



DEXUS Property Group Half Year Results 2008 – Appendices

Balance sheet

DEXUS Property Group	Dec 08 \$'m	Jun 08 \$'m
Cash & receivables	145	136
Property assets	8,948	8,738
Other (including derivative financial instruments & intangibles)	482	475
Total assets	9,575	9,349
Payables & provisions	277	323
Interest bearing liabilities	3,455	3,007
Other (including derivative financial instruments)	774	184
Total liabilities	4,506	3,514
Less minority interest	207	206
Less intangible assets	234	255
Net tangible assets (after minority interest)	4,628	5,374
NTA per security (excluding minority interest) (\$)	1.33	1.77
Gearing (net of cash)	37.3%	33.2%



Net property income reconciliation to P&L

	31 Dec 08 \$'m
Property revenue	342.8
Less: Property expenses	(82.6)
Plus: Net property income from equity a/c investments	—
Less: Amortisation, depreciation and eliminations	(2.4)
Total NPI	257.8
Represented by:	
Office	119.1
Industrial Australia	53.4
Industrial International	77.6
Retail	7.7
Total NPI by sector as reported	257.8
Management EBIT ¹	5.3
Development gains	—
Responsible entity fees ¹	(11.7)
Operating earnings	251.4

1. Dec 08 Responsible Entity fees are shown at cost following internalisation in Feb 08. This Responsible Entity fee expense and the corresponding management fee revenue are eliminated in the statutory financial statements as the management company is a wholly owned consolidated entity.

Interest reconciliation

	\$'m	31 Dec 08 \$'m
Interest paid/payable	100.3	
Other finance costs	1.5	
Interest expense		101.8
Realised interest rate swaps	(5.0)	
Unrealised interest rate swaps MTM	407.2	
Net fair value loss (gain) of interest rate swaps		402.2
Total interest expense		504.0
Less interest capitalised		(18.2)
Finance costs		485.8

Profit to funds from operations reconciliation

	Group Consolidated	Property revals/ Impairment	MTM derivs & FX	Incentive amort	Straight line rent adjust	Deferred tax	P/L on sale of invest prop	RENTS capital distribution	Other	Distributable earnings
Revenue from ordinary activities										
Property revenue	342.8			15.6	(2.1)					356.3
Interest revenue	2.0									2.0
Management fees	28.3									28.3
Share of net profits of associates accounted for using the equity method	—									—
Net loss on sale of investment properties	(0.4)						0.4			—
Net foreign exchange gain/(loss)	0.1									0.1
Other income	0.5									0.5
Total income	373.3									387.2
Expenses										
Property expenses	(82.6)									(82.6)
Net fair value gain/(loss) of derivatives	(20.7)		20.7							—
Net fair value loss of investment properties	(702.2)	702.2								—
Impairment	(70.9)	70.8						0.1		—
Finance costs	(485.8)		407.2							(78.6)
Depreciation	(2.4)			0.3						(2.1)
Compensation related expenses	(30.8)									(30.8)
Other expenses	(12.7)								(0.6)	(13.3)
Total expenses	(1,408.1)									(207.4)
Profit before tax	(1,034.8)									179.8
Tax expense										
Income tax benefit/(expense)	(0.7)					0.3				(0.4)
Withholding tax benefit/(expense)	83.6					(84.1)				(0.5)
Total tax expense	82.9									(0.9)
Net profit attributable to other minority interests	(2.4)							(6.5)		(8.9)
Cum-div distribution adjustment	—								18.7	18.7
Profit after tax and minority interest	(954.3)	773.0	427.9	15.9	(2.1)	(83.8)	0.4	(6.5)	18.2	188.7
Distribution (70% of FFO)										132.1
Securities on issue (million)										3,476.8
Distribution per security (cents)										3.80



Funds management contribution

	31 Dec 08 \$'m
Internal Responsible Entity fee revenue (at cost)	11.7 ¹
Third party management fees and other revenue	31.8 ²
Compensation related expenses	(30.8) ³
Other corporate expenses	(7.4) ⁴
Management EBIT	5.3
Net interest expense	(4.6) ⁵
Tax expense	(0.2) ⁶
Net income after tax	0.5

1. Shown as "Responsible Entity fees" in slide 11, eliminates on consolidation
2. Per "Management fees" and part of "other income" in FFO reconciliation slide
3. Per "Compensation related expenses" in FFO reconciliation slide
4. Included in "Other expenses" in FFO reconciliation slide
5. \$0.7m included in "Interest revenue" in FFO reconciliation slide, balance eliminates on consolidation
6. Included in "Income tax expense" in FFO reconciliation slide

Note: the Dec 07 period is not comparable due to the internalisation on 21 Feb 08

