

DEXUS Property Group Half Year Results 31 December 2008

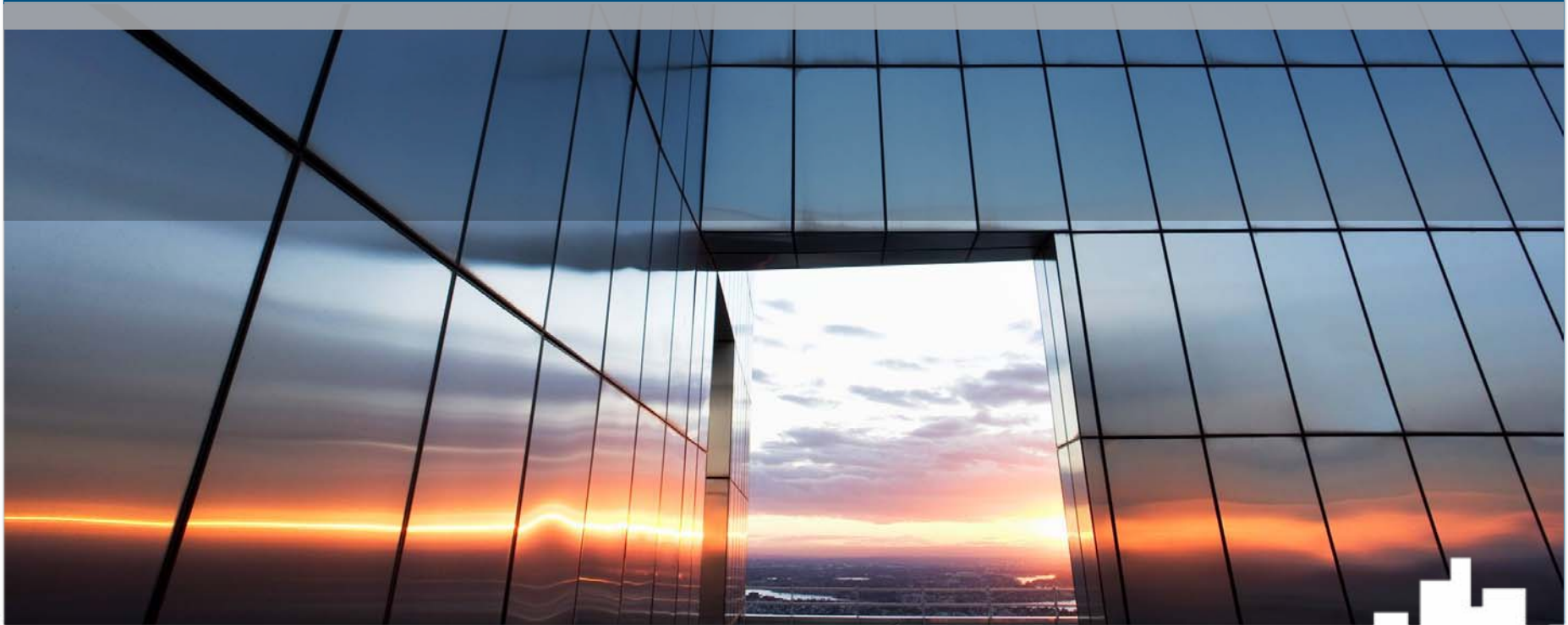


DEXUS Funds Management Limited
ABN 24 060 920 783
Australian Financial Services Licence Holder

DEXUS
PROPERTY GROUP

Half Year Results 2008

Victor Hoog Antink
Chief Executive Officer



State of the market - DEXUS focus

Market

- Challenging and volatile environment
 - Impacting capital markets
 - Impacting all business operations

DEXUS focus

- Actively managing our property portfolio to extract value and deliver sustainable income
- Pro-actively managing our balance sheet and maintaining prudent and diverse funding sources
- Driving a high performance culture, operational efficiencies and service excellence for our customers

1 Bligh Street, Sydney NSW



Well positioned: solid portfolio, focused team

- Strategic focus - leading owner, manager, developer
 - superior quality office and industrial portfolio
 - key locations in selected markets
- Strong tenant relationships
 - quality covenants
 - high retention rates
 - long tenure
- Experienced management team
 - high performance culture
 - focussed on active management of properties and balance sheet
- Market leader in sustainability
 - recognised as one of Global 100 Most Sustainable Companies at Davos

DEXUS Group operating model¹



1. Excludes cash

Prudent & proactive capital management

- Proactive capital management - \$1.5bn secured

Debt

- refinanced all 2009 debt maturities to Feb 2010 - \$950m
- additional \$250 million facility obtained
- Standard & Poors rating BBB+ reaffirmed in Nov 2008

Equity

- \$300 million placement
- DRP participation 30%
- All committed developments funded to completion
- Prudent distribution policy
 - payout ratio of 70% of FFO
- Post balance date: Asset sale/development de-risking
 - 33% in 1 Bligh Street to Cbus

44 Market Street, Sydney NSW



Results at a glance

Financial

	Dec 08	Dec 07
- operating earnings	\$251.4m	\$254.4m
- FFO per security	5.4c	5.9c
- DPS	3.8c	5.9c
- revaluations (devaluations)	(\$773m)	\$337m
- gearing	37.3%	31.3%

Operational

- like-for-like property income	1.5%	4.4%
- portfolio occupancy	93.1%	95.1%
- lease duration	4.8 yrs	4.9 yrs



Agenda

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



Financial performance

Craig Mitchell
Chief Financial Officer



Non-cash items dominate NPAT

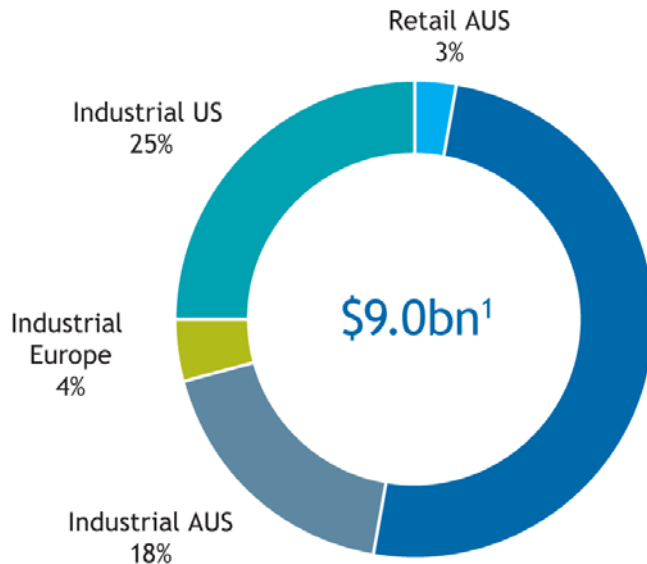
	Dec 08 \$'m	Dec 07 \$'m
NPAT to stapled security holders	(954.3)	432.7
Add back:		
Non cash: unrealised MTM loss on derivatives	427.9	72.3
Non cash: devaluations/(revaluations) of investment property/PPE	773.0	(337.1)
Non cash: deferred tax benefit	(83.8)	(8.9)
Net finance cost and other	88.6	95.4
Operating earnings¹	251.4	254.4
Funds from operations ²	188.7	172.9
Distribution (70% of funds from operations)	132.1	172.9

1. Refer to slide 10

2. Adjusted for cum-distribution payment for placement securities

Rental income drives operating earnings

Owned Assets

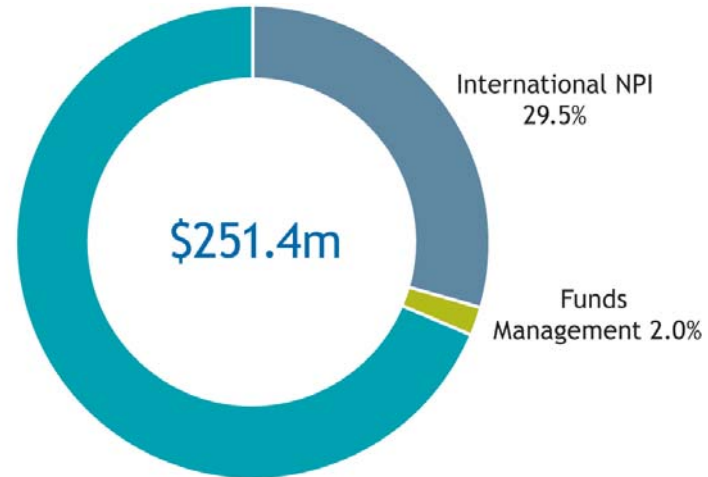


Operating Earnings



Office AUS
50%

Australian NPI
68.5%



- Highly diversified property portfolio
- Property assets represent 94% of total assets

- Rental income represents 98% of operating earnings

1. Excludes intangible assets of \$234m for management rights and cash

Performance of funds from operations

	Dec 08 \$'m	Dec 07 \$'m
Office	119.1	123.0
Industrial - Australia	53.4	52.3
Industrial - International	77.6	65.6
Retail	7.7	19.9
Development gains	-	5.9
Management EBIT ¹	5.3	4.9
Responsible Entity fees ¹	(11.7)	(17.2)
Operating earnings	251.4	254.4
Net finance cost and other ^{2,4}	(88.6)	(90.7)
Distribution adjustments ³		
- Cum dividend adjustment for placement	18.7	-
- Incentive amortisation/other ⁴	7.2	9.2
Funds from operations⁵	188.7	172.9
FFO per security	5.43c	5.90c

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

2. Includes finance costs, other income/expenses, current tax expense and minority interests

3. Dec 08 includes all distribution adjustments except for property revaluations and impairments totalling (\$773m), unrealised MTM of derivatives of (\$427.9m) and deferred tax benefit of \$83.8m (refer appendix slide 53)

