

# DEXUS Property Group Investor Update UBS Australia Property Tour 23-26 March 2009



# Agenda

- Office portfolio
- 1 Bligh Street, Sydney
- 123 Albert Street, Brisbane
- Western Corridor, Sydney

30 The Bond, Hickson Road, Sydney NSW



# Office Portfolio

Louise Martin  
Head of Office

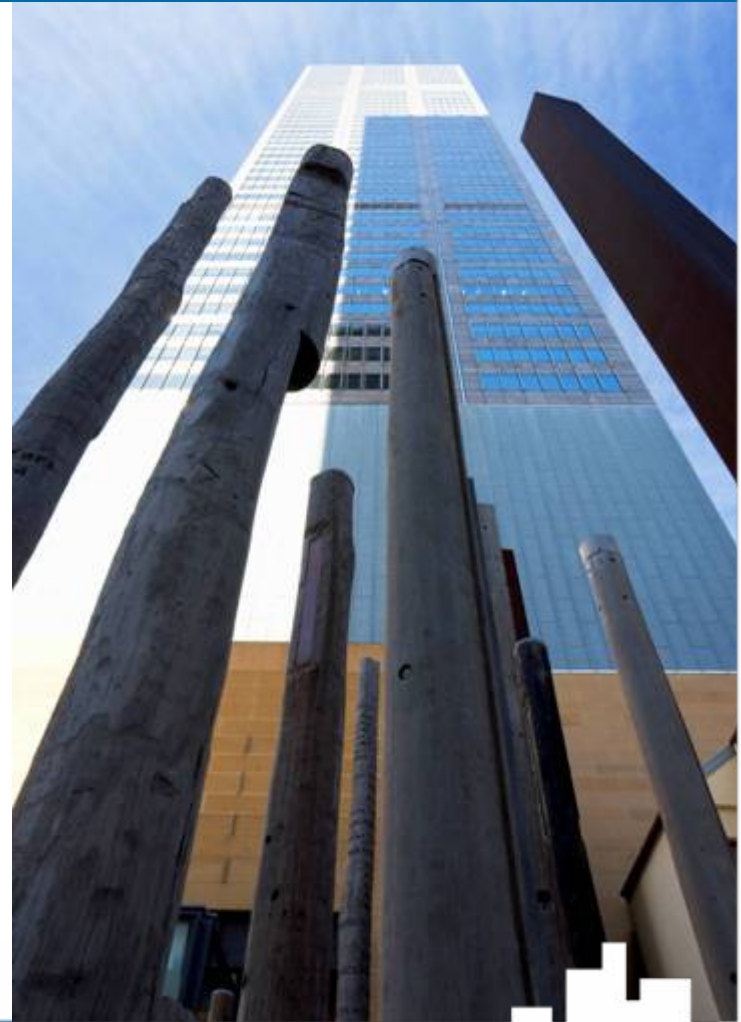




# Highlights – solid performance in difficult times

- 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

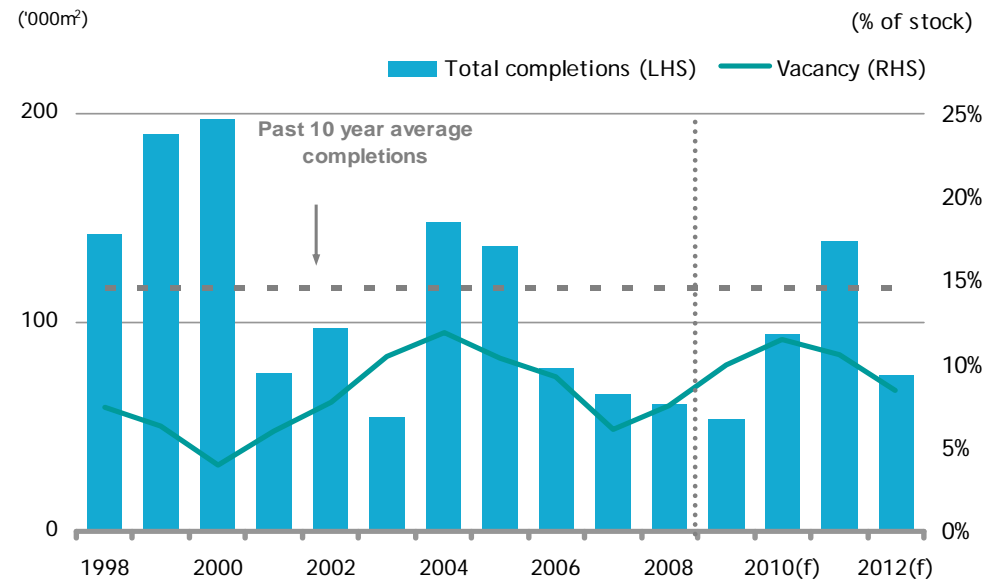
1 Farrer Place, Sydney NSW



# 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

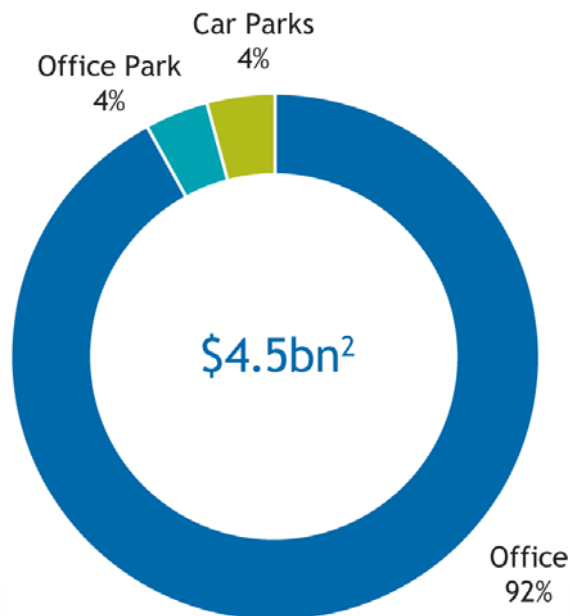


Source: DEXUS Property Group

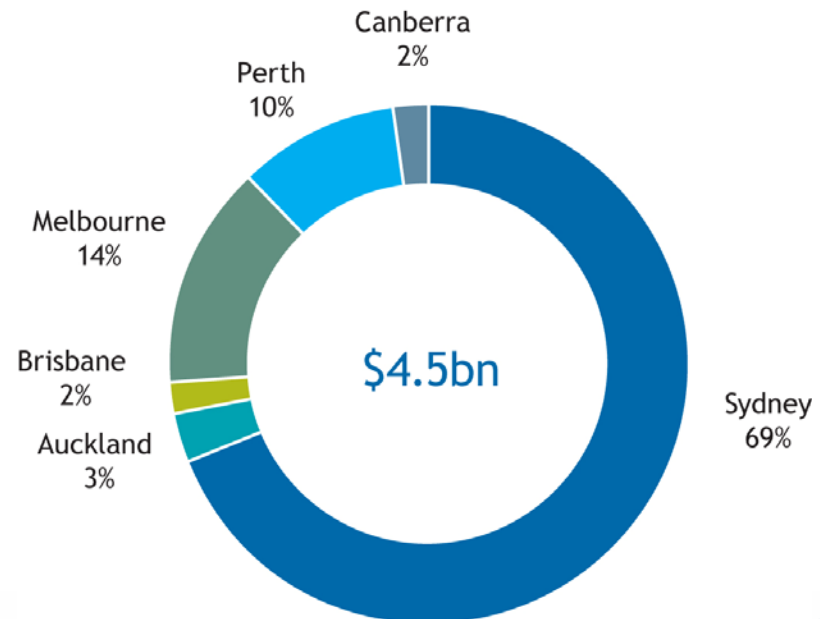
# Quality portfolio – strategic location, quality assets

- High quality assets – 94% of office buildings are Premium or A-grade<sup>1</sup>
- 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