External revaluation summary

Property sector	% of book value externally valued	Valuation (\$'m)	External revaluation	Previous book value (\$'m)	Change in book value %	Portfolio average cap rate ^{2%}
Office						
Australia – NSW	43.2	1,284	(98)	1,382	(7.1)	6.6
Australia – VIC	25.3	160	25	135	18.2	7.7
Australia – ACT						8.0
Australia – WA						7.8
New Zealand						7.5
Total office	33.2	1,444	(73)	1,517	(4.9)	7.0
Industrial						
New South Wales	19.5	171	(14)	185	(7.4)	8.1
Victoria	2.5	16	(1)	17	(5.6)	8.1
South Australia	100.0	27	1	26	3.9	9.0
Queensland						7.8
Western Australia						7.8
Sub-total industrial – Australia	13.3	214	(14)	228	(6.0)	8.1
North America						7.9
Europe	100.0	325	(66)	391	(16.8)	7.7
Total industrial	12.9	539	(80)	619	(12.9)	7.5
Whitford City Shopping Centre						6.3
Total investment properties¹	22.5	1,983	(153)	2,136	(7.2)	7.4

1. Includes PP&E impairments

2. Average cap rate for total portfolio including external and internal valuations

Revaluation summary

	Office \$m	Industrial \$m	Retail \$m	North America \$m	Europe \$m	Total \$m
P&L Revaluations – investment properties						
External valuations	(60)	(14)	–	–	(66)	(140)
Internal valuations	(114)	(64)	–	(384)	–	(562)
Sub total	(174)	(78)	–	(384)	(66)	(702)
P&L revaluations – PP&E						
External valuations	(13)	–	–	–	–	(13)
Internal valuations	–	(10)	–	(48)	–	(58)
Sub total	(13)	(10)	–	(48)	–	(71)
Total P&L revaluations	(187)	(88)	–	(432)	(66)	(773)
Carry value – investment properties						
Externally revalued	1,424	214	–	–	325	1,963
Internally revalued	2,756	1,202	280	2,134	–	6,372
Sub total	4,180	1,416	280	2,134	325	8,335
Carry value PP&E						
Externally revalued	20	–	–	–	–	20
Internally revalued ¹	152	192	–	113	–	457
Sub total	172	192	–	113	–	477
Carry value – equity accounted						
Externally revalued	–	–	–	–	–	–
Internally revalued	130	–	–	–	–	130
Sub total	130	–	–	–	–	130
Total carry value^{1,2}	4,482	1,608	280	2,247	325	8,942

1. This excludes \$7m of equipment

2. Includes equity accounted asset (1 Bligh Street - book value of \$130m)

Key financial risk management measures

	Dec 08	Jun 08
Gearing ¹	37.3%	33.2%
Interest cover	2.7x	3.0x
Headroom (approx)	\$700m	\$500m
Duration of debt	3.0 yrs	3.0 yrs
Interest hedge duration	6.0yrs	6.2 yrs
Weighted average cost of debt ²	5.3%	5.4%
Debt hedged	91%	86%
Foreign balance sheet hedged ³	100%	93%
Foreign income hedged	93%	91%
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. Covenant gearing is the same definition but does not exclude cash. Consequently, gearing based on the covenant definition = 38.0%
2. Inclusive of margins and fees
3. Excludes working capital and cash

Debt profile

	Facility limit A\$m	Drawn amount A\$m	Maturity dates	Security ¹	Currency
Syndicated bank debt	300	227	Mar 10	Unsecured	Multi-ccy, A\$ limit ¹
	303	303	Sept 10	Unsecured	Multi-ccy, US\$ limit ²
Bilateral bank debt	360	308	Dec 10	Unsecured	Multi-ccy, A\$ limit ¹
	145	70	Sept 11	Unsecured	Multi-ccy, A\$ limit ¹
	178	162	May 12 - Jul 12	Unsecured	Multi-ccy, A\$ limit ¹
	250	204	Apr 12	Unsecured	Multi-ccy, A\$ limit ¹
	250	150	Sept 13	Unsecured	Multi-ccy, A\$ limit ¹
	173	73	Dec 13	Unsecured	Multi-ccy, US\$ limit ²
Secured bank debt	250 ³	—	Oct 11	Secured	A\$
	250 ³	—	Dec 12	Secured	A\$
	250	—	Jul 11	Secured	A\$
	104	104	Mar 09 ⁴	Secured	US\$
	325	325	Sept 11 ⁵	Secured	US\$
	3	3	Oct 11 - Jan 15	Secured	US\$
Medium term notes	250	250	Feb 10	Unsecured	A\$
	200	200	Feb 11	Unsecured	A\$
	7	7	Sept 10	Unsecured	US\$
US private placement notes	577	577	Feb 11 - Mar 17	Unsecured	US\$
CMBS (Refinanced)	—	500	Apr 09 ³	Secured	A\$
Total	4,175	3,463			
Bank Guarantee utilised		8			
Headroom		704			

Conversion rates: AUD/USD 0.6928, AUD/EUR 0.4919, AUD/CAD 0.8441.