4. Net loss on sale of investments of \$4.7m has been excluded from the Dec 07 comparative

5. Dec 08 has been adjusted for cum-distribution payment for placement securities



Property values have continued to decline

- Limited actual sales evidence for devaluations
- Valuation drivers for Dec 08

Australia

- primarily due to cap rate softening

North America & Europe

- primarily due to operating fundamentals and cap rate softening
- Uncertainty surrounding future values
 - operating fundamentals
 - cap rate changes

Australia Square, George Street, Sydney NSW



Capitalisation rates continue to soften

- Average capitalisation rates have softened by 72 bps in the last six months
- Entire portfolio revaluation decrease of \$773 million or (8.1%) over last six months

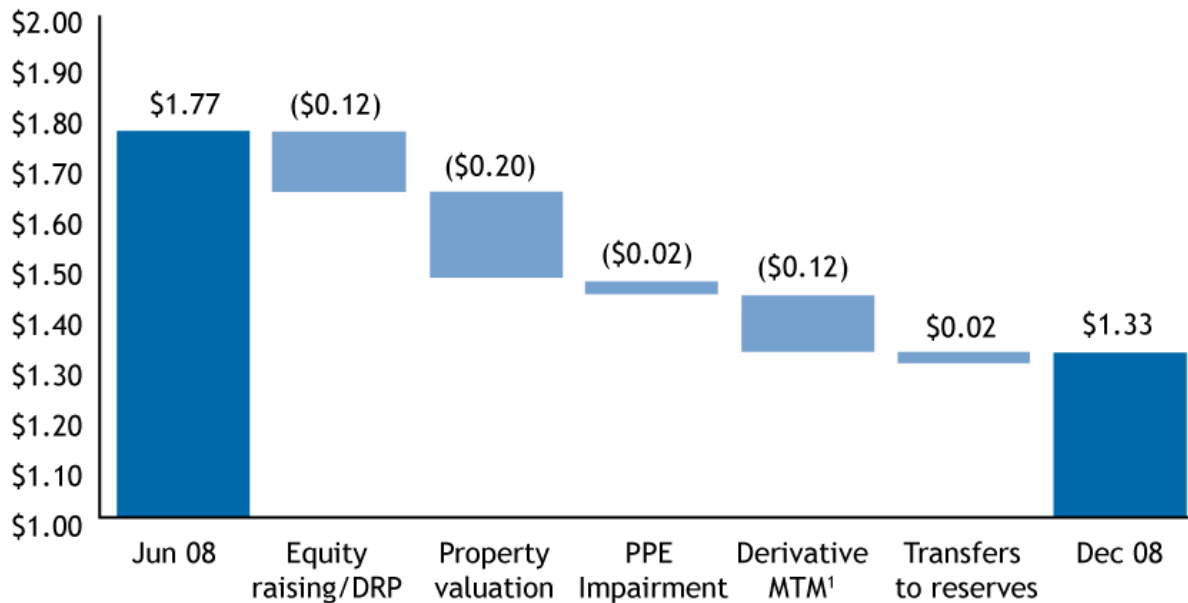
	Cap rate Jun 08 %	Cap rate Dec 08 %	Change bps	Property \$'m ¹	1H09 \$'m	De-valuation %
Australia office	6.4	7.0	58	4,180	(174)	4.0
Australia industrial	7.5	8.1	60	1,416	(78)	5.2
Australia retail	5.8	6.3	45	280	0	0.0
North America industrial ²	6.9	7.9	105	2,134	(384)	15.2
European industrial	6.4	7.7	123	325	(66)	16.8
Impairment of PP&E				483	(71)	
Total	6.7	7.4	72	8,818	(773)	8.1

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

2. Stabilised cap rate used for North America Industrial

Net asset value composition

- Property devaluations of \$702.2 million or 20 cents of NTA
- Impairment of PP&E of \$70.8 million or 2 cents of NTA
- Mark to market losses on derivatives of \$427.9 million or 12 cents of NTA
- NTA not impacted by currency movements due to hedging strategies



1. Predominantly relates to interest rate derivative MTM - refer slide 60

Active capital management

- Refinanced all 2008 & 2009 debt maturities
 - \$950 million from ongoing and new banking relationships
- Additional commitments of \$250 million
- Placement raising over \$300 million
 - natural DRP participation 30%
- Distribution policy changed
 - payout ratio 70% of FFO effective FY09
 - 30% retained for operating and leasing capex
- Asset sales/development de-risking
 - JV with Cbus reduces interest in 1 Bligh Street to 33%

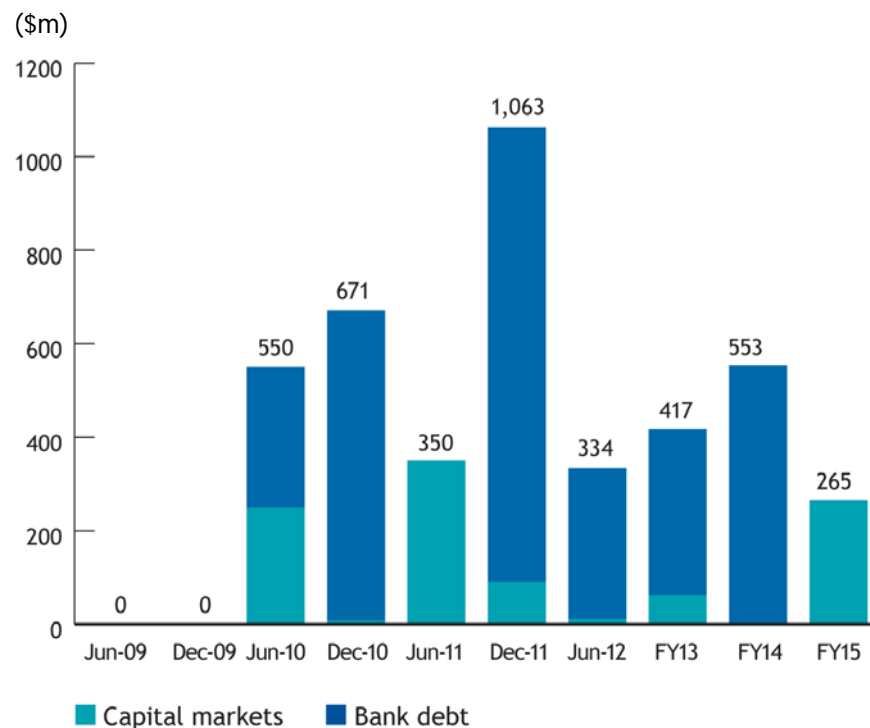
Gearing ratios



Pro-active debt management

- Committed undrawn facilities exceeded \$700m
- Debt duration steady at 3.0 years
- Gearing (adjusted for cash) 37.3%²
- No debt refinancing until Feb 2010
- Committed development and acquisitions fully funded until 2011
- Well within key covenants¹
 - gearing <55% actual 38.0%²
 - interest cover >2.0x actual 2.7x
 - priority debt <30% actual 10.3%
- S&P rating BBB+ reaffirmed

Maturity profile Dec 08

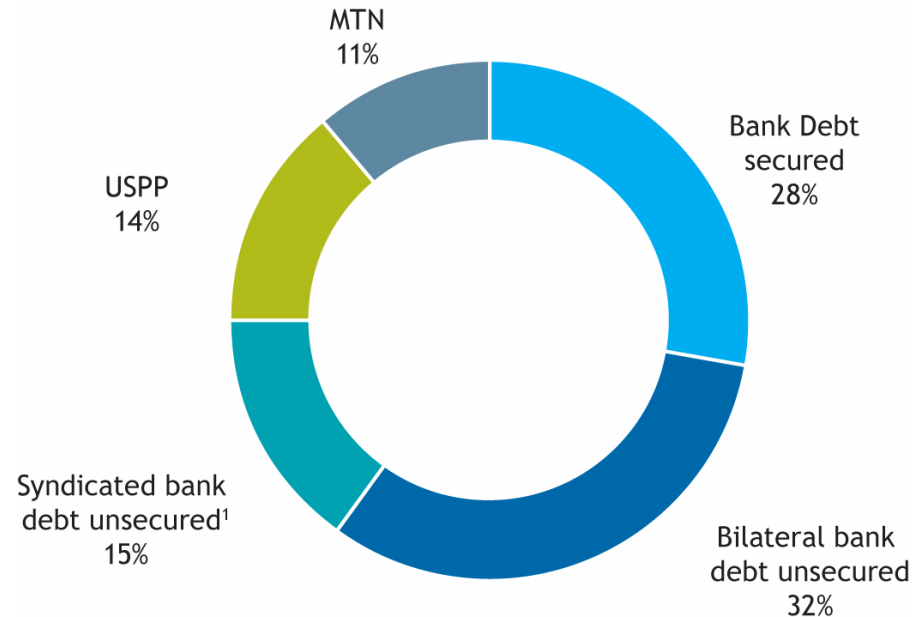


1. As per public bond covenants
 2. Gearing = Interest Bearing Liabilities (excluding deferred borrowing costs) less cash/Total Tangible Assets (excluding derivatives and deferred and current tax assets) less cash. Covenant gearing is the same definition but does not exclude cash. Consequently, gearing based on the covenant definition = 38.0%

Sound capital framework

- Diversified investments and funding sources
 - strong relationship with banking group
- Protection against movements in currency on debt and covenant headroom
 - balance sheet hedging
 - foreign currency denominated facilities
- Transparent debt structure
 - no off balance sheet debt (no look through adjustments)
 - majority of facilities unsecured
 - all rank pari passu