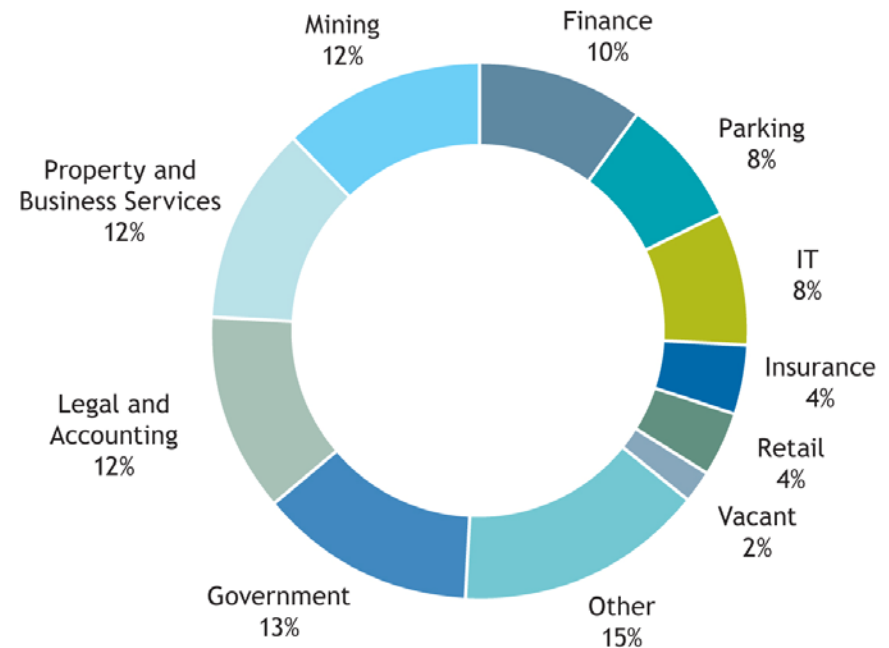
# Tenant diversification delivering sustained income

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

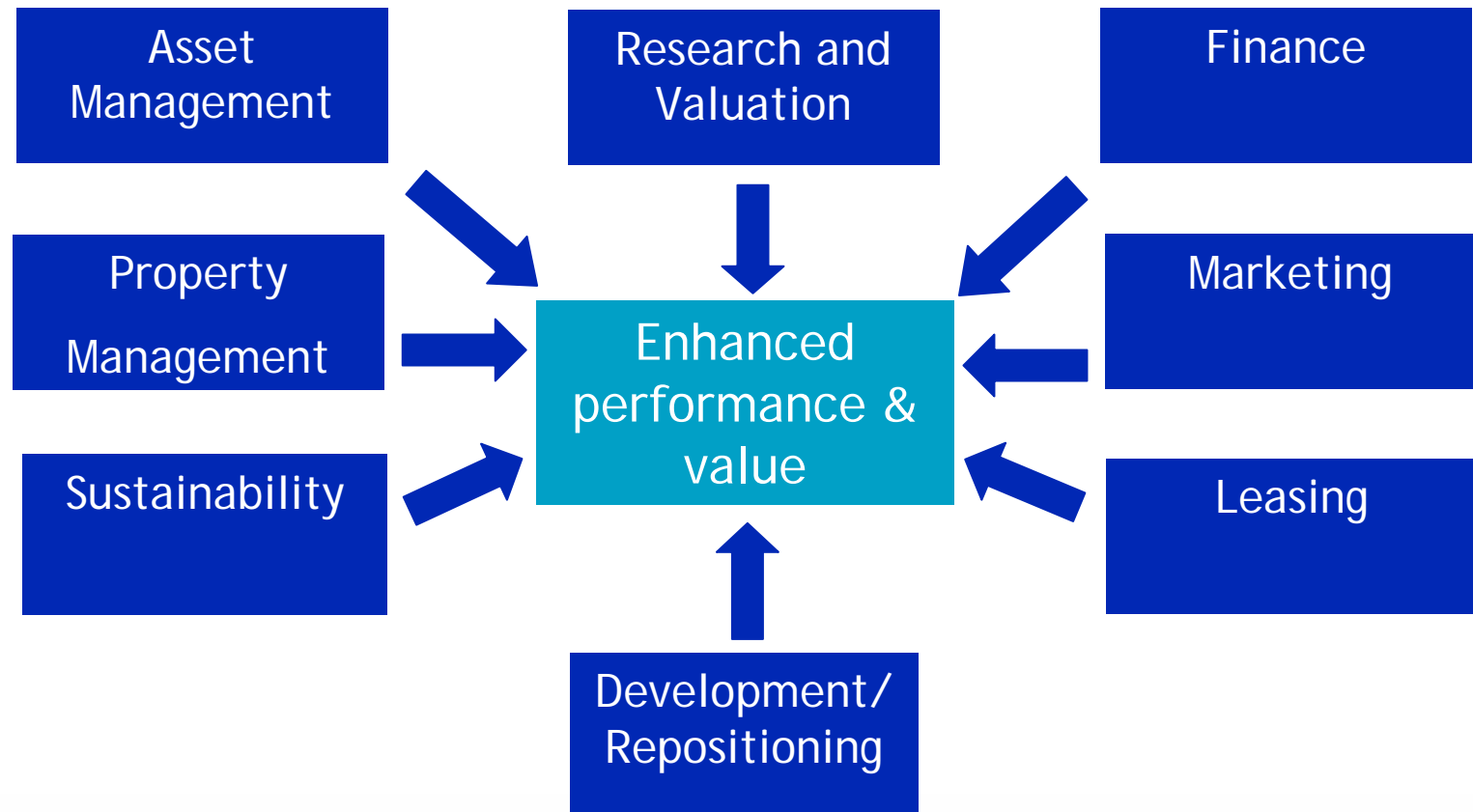
## Top ten office tenants (by income)

	% 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%

## Economic diversity of tenants



# Office Sector - Integrated Property Model





# Structure



Louise Martin  
Head of Office



John Swadling  
Head of Office  
Investments



Jim Jones  
Head of Property  
Management



Tony Gulliver  
Head of  
Development



Linda Smith  
Head of Mgt  
Accounting



Peter Studley  
Head of Research



Bill Reynolds  
Head of  
Valuations

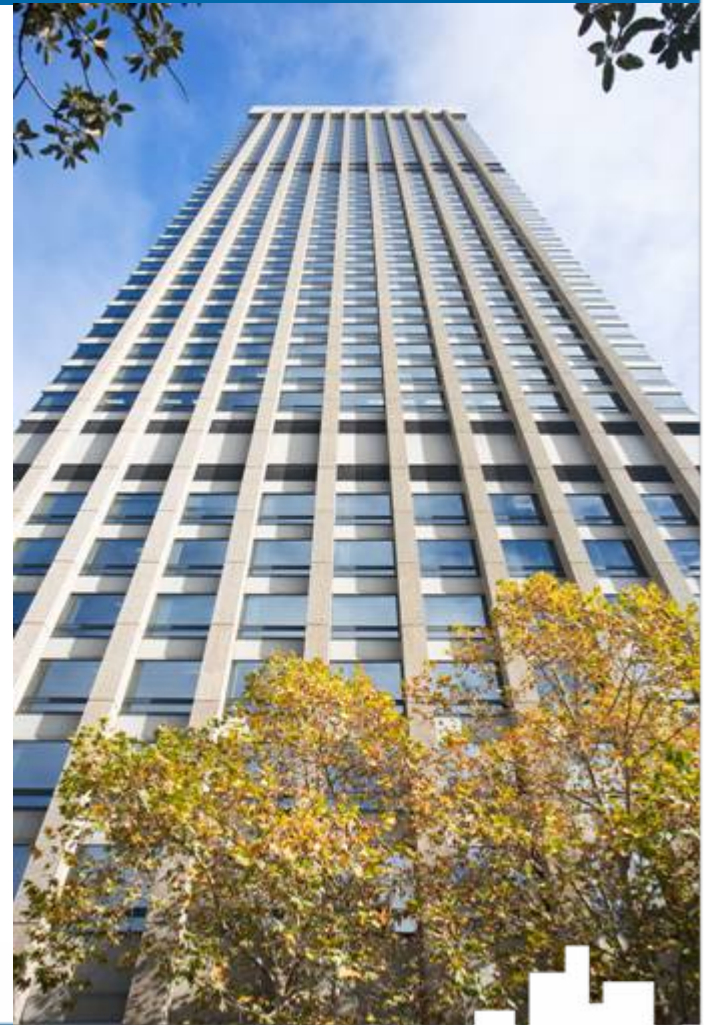


Alex McKenna  
Sustainability  
Manager

# 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



# 1 BLIGH S Y D N E Y

Presentation for  
UBS Property Tour



# Timeline

- Stage 1 Development Approval
  - July 2005 to Mar 2006
- Design Competition
  - May 2006 to Sep 2006
- Stage 2 Development Approval
  - Apr 2007 to Dec 2007
- Tender, Award & Commence Construction
  - Aug 2007 to Mar 2008
- Clayton Utz AFL signed
  - Dec 2008
- Practical Completion
  - 30 April 2011
- Clayton Utz Lease Commencement
  - 21 May 2011