1. Capacity to draw in A\$, US\$, EUR, GBP, CAD, NZ\$, JPY, HKD, SGD. Facility limit denominated in AUD
2. Capacity to draw in A\$, US\$, EUR, GBP, CAD, NZ\$, JPY, HKD, SGD. Facility limit denominated in USD
3. The CMBS has been refinanced with two A\$250m facilities (shown above in Secured bank debt)
4. Refinanced in Jan 09 with US\$90m (A\$130m) secured bank debt, maturing Feb 14
5. Assumes a two year extension option exercised from September 2009

Debt profile by jurisdiction

	Weighted average cost of debt ¹ %	Interest bearing liabilities millions	Cross currency swaps ³ millions	Interest hedge duration years
Australia/New Zealand	5.65	A\$1,896	A\$(1,012)	5.0
USA	4.72	US\$969	US\$610	6.4
Europe	4.65	€83	€100	5.4
Canada	4.93	—	C\$70	9.0
Average/total²	5.25	A\$3,463	—	6.0
Plus amortised debt costs		A\$8		
Current & non-current interest bearing liabilities		A\$3,455		

- Balance Sheet naturally hedged through foreign liabilities
- Cross currency swaps used for cash management purposes, and to reduce the impacts of currency volatility
- No US\$ debt drawn under multi-currency facilities

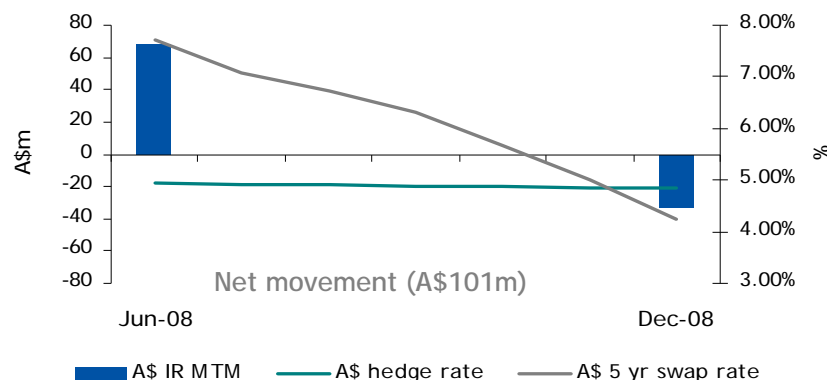
1. Weighted average of fixed and floating rates for the current period, inclusive of margins & fees

2. Conversion rates: AUD/USD 0.6928, AUD/EUR 0.4919, AUD/CAD 0.8441

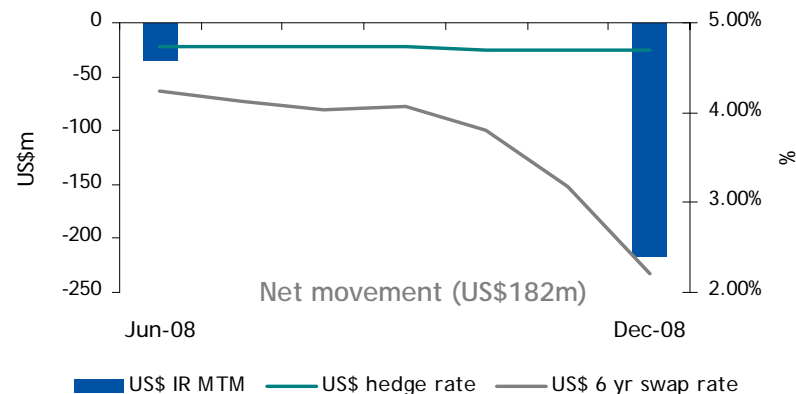
3. Cross currency swap principal amounts included at contract exchange rates. Refer slide 58 for maturity profile

Mark to markets

A\$ interest rate swap mark to market movement



US\$ interest rate swap mark to market movement



Mark to market reconciliation Jun 08 to Dec 08	Interest rate swaps (A\$m)	Foreign exchange contracts	Cross currency swaps (interest component)	Cross currency swaps (FX component)	Balance/total
Derivative assets ¹	197	3	—	—	200
Derivative liabilities ¹	(572)	(4)	(10)	(146)	(732)
Unrealised expense (P&L) ²	(407) ³	(11)	(10)	—	(428)

1. Balance as at 31 Dec 08. All derivatives are classified as current assets or liabilities on the balance sheet as per Australian accounting standards. This does not reflect the actual maturity of the derivatives