Facility mix Dec 08



1. Foreign banks hold 40% of the Syndicated unsecured bank debt

Office Portfolio

Louise Martin
Head of Office



Highlights - solid performance in difficult times

- High quality portfolio assets and good tenant diversification
- Solid portfolio performance
- Intensive management of portfolio with focus on cashflow
- Substantial progress of development pipeline and de-risking of developments

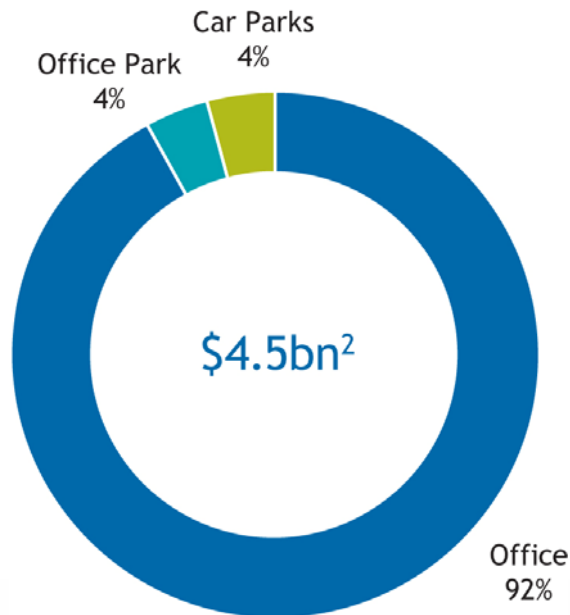
1 Farrer Place, Sydney NSW



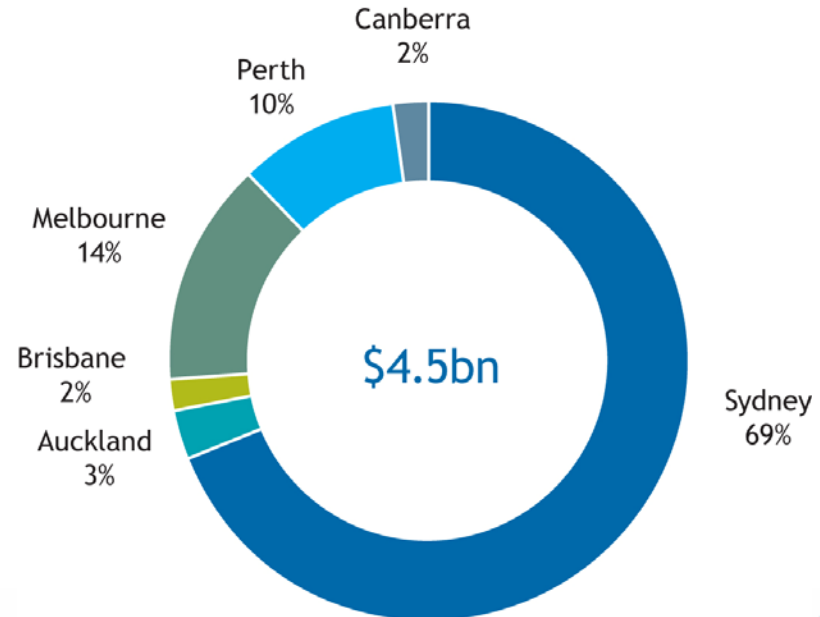
Quality portfolio - strategic location, quality assets

- High quality assets - 94% of office buildings are Premium or A-grade¹
- Geographic spread over 6 key locations - 69% of portfolio located in Sydney

Allocation by asset class



Geographical allocation by market



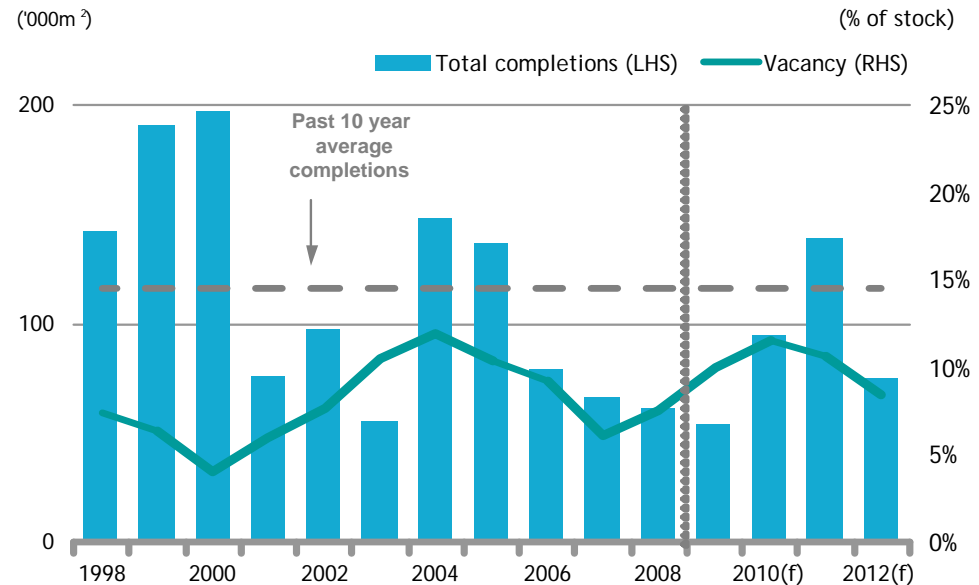
1. Includes Office Parks. Does not include car parks

2. Includes development assets

Office market - well positioned in key markets

- Leasing demand expected to remain weak in 2009/10
- Vacancy is forecast to rise in all major office markets
- Sydney & Melbourne helped by below average levels of new supply in the next 3 years - 83% of DXS portfolio
- Perth & Brisbane face the challenge of rising supply levels and a weakening resource sector - 2 DXS properties only

Supply and vacancy - Sydney CBD

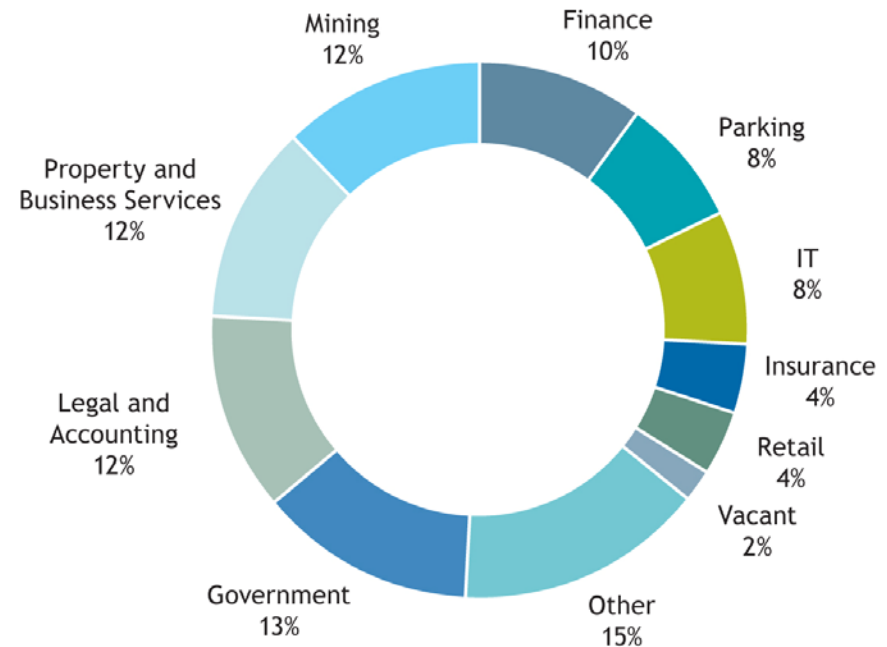


Source: DEXUS Property Group

Tenant diversification delivering sustained income

- Well diversified by tenant sector
 - top 20 tenants generate over 50% of income
 - secure income from Government tenants
 - income evenly spread across industry groups

Economic diversity of tenants

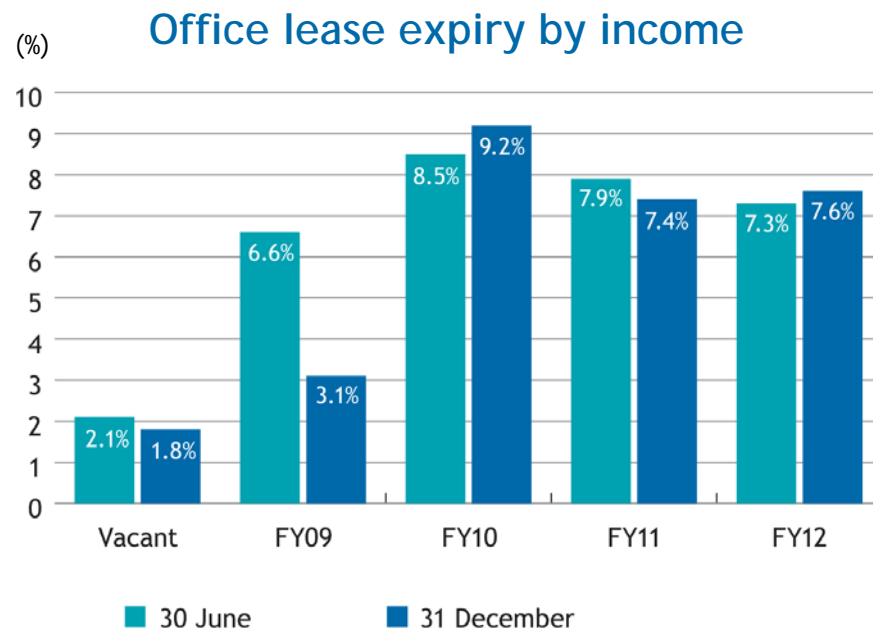


Top ten office tenants (by income)	% of Sector NPI
1 Woodside Energy Ltd	6.3%
2 State of NSW	5.1%
3 Commonwealth of Australia	4.6%
4 State of Victoria	3.3%
5 IBM Australia Limited	3.3%
6 Lend Lease Corporation Limited	3.1%
7 Mallesons	2.8%
8 The Herald & Weekly Times Limited	2.2%
9 HBOS Australia Pty Ltd	2.1%
10 PKF	1.6%



