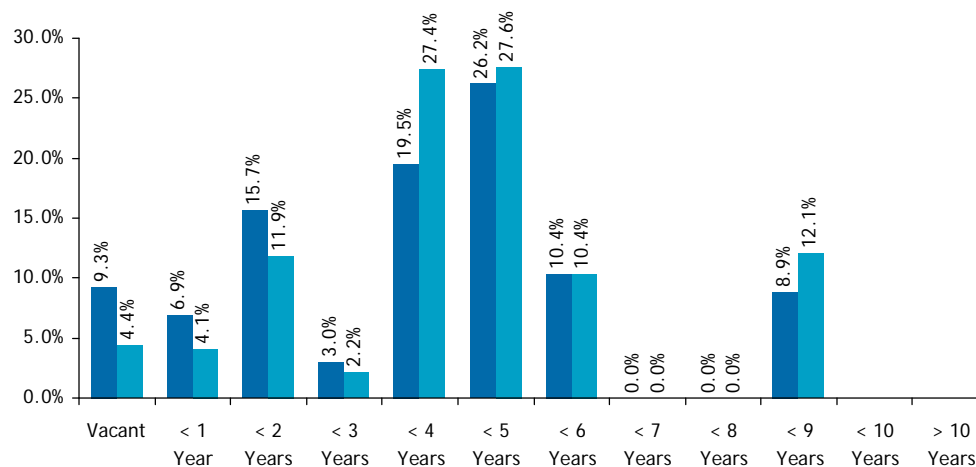


North American industrial - lease expiry

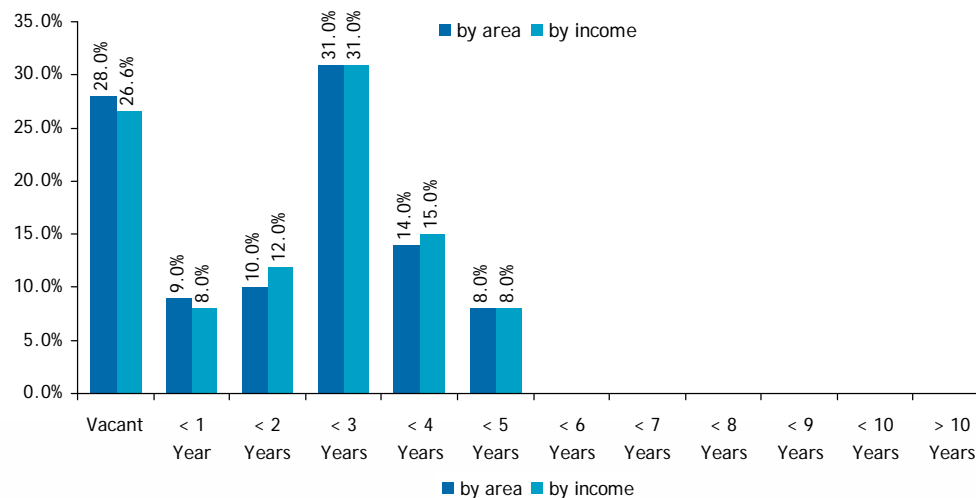


European industrial - lease expiry

Germany



France



Important Information



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