2. Reflects the net movement in derivative assets and liabilities from 30 Jun 08 to 31 Dec 08

3. Consists of A\$101m and US\$182m (A\$268m) per charts above, plus €15m (A\$26m) and C\$10m (A\$13m) not shown

Interest rate hedging profile

Interest rate hedging	HY09	FY09	FY10	FY11	FY12	FY13	Avg FY14+ ⁵
A\$m average hedged ¹	822	696	776	791	643	499	313
A\$ hedge rate (ex margin) ²	4.50%	4.70%	4.59%	4.93%	4.86%	5.13%	6.08%
A\$ blended rate (inc margin) ³	5.65%	5.47%	5.34%	6.41%	6.70%	6.88%	7.03%
US\$m average hedged ¹	1,664	1,568	1,541	1,496	1,481	1,387	765
US\$ hedge rate (ex margin) ²	4.72%	4.82%	5.03%	5.08%	5.05%	5.07%	4.63%
US\$ blended rate (inc margin) ³	5.10%	5.18%	5.84%	6.46%	6.51%	6.51%	5.67%
€m average hedged ¹	185	180	180	178	168	145	52
€ hedge rate (ex margin) ²	3.96%	4.03%	4.05%	4.00%	4.00%	4.02%	4.05%
€ blended rate (inc margin) ³	4.65%	4.74%	5.39%	5.71%	5.97%	5.89%	5.96%
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%	4.43%
C\$ blended rate (inc margin) ³	4.93%	5.51%	6.10%	6.59%	6.74%	6.74%	6.74%
Total hedged (A\$m) ^{1, 4}	3,682	3,409	3,449	3,394	3,204	2,879	1,595
Hedge rate (ex margin)^{2, 4}	4.66%	4.71%	4.82%	4.92%	4.90%	4.97%	4.87%
Blended rate (inc margin)^{3, 4}	5.25%	5.23%	5.65%	6.38%	6.53%	6.58%	6.62%

1. Average amount hedged for the period
2. Weighted average hedge rate for the period
3. Weighted average fixed and floating rate including estimated margin and fees
4. Conversion rates: AUD/USD 0.6928, AUD/EUR 0.4919, AUD/CAD 0.8441
5. Hedging out to 10 years

Foreign income hedging profile

Foreign income hedging	HY09	FY09	FY10	FY11	FY12	FY13
Combined hedging profile	93%	90%	85%	87%	90%	90%
US\$ hedging profile ¹	97%	96%	92%	93%	97%	98%
Foreign exchange contracts (US\$m)	4.7	9.5	7.25	5.6	4.4	2.65
Average A\$/US\$ rate	0.6727	0.6844	0.6848	0.7084	0.7098	0.6657
NZ\$ hedging profile ²	86%	75%	39%	20%	0%	0%
Foreign exchange contracts (NZ\$m)	3.8	7.5	4.0	2.0	0	0
Average A\$/NZ\$ rate	1.1278	1.1344	1.1767	1.1794	N/A	N/A
€ hedging profile ³	73%	65%	59%	64%	64%	63%
Foreign exchange contracts (€m)	0	0	0	0	0	0
Average A\$/ € rate	n/a	n/a	n/a	n/a	n/a	n/a
CAD hedging profile ⁴	79%	69%	60%	67%	49%	48%
Foreign exchange contracts (CAD)	0	0	0	0	0	0
Average A\$/CAD rate	n/a	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

Cross currency swap maturity profile

Cross currency swaps	FY09	FY10	FY11	FY12
US\$ maturities (US\$m) ¹	78	120	172	240
US\$ average rate ²	0.8990	0.7040	0.7721	0.8121
€ maturities (€m)	0	100	0	0
€ average rate ²	n/a	0.5046	n/a	n/a
CAD maturities (C\$m)	0	70	0	0
US\$ average rate ²	n/a	0.8677	n/a	n/a

1. Excludes maturing contracts that have been extended
2. Average rate on contracts maturing in that period

Portfolio composition (revenue and lease expiry)

Expiry year	% of global rent	FY09	FY10	FY11	FY12	FY13+
Australian office	47%	1%	4%	4%	4%	34%
Australian industrial	18%	1%	2%	3%	4%	9%
Retail	3%	1%	0%	1%	0%	1%
North America industrial	27%	2%	5%	4%	4%	12%
Europe industrial	5%	0%	1%	0%	1%	2%
Total	100%	5%	12%	12%	13%	58%

FX rates used A\$/US\$ 0.6928, A\$/€ 0.4919

Developments - completed

Property	Country	Area sqm	Estimated final cost ¹ (\$m)	Estimated yield on cost (%)
Industrial				
Sperian, Redwood Gardens, Dingley	Australia	3,400	3.9	7.5
San Antonio	USA	42,371	20.0	8.8
Office				
60 Miller Street, North Sydney	Australia	4,532	25.2	8.3
Total completed			49.1	