# Site Photo





# Next Generation Office Building

- Location and Views
- Target Tenants
  - Top Tier Legal, Investment Bank and High End Corporate
- Quality of the Workspace
  - Large flexible floor plates
  - Horizontal and vertical connectivity
  - Equity of staff enjoyment and amenity
  - Multiple reception and special use floors
- Services and Amenity
  - High capacity within a high energy efficient envelope
  - Childcare centre, foyer café, bike racks and shower facilities
- Sustainability
  - 6 Green Star driving the design process from inception
  - 5 Star NABERS



# Design Competition Winner - The Building Basics

- NLA 42,000sqm
- Low rise - 23,000sqm - typical floor 1,600sqm
- High rise - 19,000sqm - typical floor 1,630sqm
- Twin offset cores
- Full height atrium - naturally ventilated
- Double skin, column free façade
- Premium Grade - Property Council of Australia rating matrix
- 6 Star Green Star - world's best practice
- 5 Star NABERS - highest energy and water sustainability rating



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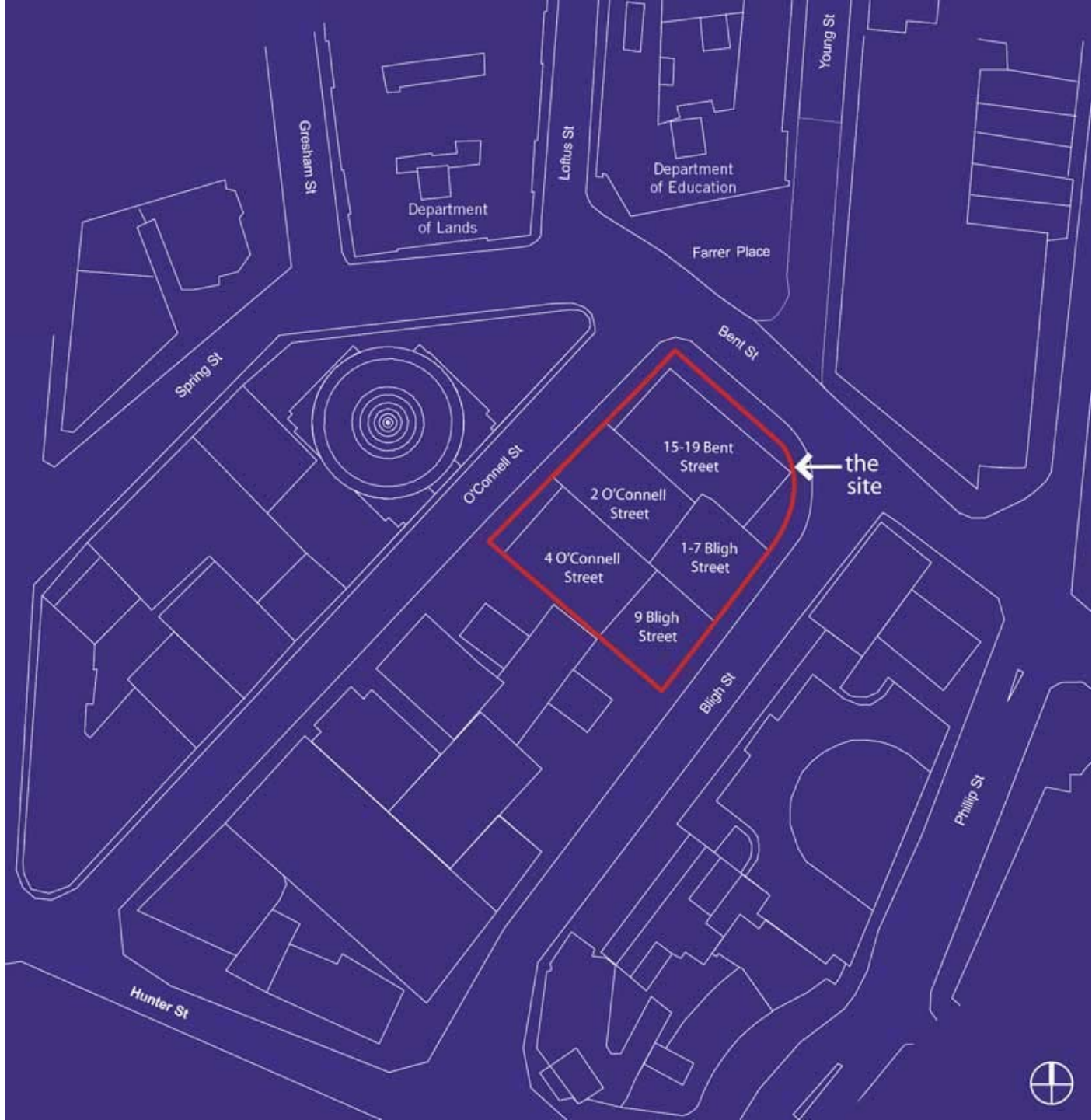