Strong portfolio fundamentals

- Solid like on like growth NPI
- High occupancy rates
- Limited market exposure
- High retention rates
- Good lease duration
- Expiries for FY09 well managed
- Capitalisation rates softening



Source: DEXUS forecast as at Nov 08

Net Property Income	Like-for-like	Occupancy (area)	Occupancy (income)	% Over/Under Rented	Exposure to Open Market Reviews	Retention rates	Lease duration ¹	Portfolio value ²	Avg cap rate
\$119.1m	3.1%	98.0%	98.2%	9% under	FY09 - 4%	74%	5.5yrs	\$4.5bn	7.0%

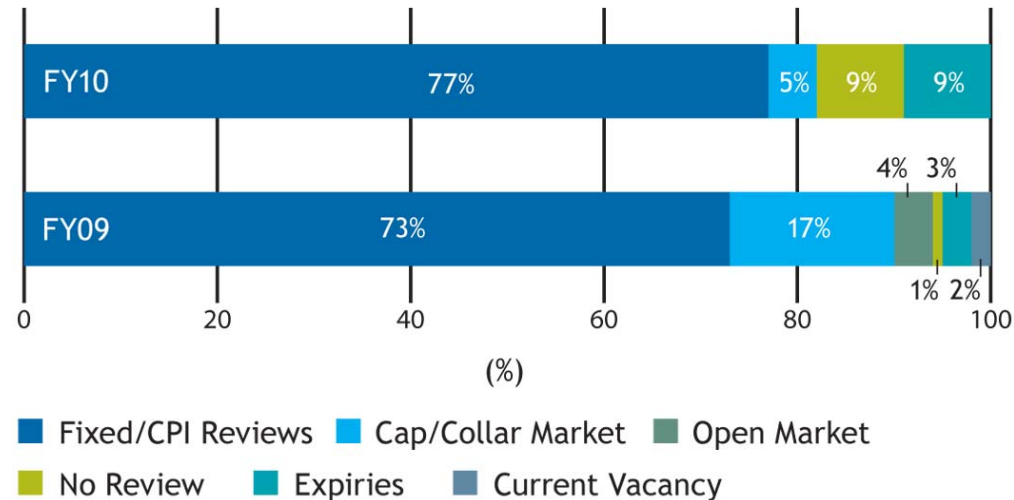
1. By income

2. Excludes cash and other assets

Office leasing - strong performance, active management

- 70% of FY09 expiries leased or renewed
- 25,000sqm leased - 64 transactions
- Average rental increase was 10.2%¹
- Major deals with Adobe, Dairy Australia and Australia Post
- Rent review profile de-risked
- 90% (FY09) and 82% (FY10) are fixed, CPI, or cap/collar

Rent review profile



1. Includes vacancies, new deals and renewals. Excluding leased developments

Office development underway and de-risked

- Developments are on track
- 123 Albert Street - 38,000sqm
 - 68% pre-committed to Rio Tinto
 - completion Dec 2010
 - \$250 million remaining to spend
- 60 Miller Street - 5,000sqm
 - 100% pre-leased
 - practical completion Feb 09
- 1 Bligh Street - 42,000sqm
 - 55% pre-committed to Clayton Utz
 - completion mid 2011
 - \$150 million¹ remaining to spend

123 Albert Street, Brisbane Qld



1. DXS interest only

2009 office focus

- Active management through integrated model
 - property, asset and development management
 - leasing of vacancies
 - tenant retention through service excellence from our internal property management teams
- Continued implementation of sustainability programs at property management
- Pro-active leasing — de-risking of portfolio and developments
- Development delivery — leasing balance of space
- Delivering sustainable cash flows

201 Elizabeth Street, Sydney NSW



Australian Industrial Portfolio

Andrew Whiteside
Head of Industrial



Highlights - active management delivering results

- Sound portfolio fundamentals
 - strategic mix of assets/strong tenant profile
- Active management approach
 - locking in tenure/maximising sustainable cash flows
- Delivering strong results
 - 3.4% like for like income growth
 - preserving portfolio value
- Driving value
 - repositioned the team
 - leveraging strategic relationships
 - adapting development approach

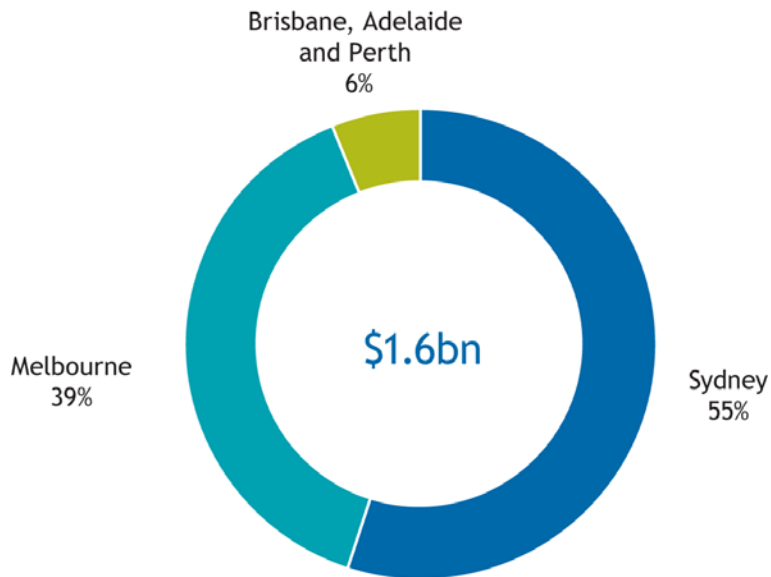
DEXUS Property Group Industrial Estate, Laverton North Vic



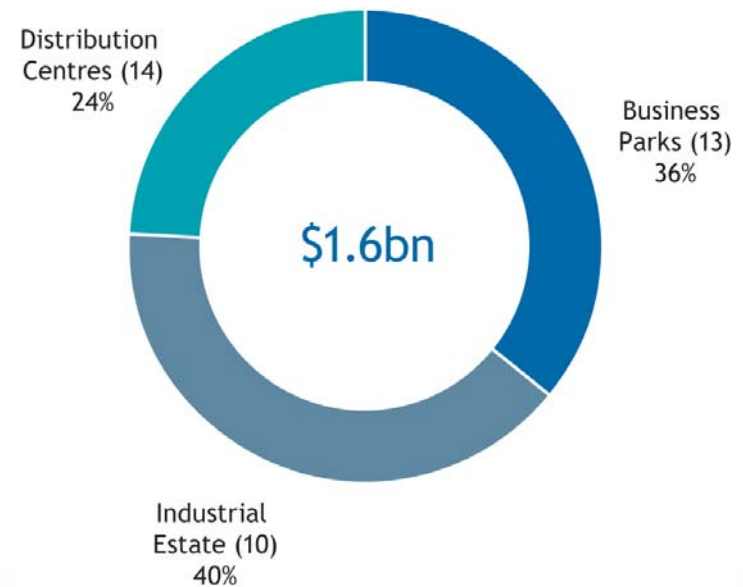
Diversified portfolio - quality assets, strategic location

- Flexible product - strategically located
- Continued market appeal - 97% occupancy