1. Conversion rate: AUD/USD: 0.6928

Developments - underway

Property	Country	Area sqm	Estimated total cost ¹ (A\$m)	Estimated cost to completion (A\$m)	Estimated yield on total cost (%)	Estimated completion date
1 Bligh Street, Sydney	Australia	29,323	210	150	7.0	Jun HY 2011
123 Albert Street, Brisbane	Australia	38,167	350	250	6.8	Dec HY 2010
Total underway		67,490	570	400		

1. Represent DEXUS Property Group's interest

Acquisitions and disposals

Property	Interest %	Acquisition amount A\$m	Notes	
Acquisitions – Australia				
Greystanes, Western Sydney	100%	113	Staged acquisition with the remaining \$57m to be paid Dec HY 09 as infrastructure is completed.	
Total acquisitions		113		
	Date	Interest %	Settlement amount A\$m	Notes
Disposals – Australia				
1 Bligh Street, Sydney	Feb 09	33%	60	Sold to Cbus. DWPF has also been granted an option acquire a 1.5% interest
Disposals – North America				
Atlanta Industrial Drive, Atlanta, USA	Oct 08	100	7	Sold to Exeter Property Group
Total disposals			67	

1. US\$4.65m FX 0.6791

Whirlpool - investment program update

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

Location	Estimated acquisition date	Area '000 sqm	Acquisition and estimated cost (\$m)
Acquired 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\$257.2¹
Pending acquisition			
Columbus, OH, USA	Jun HY 09	145	US\$69.6
Seattle, WA, USA	Dec HY 09	140	US\$76.8
Atlanta, GA, USA	Dec HY 09	83	US\$81.6
			A\$329.1²
Total		642	A\$586.3

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

2. Conversion rate: AUD/USD: 0.6928

Developments - uncommitted pipeline

Property	Country	Building area sqm	Project estimate ^{1,2} (A\$m)	Project estimated to completion ^{1,2} (A\$m)	Projected yield on project estimate cost (%)
Office – Australia					
105 Phillip Street, Parramatta	Australia	20,380	100	80	8
144 Wicks Road, North Ryde	Australia	48,000	180	150	7
Industrial – Australia					
Greystanes, Western Sydney	Australia	169,125	300	190	8
3 Brookhollow Ave, Baulkham Hills	Australia	22,929	90	80	9
DEXUS Industrial Estate, Laverton North	Australia	324,305	340	270	9
Axxess Corporate Park, Mt Waverley	Australia	16,094	50	45	9
Industrial – North America					
San Antonio	USA	44,491	30	25	9
Land parcels – Beaumeade, Garland & Plano	USA	—	—	—	—
Total pipeline		645,324	1,090	840	

Development activities will only commence if they are fully funded and meet the investment criteria

1. Represent DEXUS Property Group's interest
2. Conversion rate: AUD/USD 0.6928

Australian major tenants by income

Office	% of Sector NPI ¹	Industrial	% of Sector NPI ²
1 Woodside Energy Ltd	6.3%	1 Coles Myer Limited	6.6%
2 State of NSW	5.1%	2 Elders Ltd	5.6%
3 Commonwealth of Australia	4.6%	3 Visy Steel Products	3.8%
4 State of Victoria	3.3%	4 IBM Global Services	3.1%
5 IBM Australia Limited	3.3%	5 Toll Transport Pty Ltd	2.5%
6 Lend Lease Corporation Limited	3.1%	6 Commonwealth of Australia	2.3%
7 Dabserv Pty Limited (Mallesons)	2.8%	7 Fosters Group Limited	2.1%
8 The Herald & Weekly Times Limited	2.2%	8 Alinta Limited	1.9%
9 HBOS Australia Pty Ltd	2.1%	9 Controlled Climate Logistics	1.8%
10 PKF	1.6%	10 Panasonic Australia Ltd	1.8%

1. Australian office portfolio (excluding car parks) net property income
2. Australian Industrial net property income

Major tenants by location and income¹

Europe	% of Europe NPI	North America	% of North America NPI
1 Edeka Südwest	19.7%	1 Whirlpool Corporation	12.5%
2 Industriereifenkontor Lüdke	9.9%	2 AT&T Corporation	2.2%
3 Karstadt Vermietungsges. mbH	7.8%	3 US Government (TSA)	1.6%
4 Compass	7.7%	4 Savvis Communication Corporation	1.5%
5 CAE	6.9%	5 General Services Administration	1.5%
		6 Skechers USA, Inc.	1.2%
		7 Square D Company	1.2%
		8 Graham Webb International	1.2%
		9 Domtar Paper Company	1.1%
		10 International Business Machine	1.0%