# Location Plan









AMP





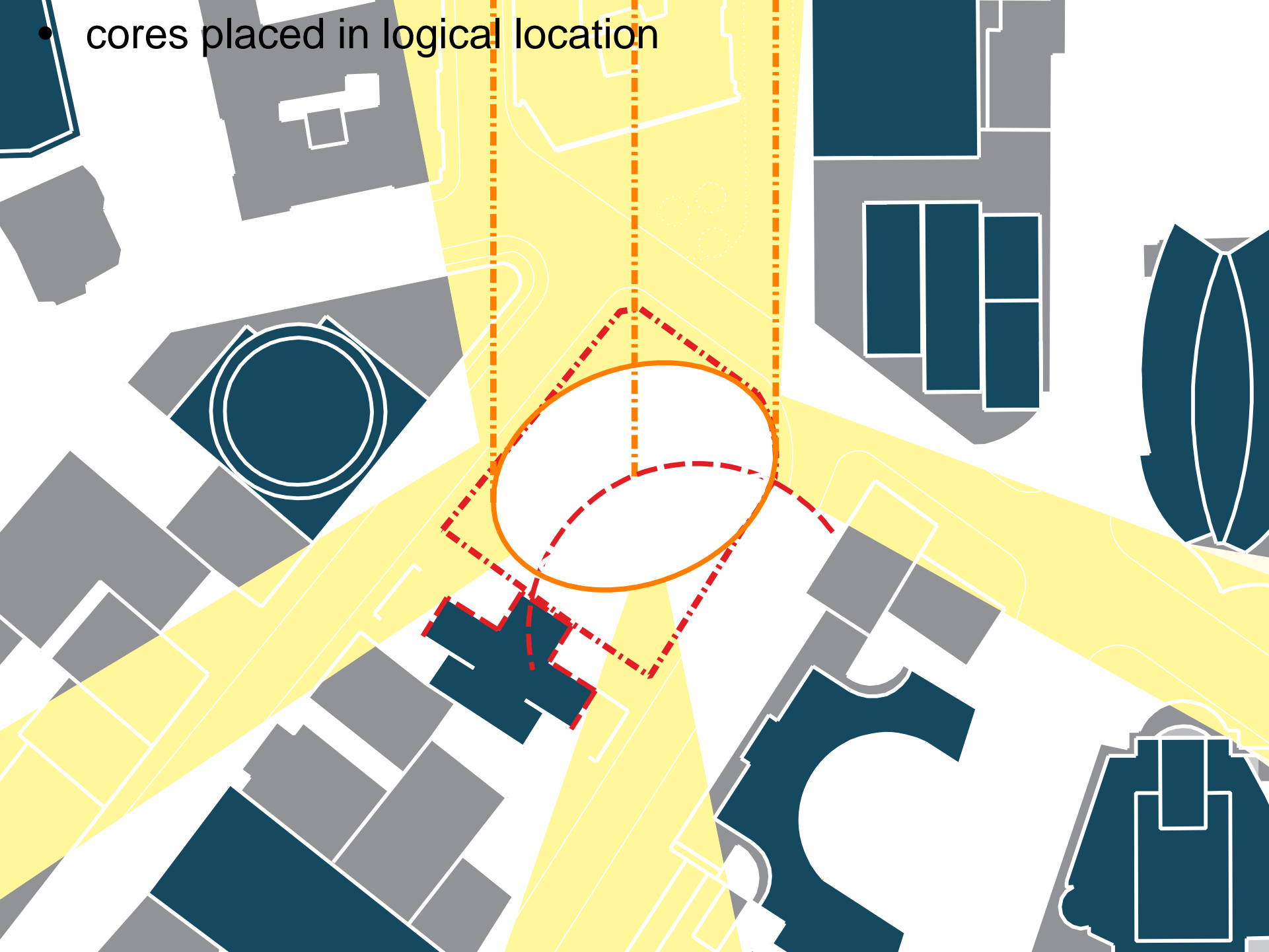




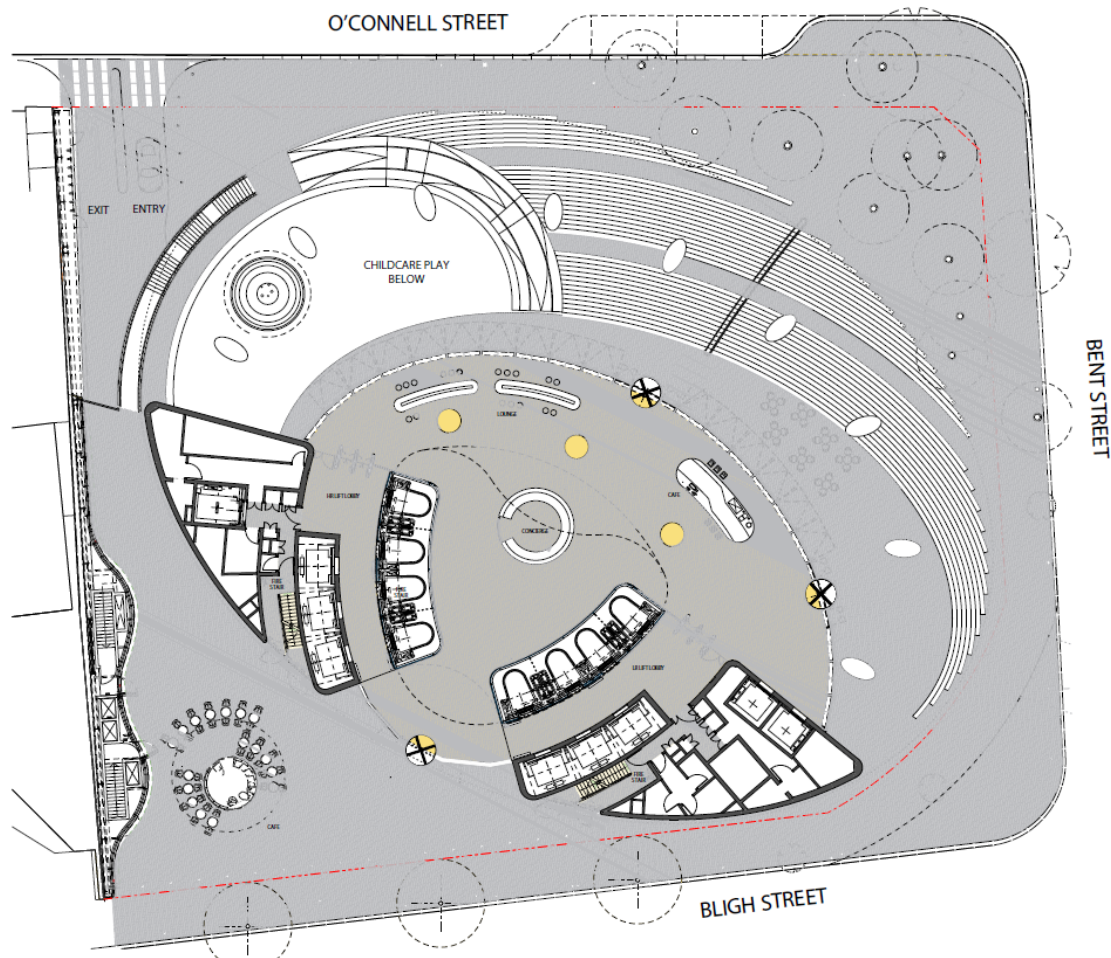




- cores placed in logical location

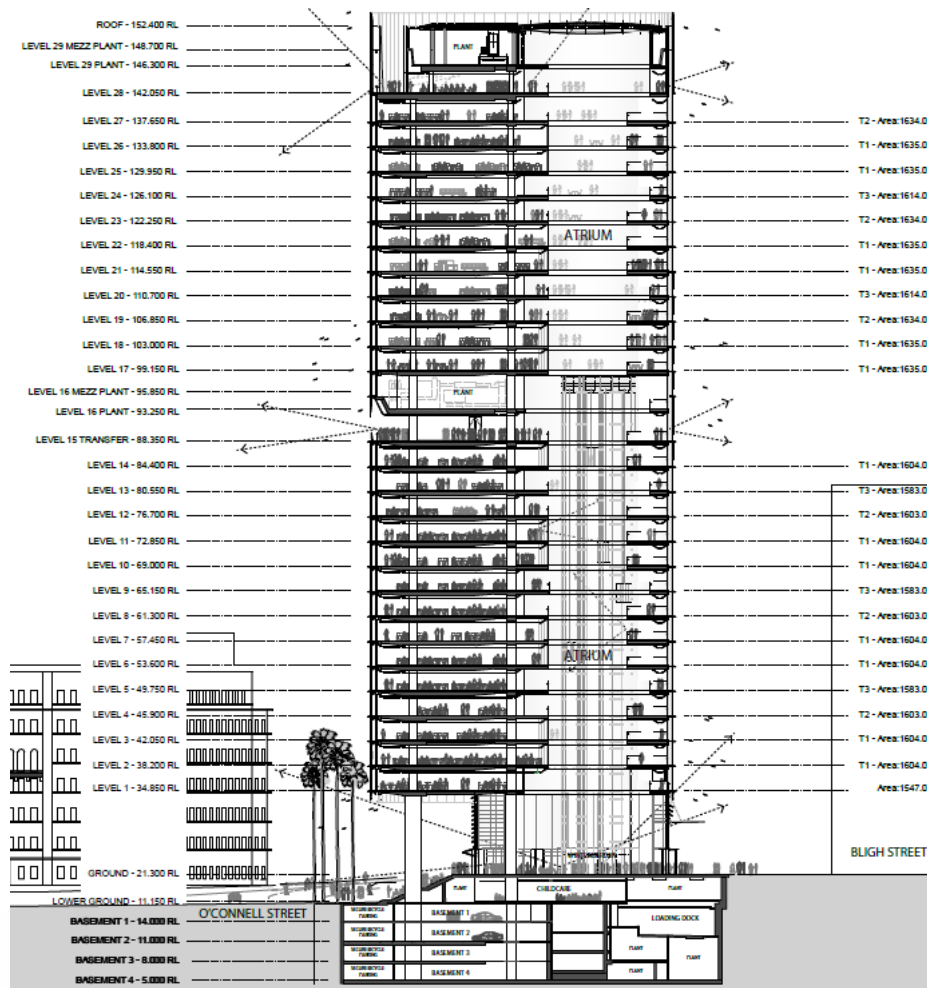


# Ground Plane Plan

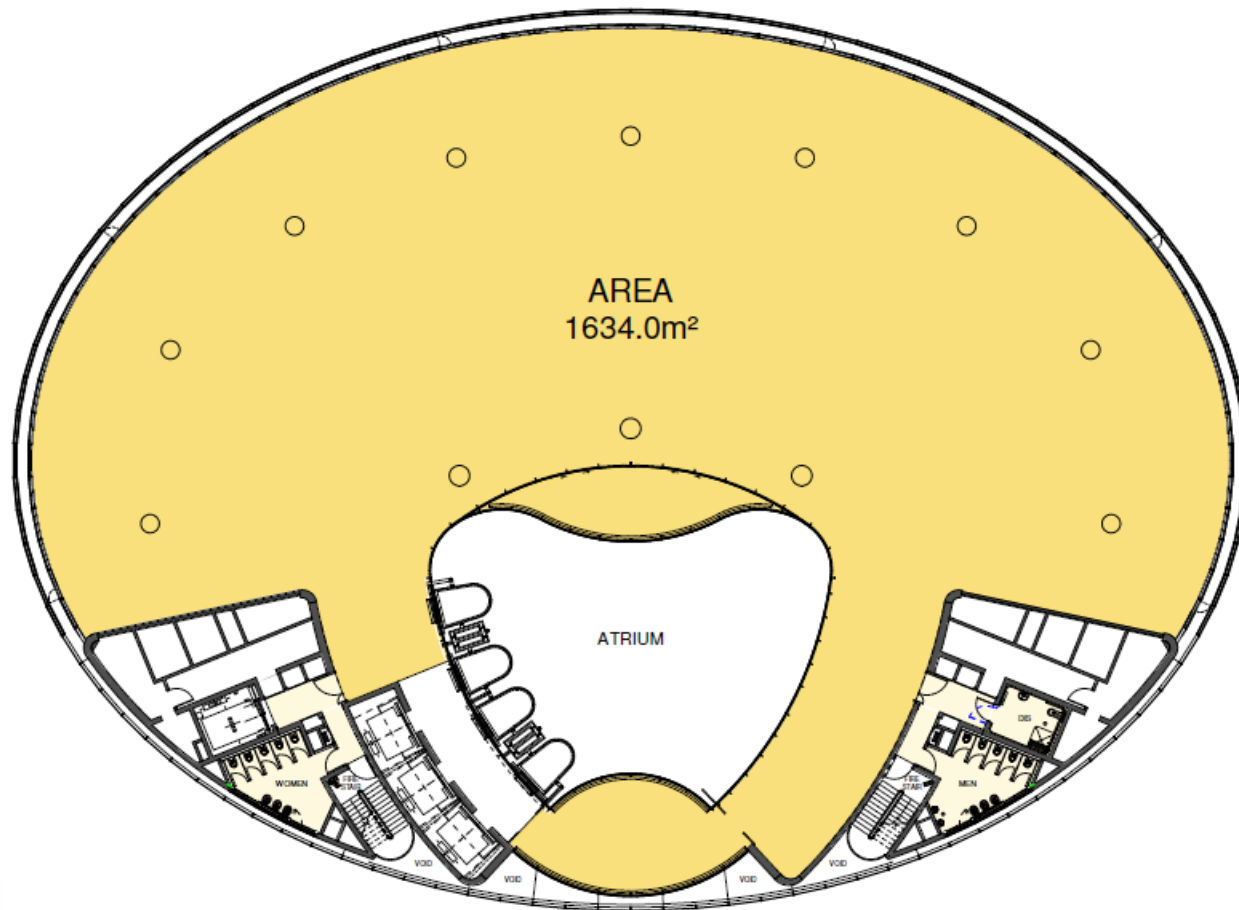




# Section through the building



# Typical high rise





# Typical Dealing Floor



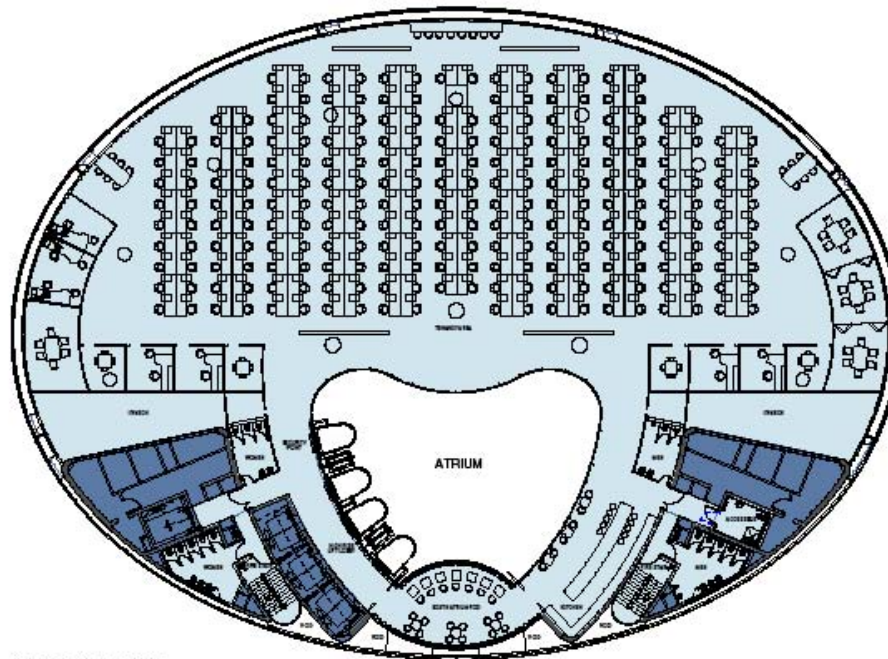
2 Dealer Floor - Option 02



3 Dealer Floor - Option 03



4 Dealer Floor - Option 04



1 Dealer Floor - Option 01

1:7 Density

241 People (Total)

234 x Workstations

7 x Enclosed Offices



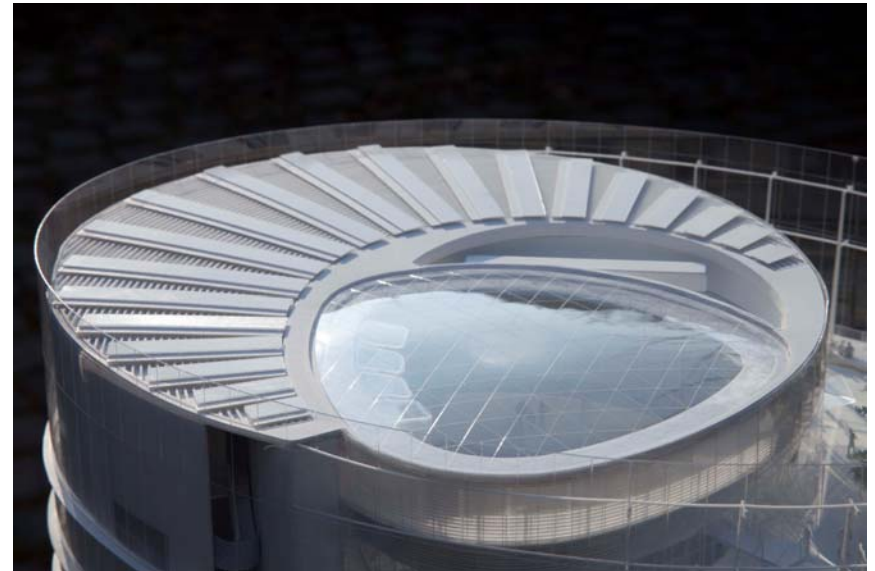
Architect: Ingénierie Architecturale  
1888 Street, Sydney

Dealer Floor Layout - (520 Stations)

Scale: 1:100  
Date: 10/20/00

0 5 10 m

# Roof Terrace to Top Office Floor







# Full Height Atrium





# Natural Ventilation to Foyer and Atrium



# Atrium Pods



# Key Sustainability Design Drivers

- Water - blackwater / grey water
- Energy - Façade design / orientation / co-generation
- Solar Energy
- Amenity - natural ventilation / showers / bike racks
- Materials / Construction methodology
- Integrated fitout / Green Lease Schedule



# Double Skin Facade details



1 3D View Detail - Double Skin Facade (Blinds Down)



2 3D View Detail - Double Skin Facade (Blinds Up)



3 3D View Detail - Typical Facade Profile



# Key Feasibility Criteria

- Entire low-rise pre-committed
  - Average low rise rent achieved
  - High rise area 19,000 sqm
  - Estimated yield on total cost
  - DXS 33.3% of total cost
  - Expenditure to completion
- 55% of total net lettable area
  - approx \$1000 / sqm net face
  - to be leased by mid 2011
  - 7%
  - \$210 million
  - \$150 million





# 123 ALBERT STREET

## BRISBANE

Presentation for  
UBS Property Tour



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# Timeline

- Development Application lodged - mid April 2007
- Rio Tinto AFL Executed - 7 February 2008
- Laing O'Rourke D&C Executed - 8 February 2008
- Development Application Approved - 24 March 2008
- Demolition Commenced - 11 February 2008
- AFL Date for PC - 23 November 2010
- Rio Tinto Lease Commencement - 10 Business Days after PC