Geographic weighting

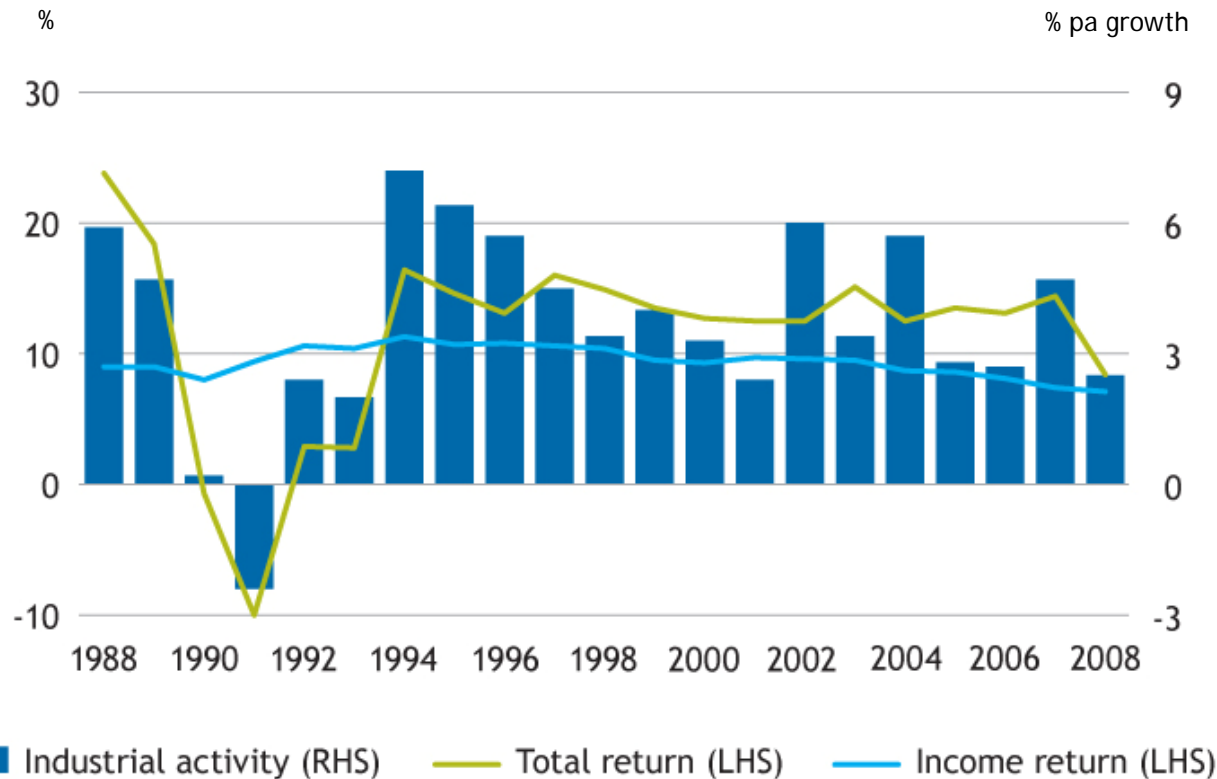


Property type



Industrial activity and property returns

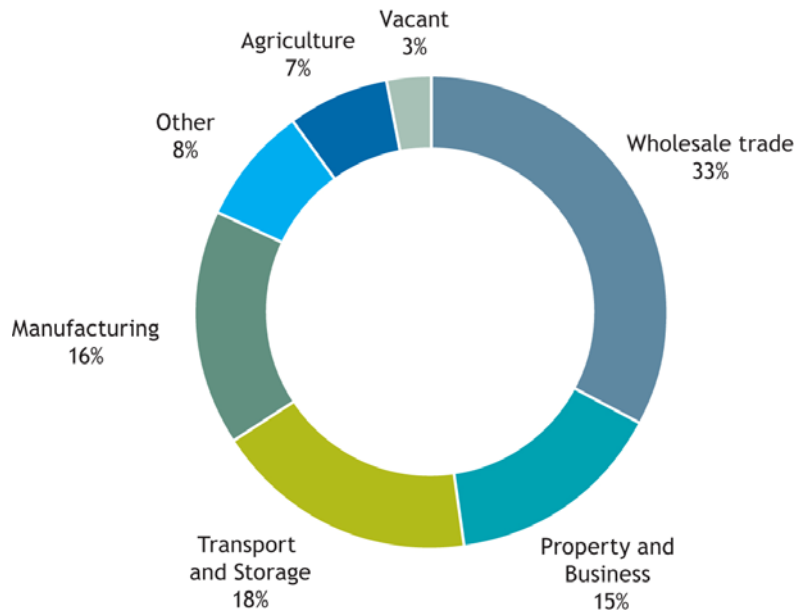
- 80% of industrial property returns comes from income historically



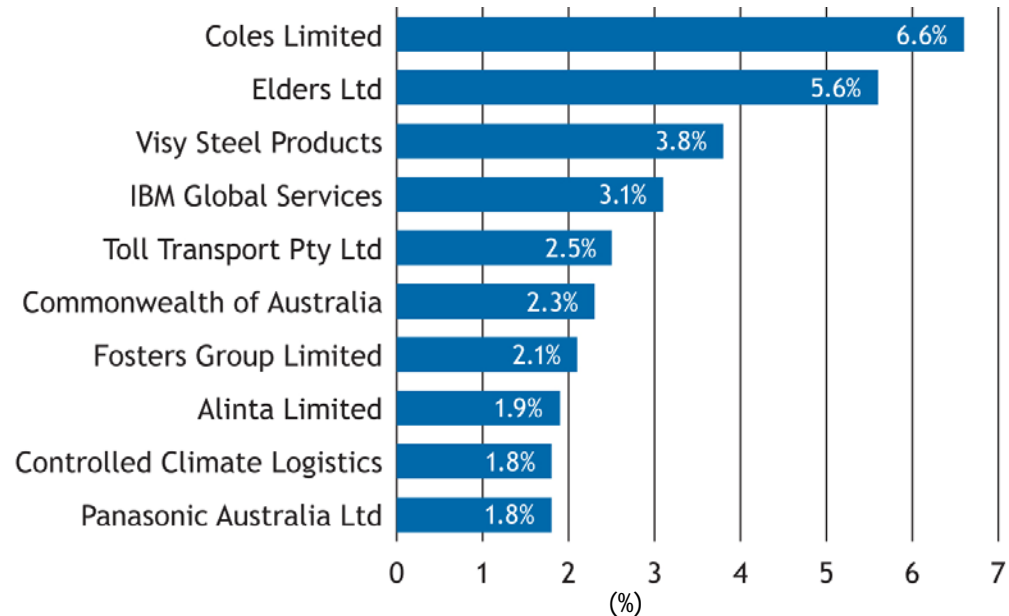
Source: Access Economics, IPD/PCA and DEXUS Research

Quality portfolio - strong tenant profile

Economic diversity of tenants



Top 10 customers (by income)



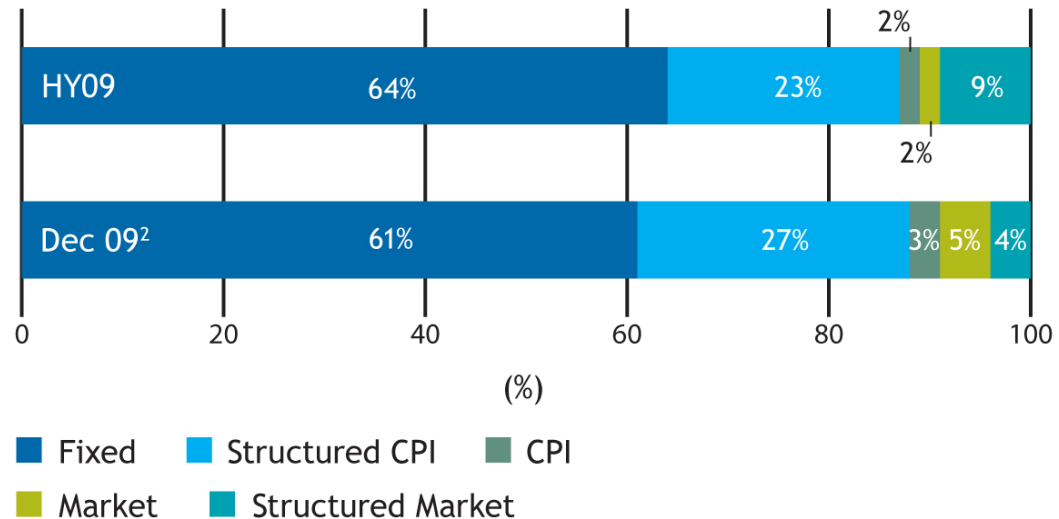
- Well diversified by industry sector

- 70% of income secured on 5+ year terms
- Top 20 tenants make up 45% of rent

Portfolio fundamentals - sound performance

- Solid like-for-like growth
- Strong rent review structure 3.7% YTD
- High occupancy maintained
- Limited exposure to market in the next 12 months
- Capitalisation rate softened 60bps

Rent review profile



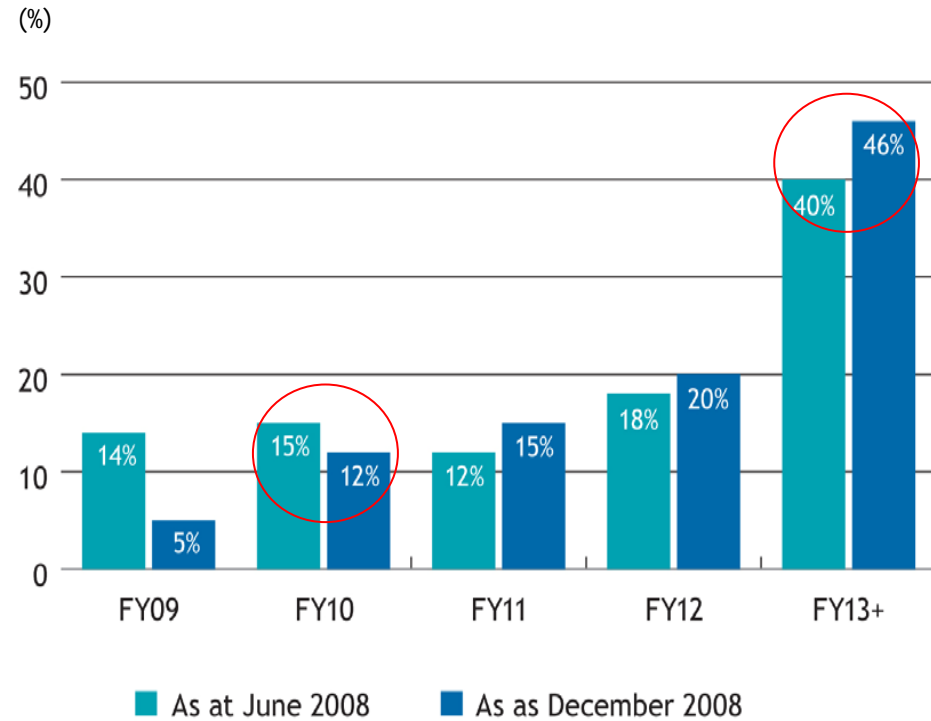
Net Property Income	Like-for-like	Occupancy (area)	Occupancy (income)	% Over/Under Rented	Mkt review next 12 months ¹	Retention rates	Lease duration ¹	Portfolio value	Avg cap rate
\$53.4m	3.4%	96.8%	96.6%	3.5% over	4.3%	79%	4.5	\$1.6bn	8.1%

1. By income
2. 12 months to Dec 09

Industrial leasing - intensive activity

- Strong leasing with 115,000sqm leased
 - 80% of FY09 expiries negotiated
- Continued success with existing tenants
 - retention at 79%
- Average rental growth of 0.1%
 - 3.5% for new leases
- Major leasing deals include:
 - Toll at Knoxfield 35,000sqm, 5yrs
 - DHL at Arndell Park 9,600sqm, 5yrs
 - Atlas Copco at Blacktown 8,100sqm, 5yrs
- 21% of FY10 expiries negotiated/FY13+ increased 15%