Retail – Whitford City Shopping Centre, WA

Key statistics

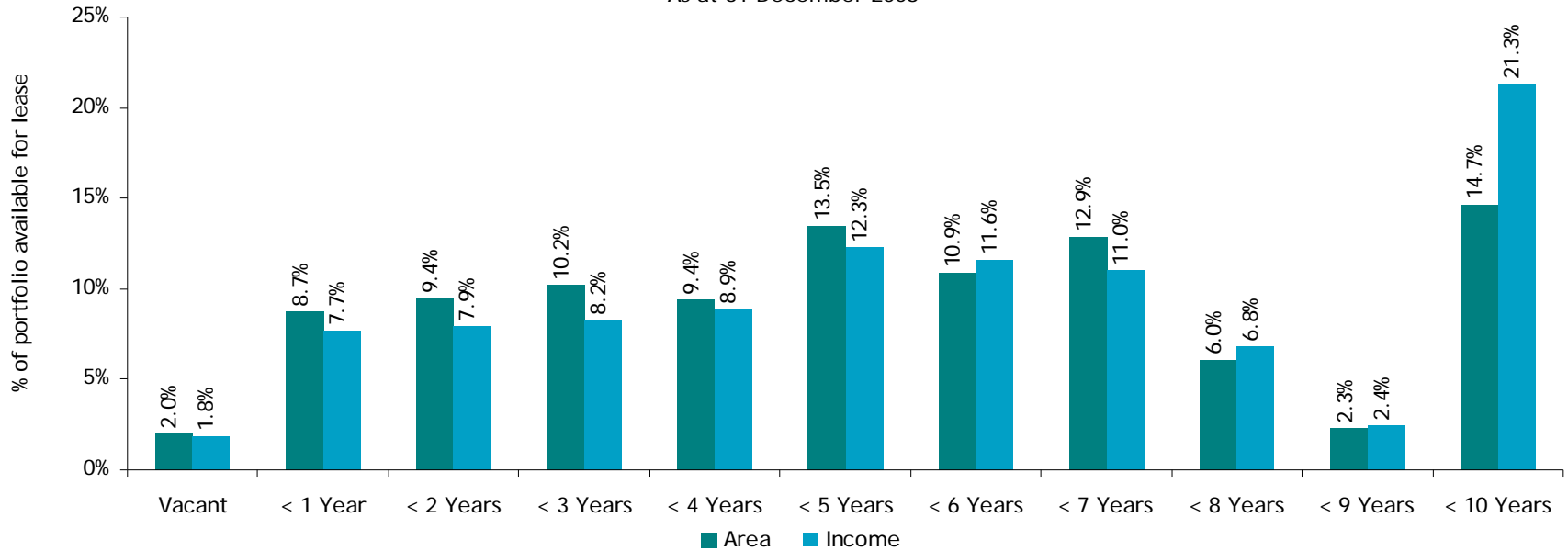
Book value	\$280m
Ownership interest	50%
Centre MAT (\$psm)	7,516
Specialty MAT (\$psm)	9,250
Total centre MAT growth (\$psm)	6.2%
Total centre MAT growth (\$pa)	6.5%
Total specialty MAT growth (\$psm)	4.6%
Total specialty MAT growth (\$pa)	3.6%
Specialty occupancy cost	13.7%
Net property income	\$7.7m
Occupancy (area)	99.9%
Average lease duration (income)	4.2yrs