# Site Photo

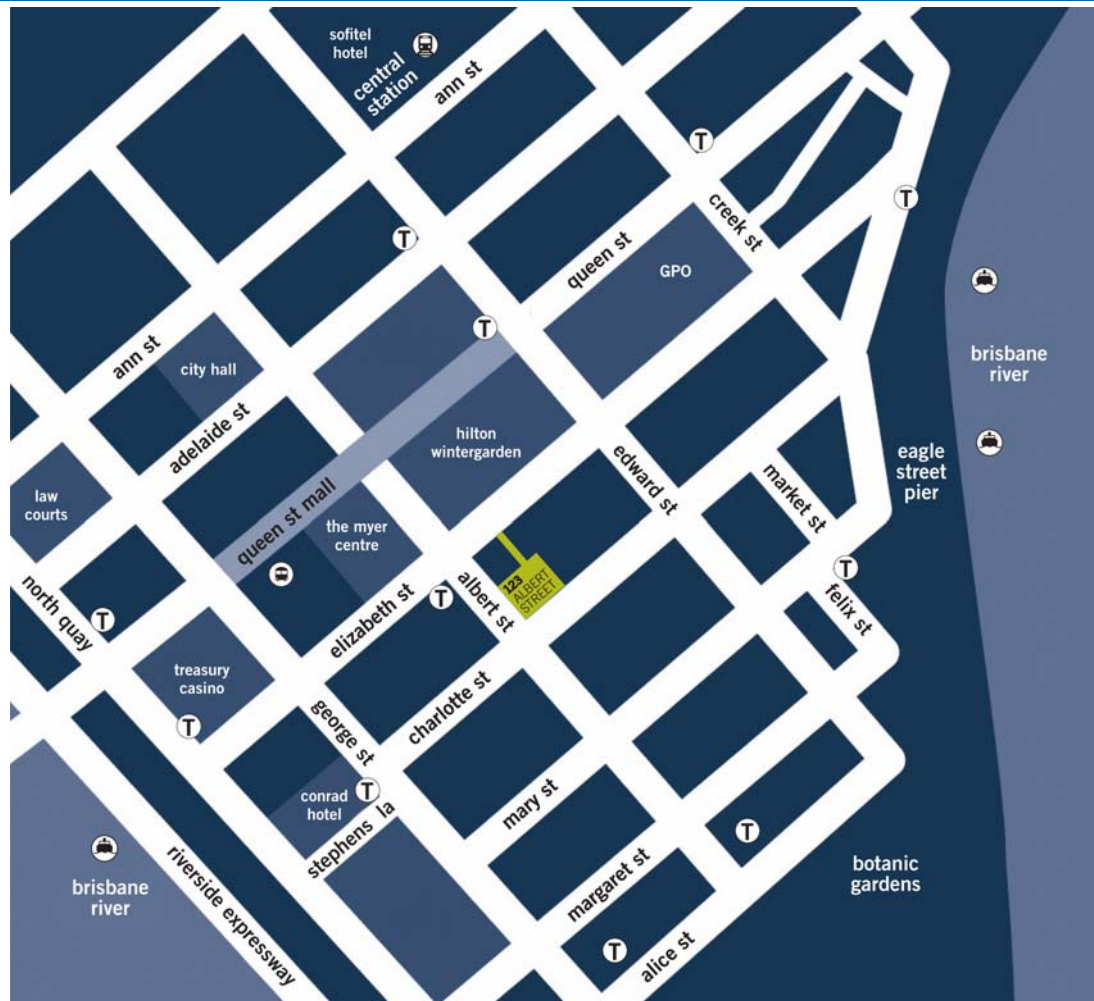




# Premium Grade Office Building – Brisbane Context

- Target tenant groups
  - Government, Resources, Financial Services
- Location important for staff
  - transport, retail, on-site parking
- Quality of the Workspace
  - Large flexible floor plates / horizontal connectivity
  - Equity of staff enjoyment and amenity
  - Multiple reception and special use floors
- Services and Amenity
  - High redundancy and flexibility
  - Service Retail, Restaurant, Café, bike racks and shower facilities
- Sustainability
  - 6 Star Green Star
  - 5 Star NABERS

# 123 Albert Street, Brisbane



# 123 Albert Street, Brisbane



Charlotte St looking north east



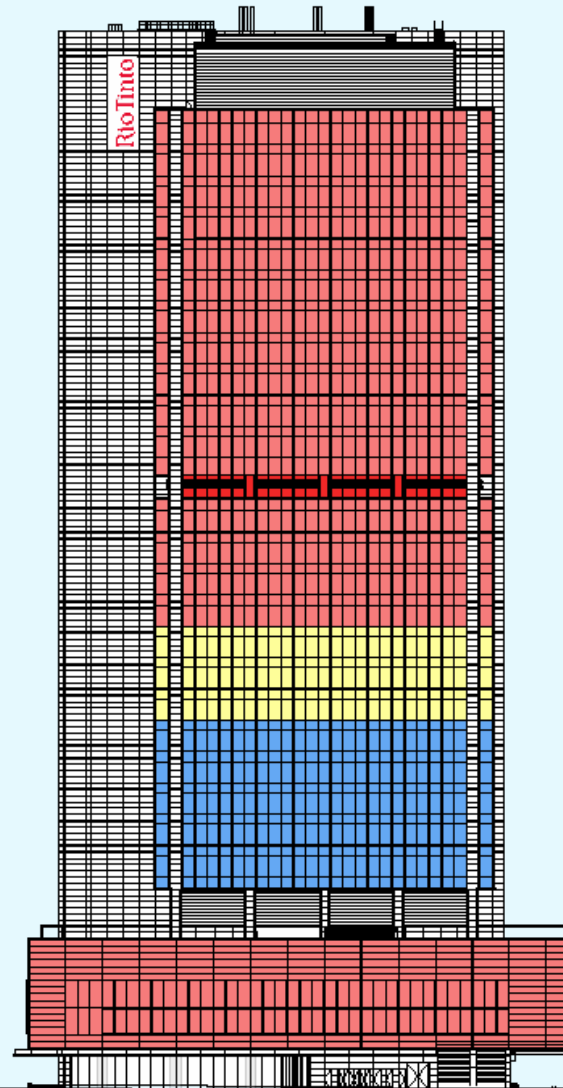
Elizabeth St looking south west



Charlotte St looking south west



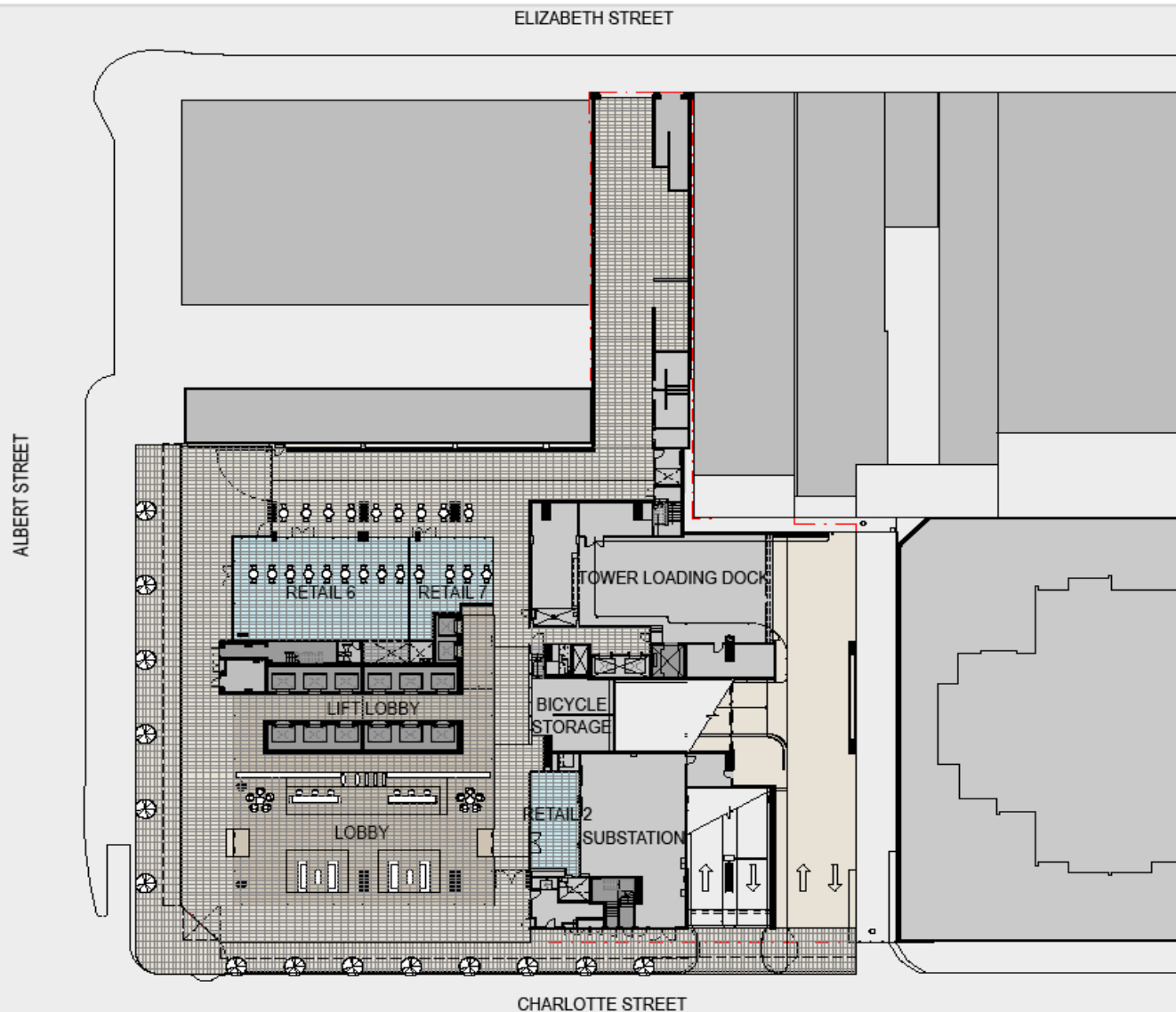
Typical high rise	1,596 m <sup>2</sup> NLA
Typical low rise	1,501 m <sup>2</sup> NLA
Podium	875 m <sup>2</sup> NLA
Total Office	38,242 m <sup>2</sup> NLA
Total Retail	386 m <sup>2</sup> NLA
Podium carparks	257 spaces
Basement carparks	129 spaces