Lease expiry profile June 08 to Dec 08



Developments - flexibility in key markets

- Strategic sites in two key locations
 - Laverton North, Melbourne
 - Greystanes, Western Sydney
- Staged approach with steady enquiry
 - proven appeal to users
 - project track record
- No committed developments underway
- Commencement contingent upon pre-commitment and additional appropriate funding



Greystanes acquisition in stages

2009 industrial focus

- Active focus on the fundamentals
 - experienced team focused on delivering on strategy and operational excellence
 - protecting value through active management
 - extracting value from operations
- Well positioned for the future
 - quality, flexible portfolio with capacity
 - brand momentum in key markets
 - leveraging key tenant relationships with an adaptive development approach

52 Holbeche Road, Arndell Park NSW



International Industrial Portfolio

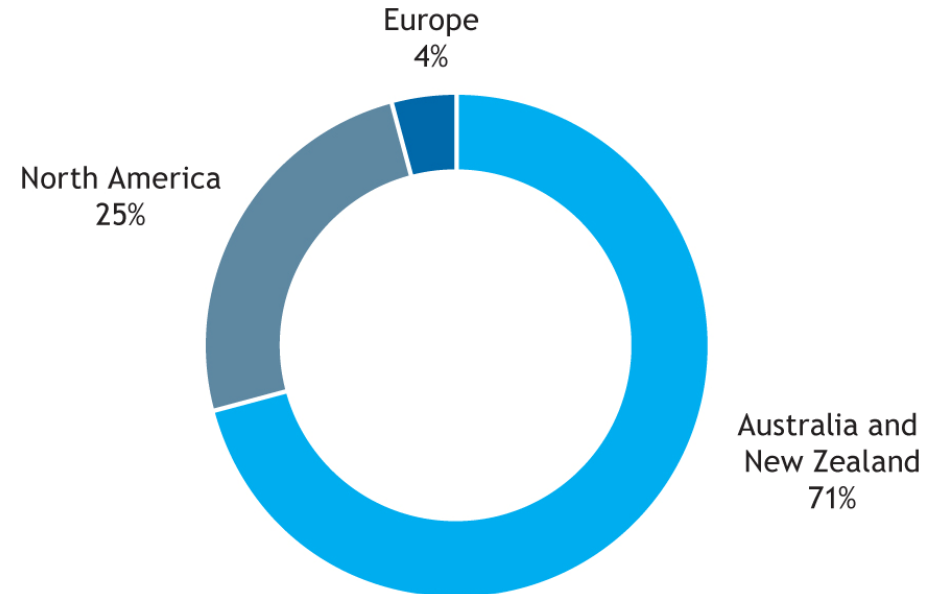
Paul Say
Head of Corporate Development



Active management in a challenging market

- Challenging market conditions impacting results
 - like on like earnings down
 - valuations written down
- Sound portfolio fundamentals
 - quality assets
 - flexible asset mix
 - diverse tenant profile
- Active management approach
 - proactive leasing
 - sustainable cash flow
 - reduced capex

Total property portfolio by value¹

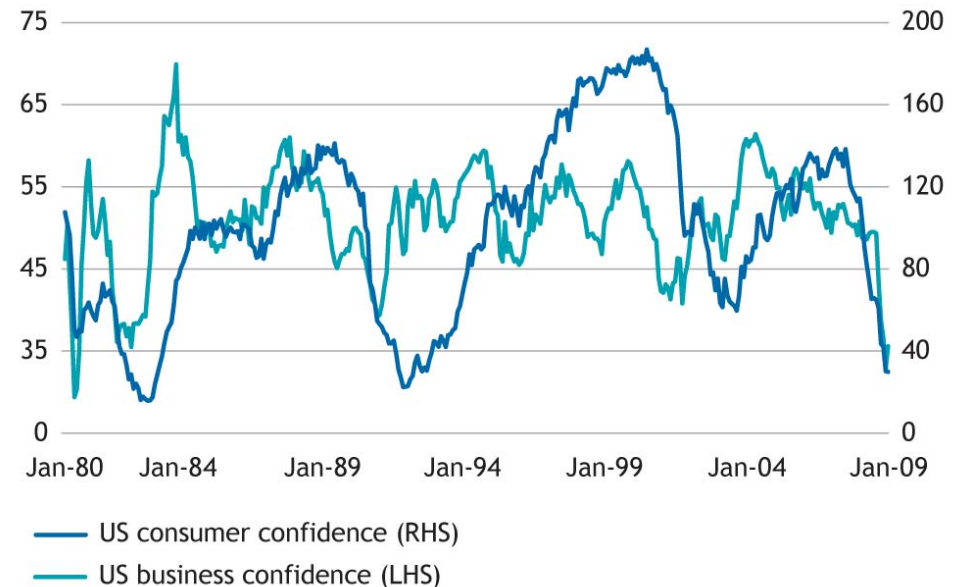


1. Excluding cash and other assets

Sector now feeling impact of global economic slowdown

- Diminishing global trade and domestic demand
 - sharp turndown in US market sentiment
 - Europe continues to be challenging
 - sub-prime debt markets hit hardest
- Valuations down sharply reflecting sentiment
 - North America down 15% - US\$257 million
 - Europe down 17% - €32.7 million
- Our US developments devalued by US\$32 million

Sharp decline in US confidence in Q4



Source: Top - Deutsche Bank, DEXUS Research
Bottom: NCREIF income yield from 1978-2005, RCA from 2006-2008, DEXUS forecast as at Nov 08
US Total: Tends to be 50-75bps higher than DXS portfolio

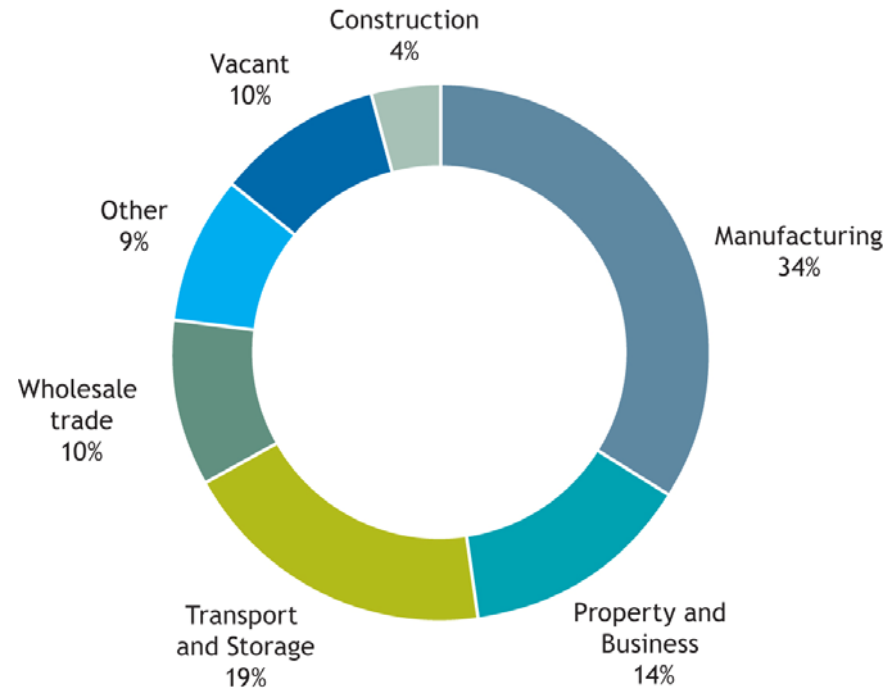
Quality, diversified & adaptable portfolio

- Quality institutional grade properties
- Highly diversified portfolio
- Strategically located
- Economic diversification in tenant base
- Strong tenant relationships

Top 10 North American tenants (by income)

	% of Sector NPI
1 Whirlpool Corporation	12.5%
2 AT&T Corporation	2.2%
3 US Government - Transport Services Admin.	1.6%
4 Savvis Communication Corporation	1.5%
5 US Government - General Services Admin.	1.5%
6 Skechers USA, Inc.	1.2%
7 Square D Company	1.2%
8 Proctor & Gamble - Graham Webb International	1.2%
9 Domtar Paper Company	1.1%
10 IBM	1.0%

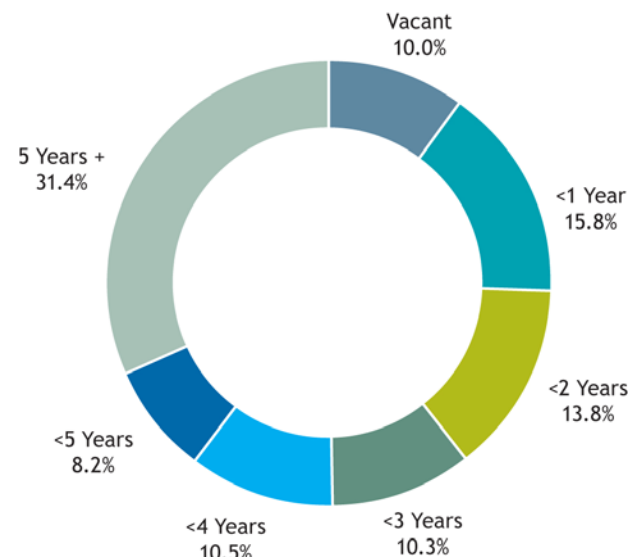
Economic diversity of tenants



Portfolio metrics

- Strong leasing activity has seen 210,000sqm leased in 59 deals
- Earnings profile
 - like on like earnings down:
 - occupancy slightly down by 1% to 90.8%
 - additional tenant incentives
 - fixed rent reviews of 2-3% on 70% of portfolio
- Early signs of arrears starting to weaken