Whitford City Westfield, Whitford City WA



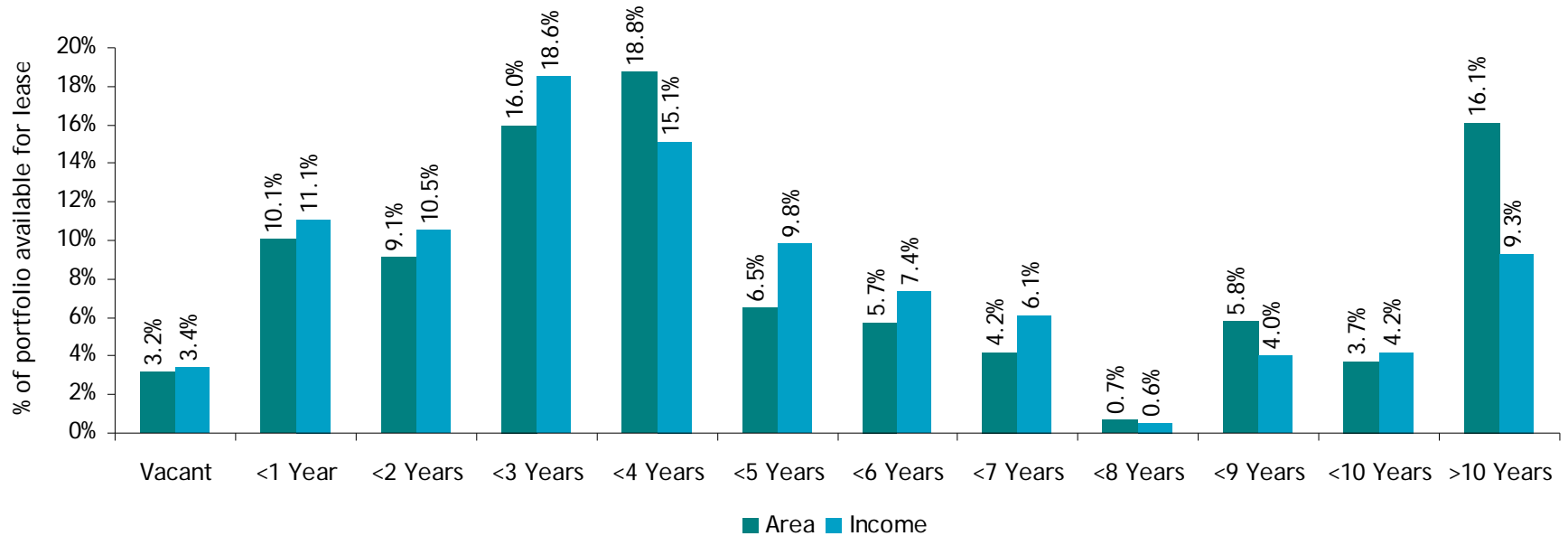
Australia/New Zealand office – lease expiry