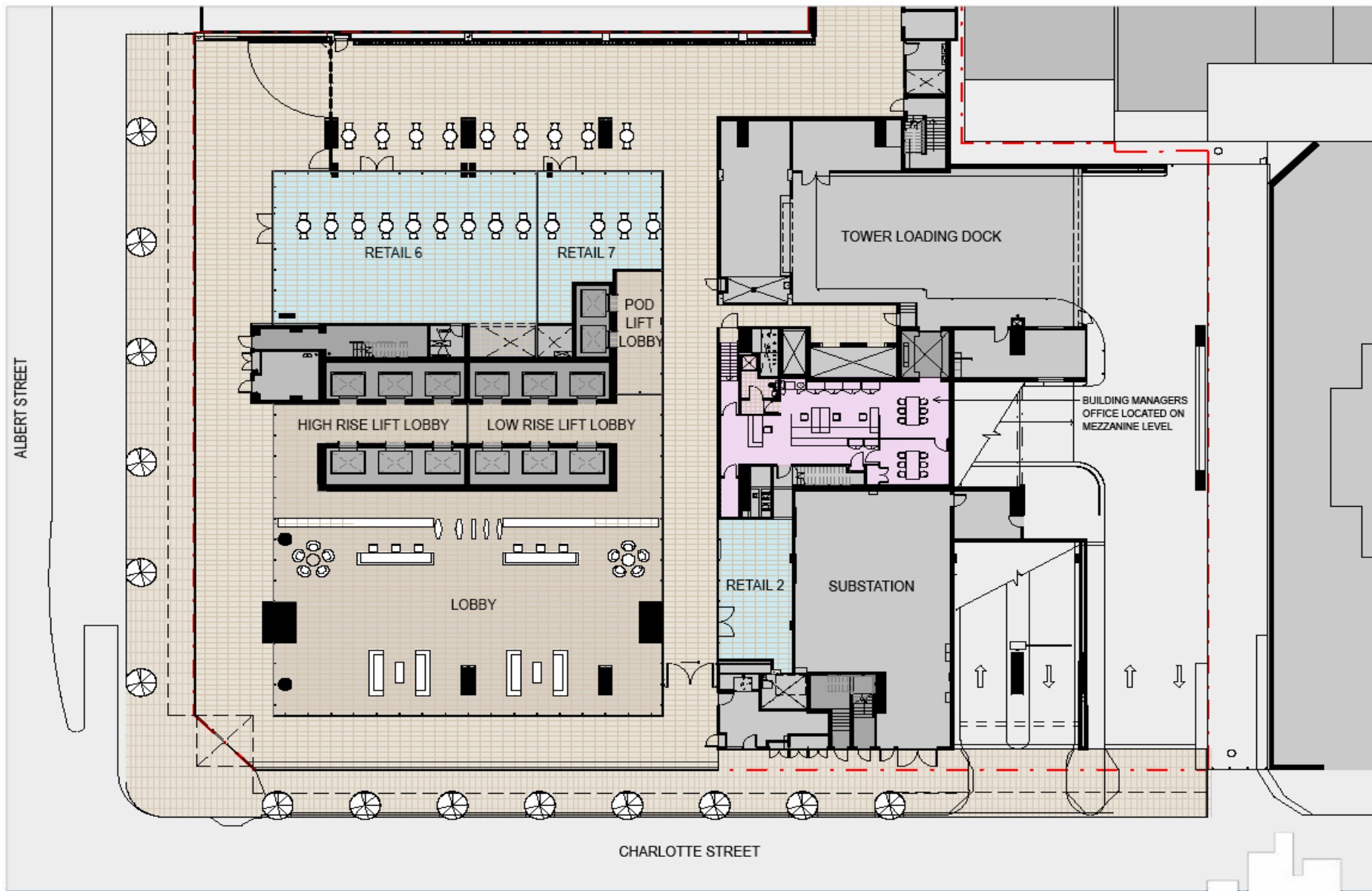
- RIO TINTO COMMERCIAL FLOOR PLATE  
PODIUM 1 & 3, LEVELS 9 - 24
- RIO TINTO OPTION FLOOR PLATE  
LEVELS 6 - 8
- BALANCE OF OFFICE  
LEVELS 1 - 5