North American lease expiry profile by income



	Net Property Income	Like for like	Occupancy by area	Occupancy by income	% Over/Under Rented	Mkt review next 12 months	Retention rates	Lease duration ¹	Portfolio value ²	Avg cap rate
North America	A\$66.0m	(2.2%)	90.8%	90.0%	0.0%	15.8%	70%	4.3yrs	A\$2.2bn	7.9%
Europe	A\$11.6m	(2.8%)	87.7%	90.6%	8.4% Under	11.1%	n/a	3.3yrs	A\$0.3bn	7.7%

1. By income

2. Conversion rate: AUD/EUR = 0.4919 and AUD/USD = 0.6928

International outlook: continued volatility

- Our portfolio fundamentals remain sound
 - quality portfolio delivering results
 - strong tenant relations
- Preparing to actively reposition international portfolios when market conditions improve
- Active management is a key priority
 - maintaining occupancy
 - maximising earnings
 - minimising costs

5823 Newton Drive San Diego, CA USA



Third Party Funds Management

Victor Hoog Antink

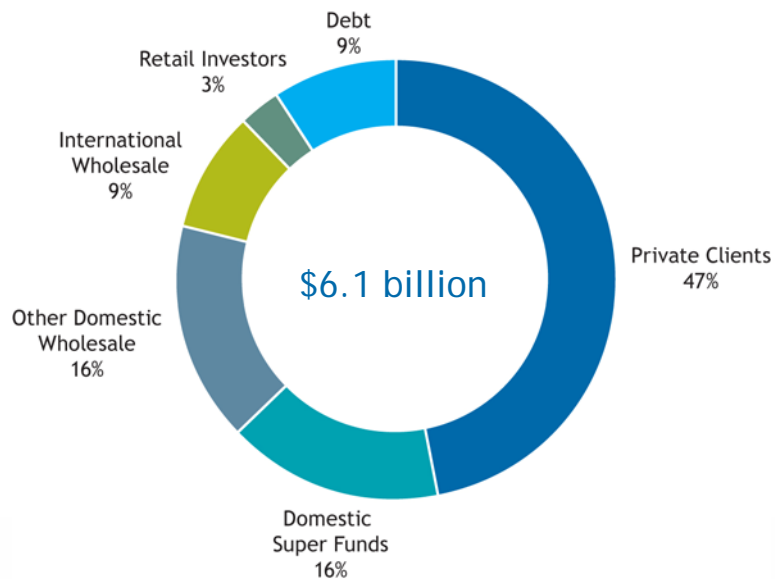


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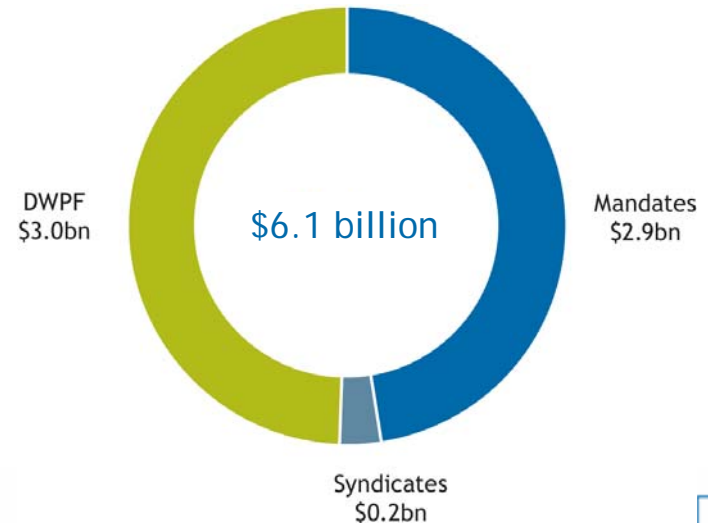
Third party management business - highlights

- One of the largest third party platforms in Australia at \$6.1 billion
- Well diversified by investor base and asset class
- Annuity income stream - no reliance on performance fees
- \$240 million developments underway

Source of Funds



Fund breakdown



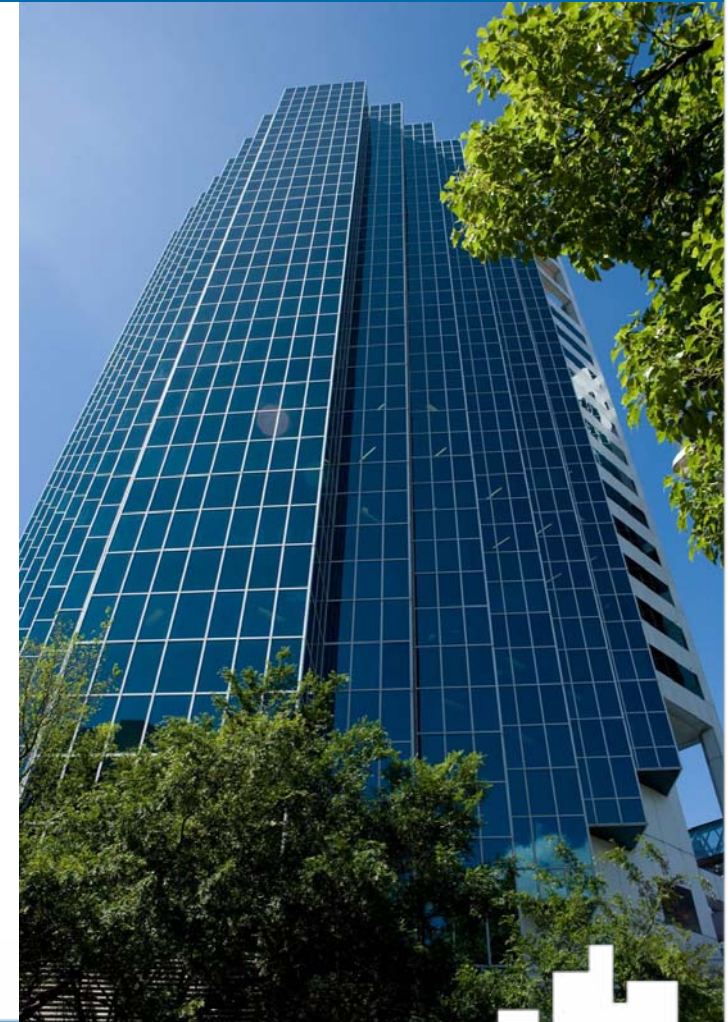
Summary and Outlook

Victor Hoog Antink
Chief Executive Officer

Well positioned to respond to market cycles

- Focused strategy
- High quality portfolio
- Delivering core property earnings
- Prudently managed balance sheet
- Experienced management team

The Zenith, 821 Pacific Highway, Chatswood, NSW



2009 focus

- Maximising cash-flows
 - active portfolio management - enhancing our property portfolio
 - active capital management - strengthening our balance sheet

- FY09 guidance
 - earnings of 10.8 cents per security
 - distribution of 7.6 cents per security



Questions



Important information

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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

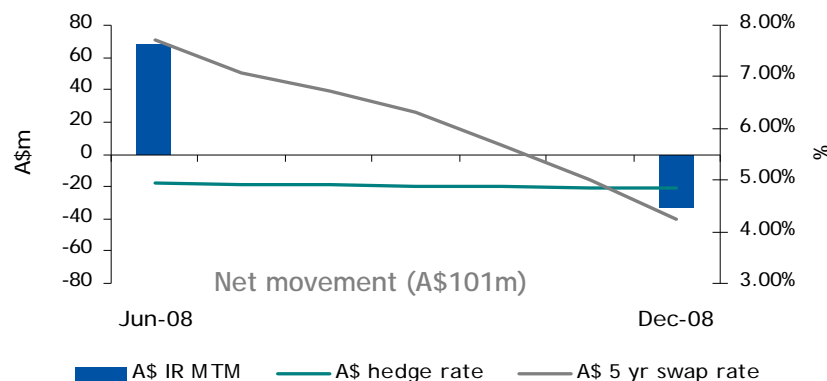
1. Weighted average of fixed and floating rates for the current period, inclusive of margins & fees

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

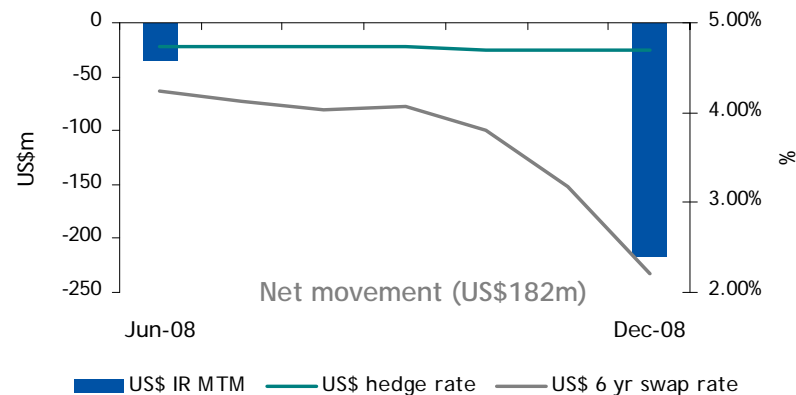
3. Cross currency swap principal amounts included at contract exchange rates. Refer slide 58 for maturity profile