As at 31 December 2008



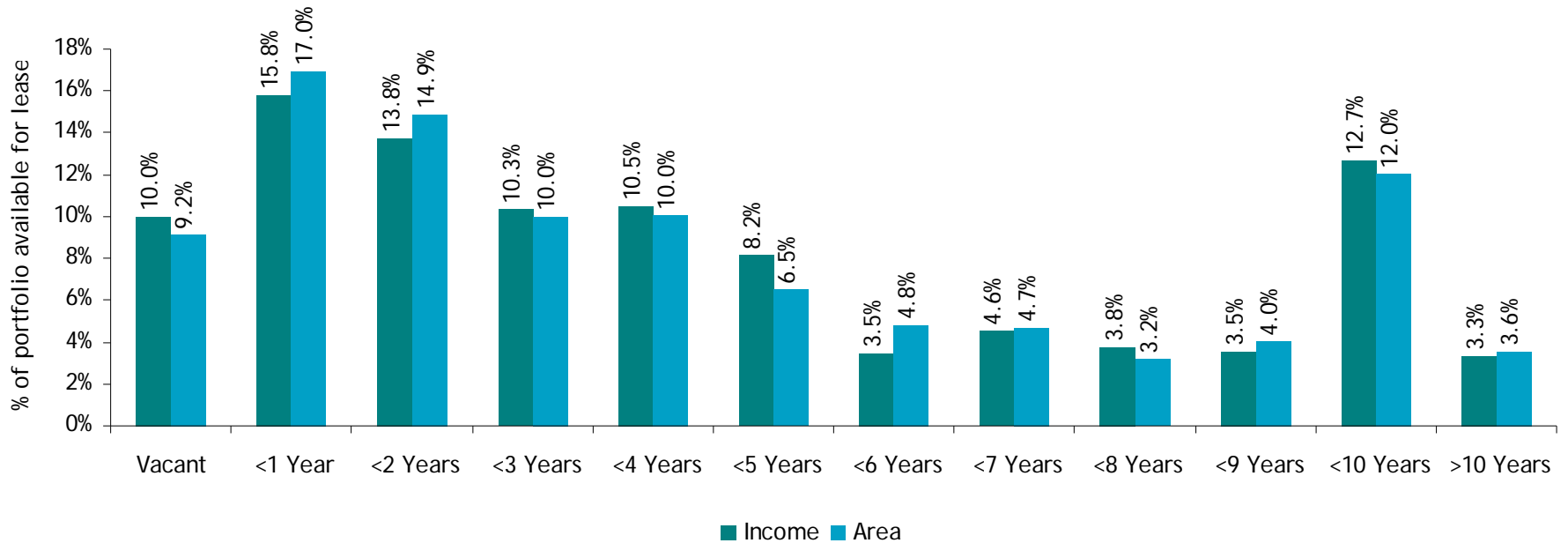
Australian industrial – lease expiry

As at 31 December 2008



North American industrial - lease expiry

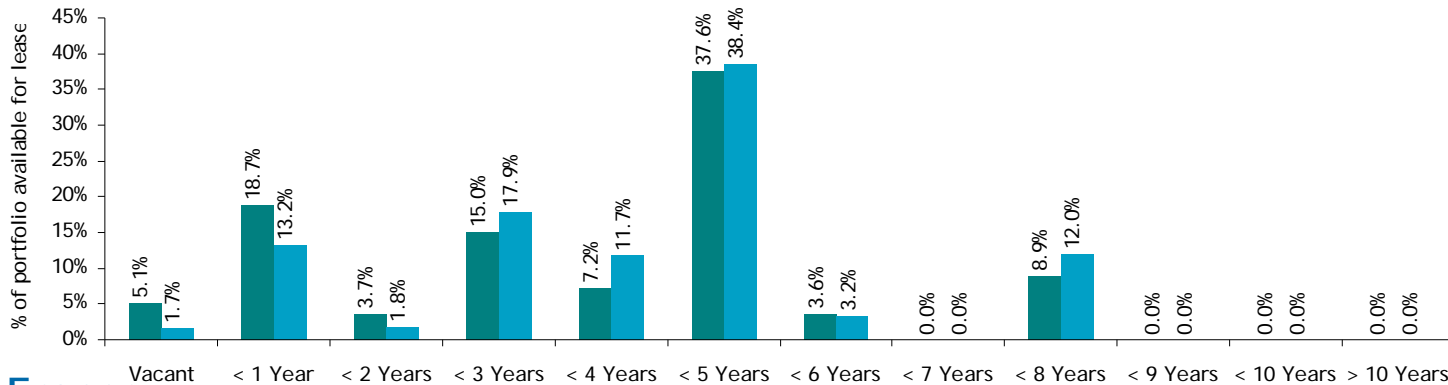
As at 31 December 2008



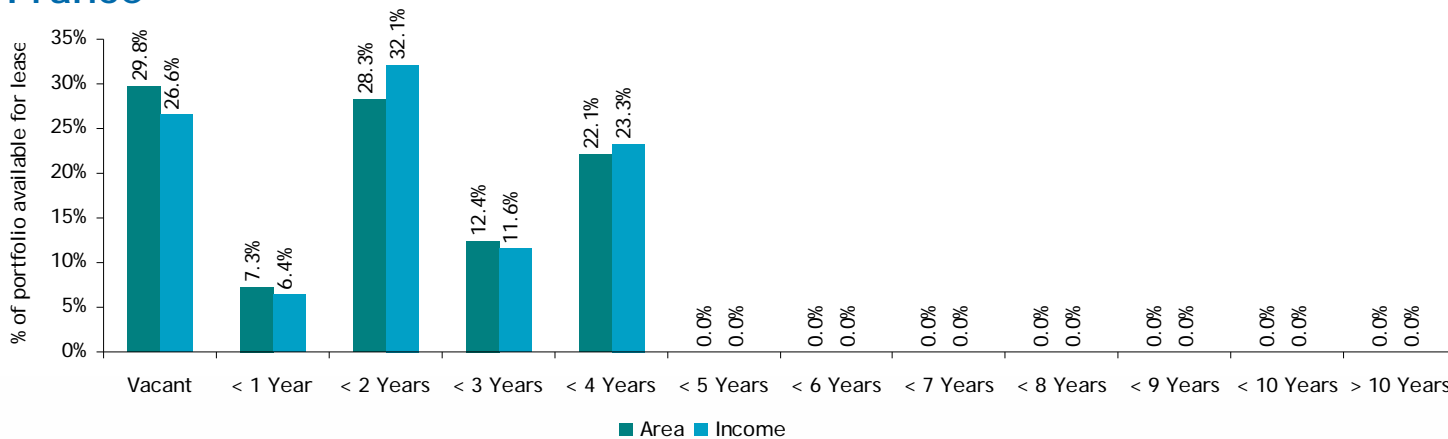
European industrial - lease expiry

Germany

As at 31 December 2008



France



Important Information



Important Information

- This presentation is issued by DEXUS Funds Management Limited (DXFM) in its capacity as responsible entity of DEXUS Property Group (ASX:DXS). It is not an offer of securities for subscription or sale and is not financial product advice.
- Information in this presentation including, without limitation, any forward looking statements or opinions (the Information) may be subject to change without notice. To the extent permitted by law, DXFM, DEXUS Property Group and their officers, employees and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the Information and disclaim all responsibility and liability for it (including, without limitation, liability for negligence). Actual results may differ materially from those predicted or implied by any forward looking statements for a range of reasons outside the control of the relevant parties.
- The information contained in this presentation should not be considered to be comprehensive or to comprise all the information which a DEXUS Property Group security holder or potential investor may require in order to determine whether to deal in DEXUS Property Group stapled securities. This presentation does not take into account the financial situation, investment objectives and particular needs of any particular person.
- The repayment and performance of an investment in DEXUS Property Group is not guaranteed by DXFM, any of its related bodies corporate or any other person or organisation.
- This investment is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