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

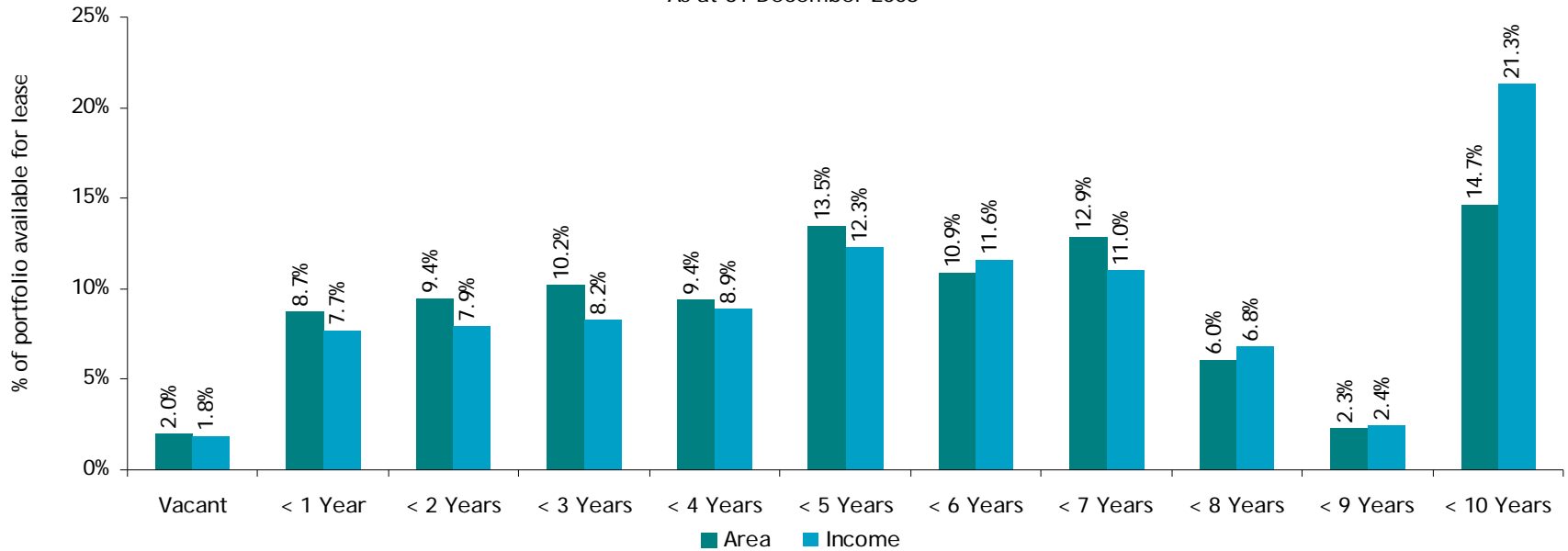
Book value	\$280m
Ownership interest	50%
Centre MAT (\$psm)	7,516
Specialty MAT (\$psm)	9,250
Total centre MAT growth (\$psm)	6.2%
Total centre MAT growth (\$pa)	6.5%
Total specialty MAT growth (\$psm)	4.6%
Total specialty MAT growth (\$pa)	3.6%
Specialty occupancy cost	13.7%
Net property income	\$7.7m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

Whitford City Westfield, Whitford City WA



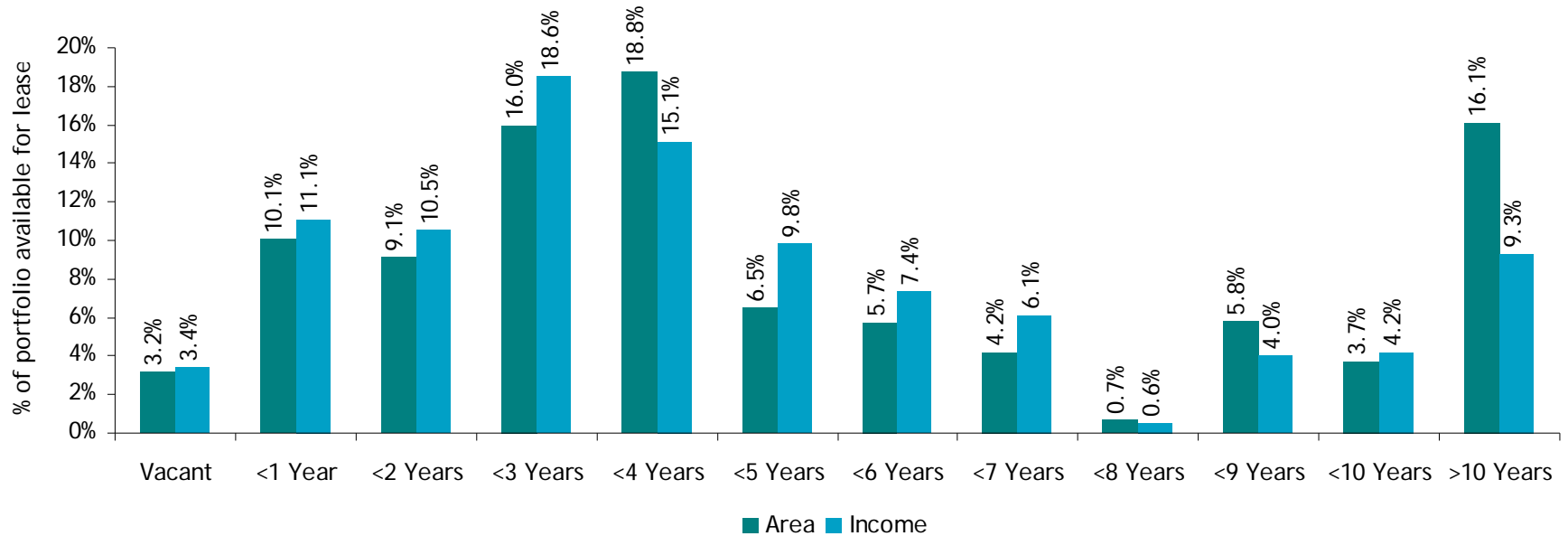
Australia/New Zealand office – lease expiry

As at 31 December 2008



Australian industrial – lease expiry

As at 31 December 2008



North American industrial - lease expiry

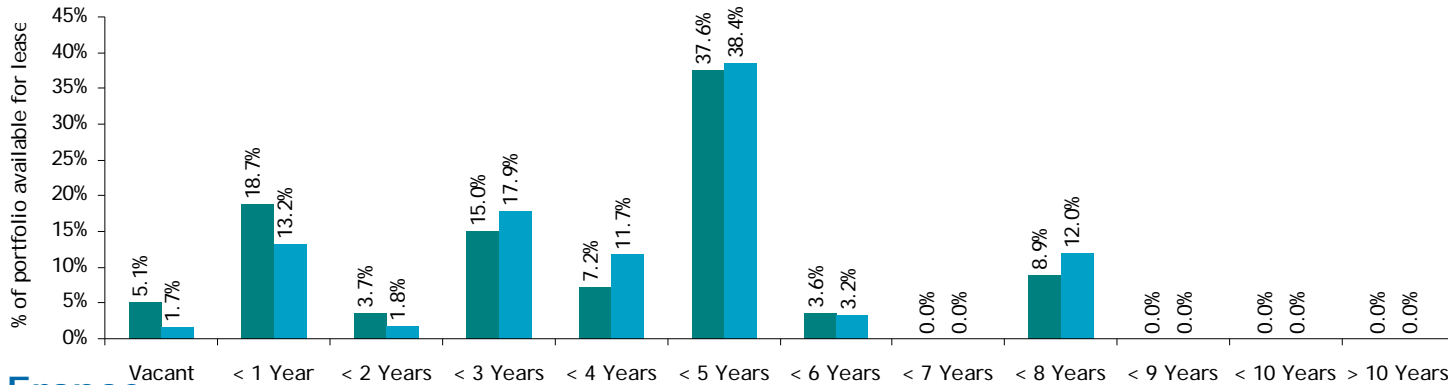
As at 31 December 2008



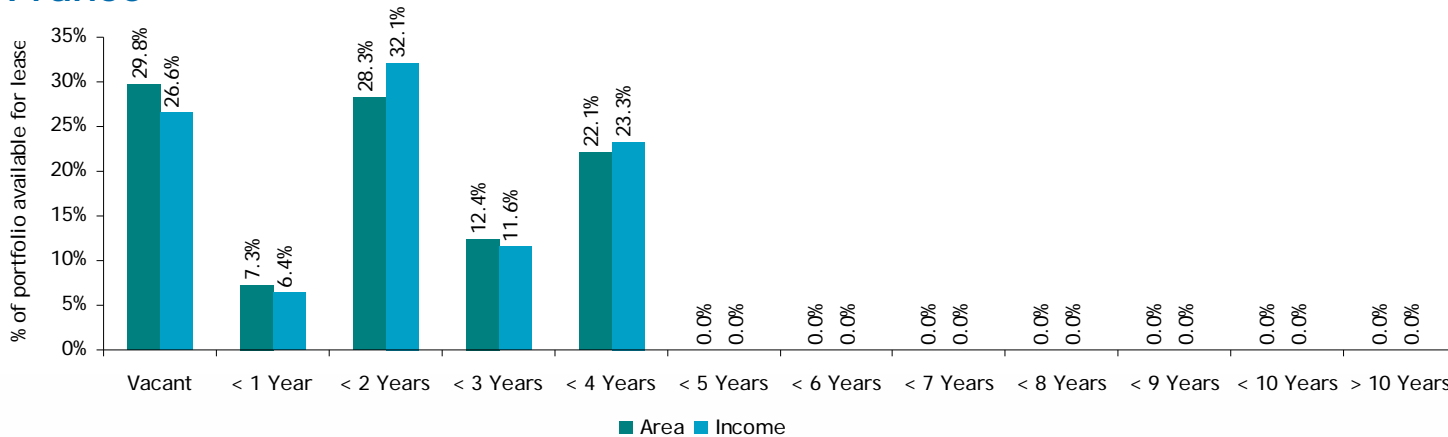
European industrial - lease expiry

Germany

As at 31 December 2008



France



Important Information



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