ALBERT STREET

123 Albert St - Charlotte St Elevation



123 Albert St - Site Plan



123 Albert St - Ground Floor





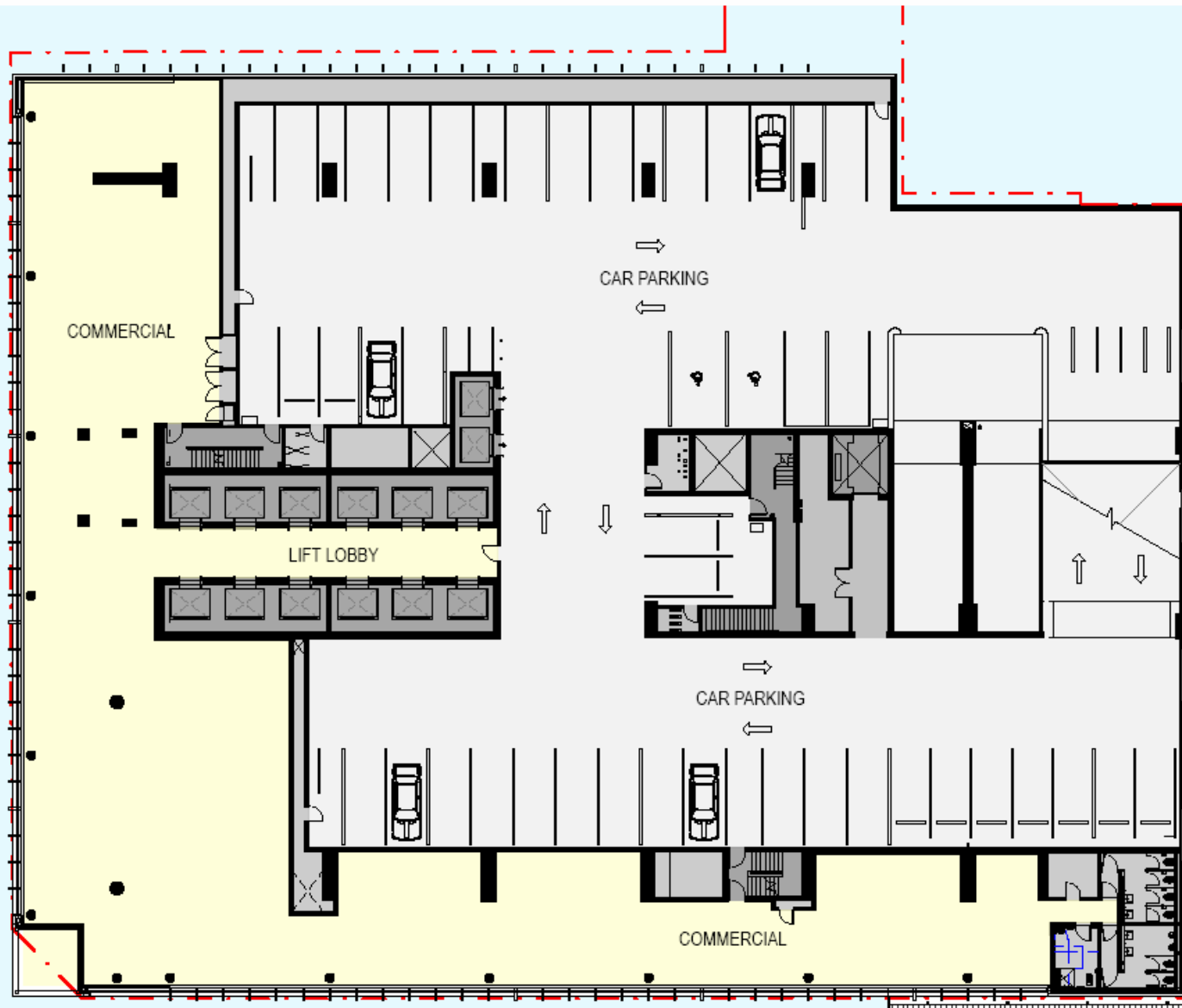
Ground Floor - Base Building Concept

# 123 Albert St - Podium



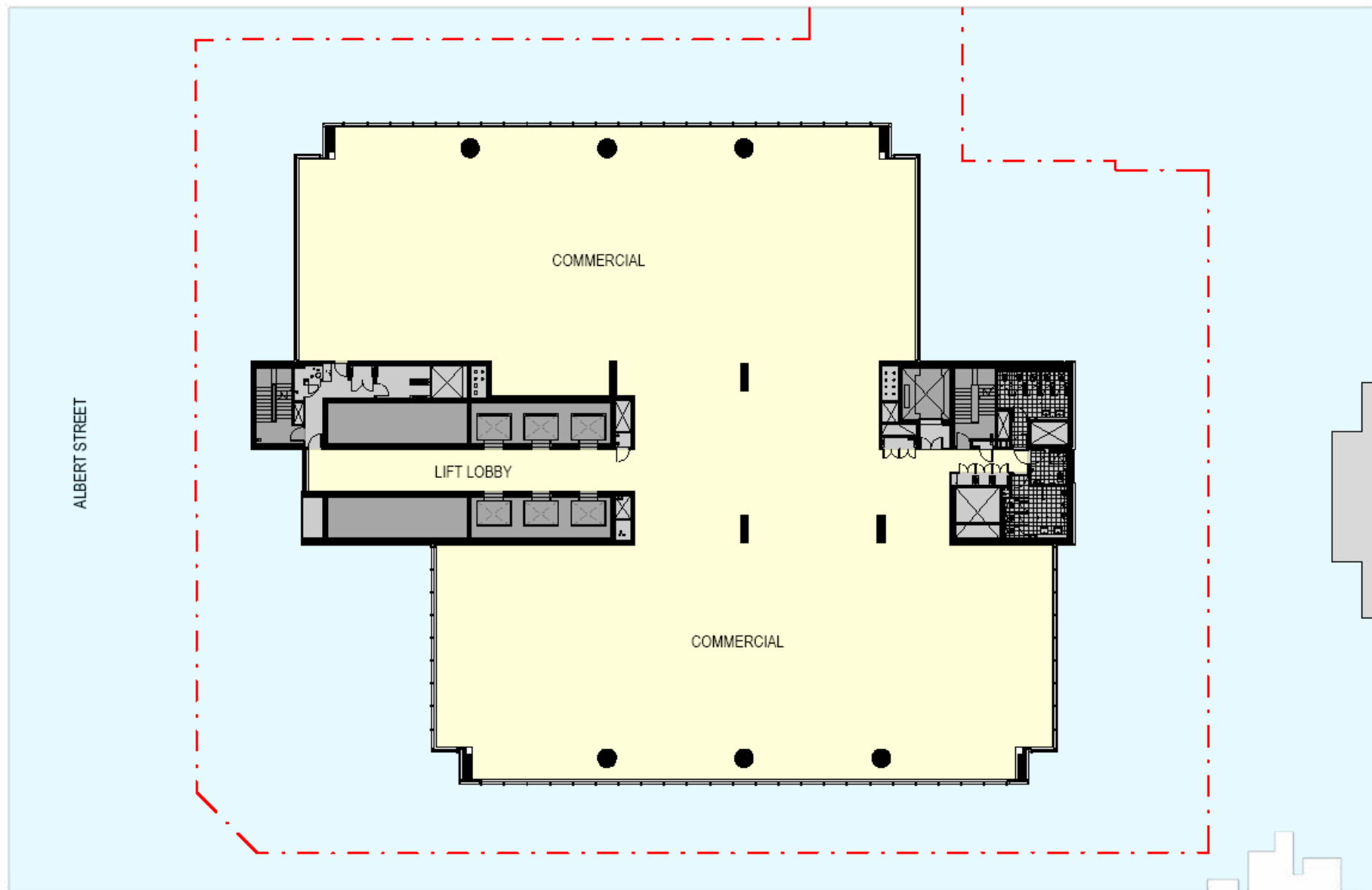
**DEXUS**  
PROPERTY GROUP

ALBERT STREET



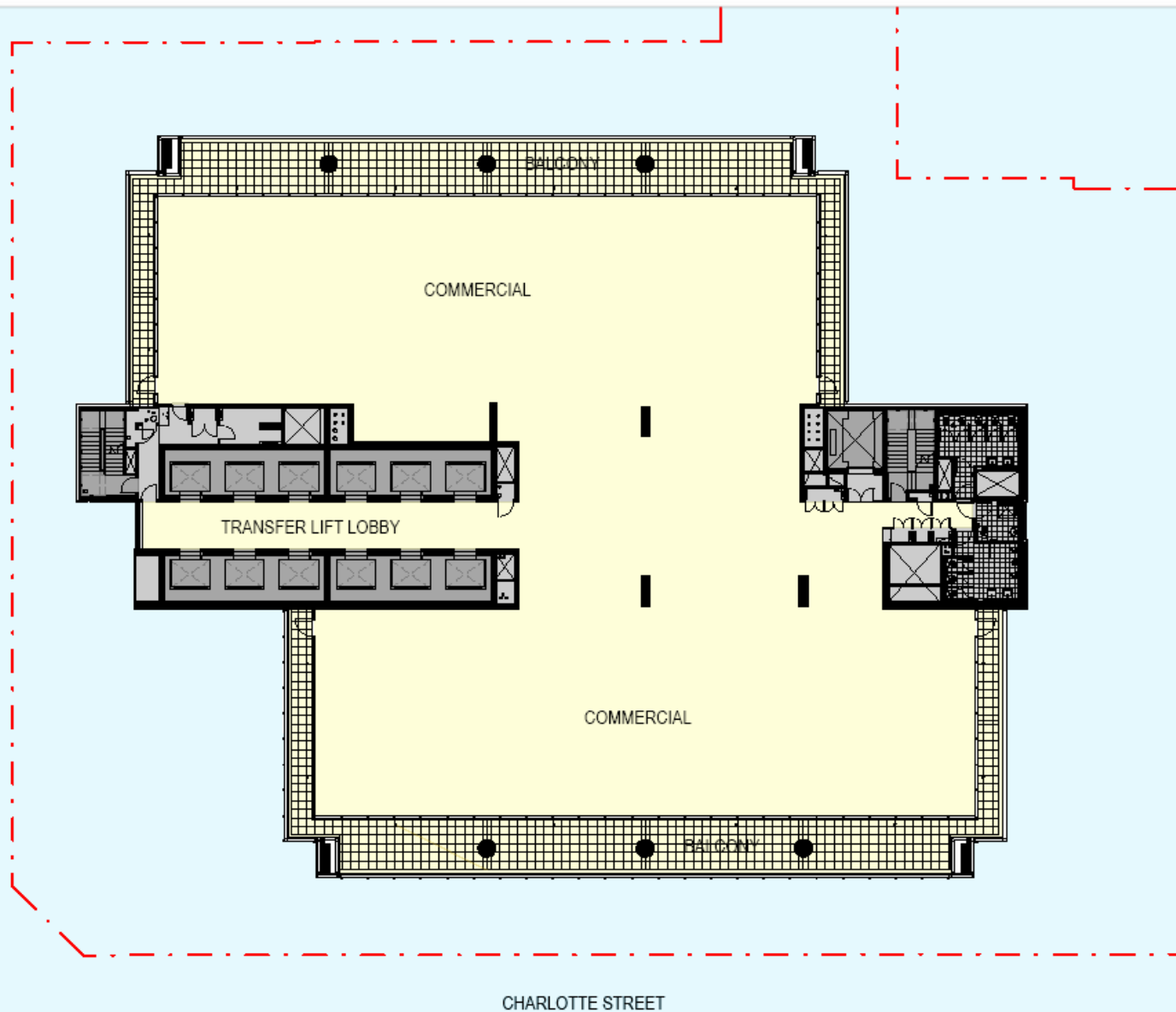
123 Albert St - Podium Commercial & Parking





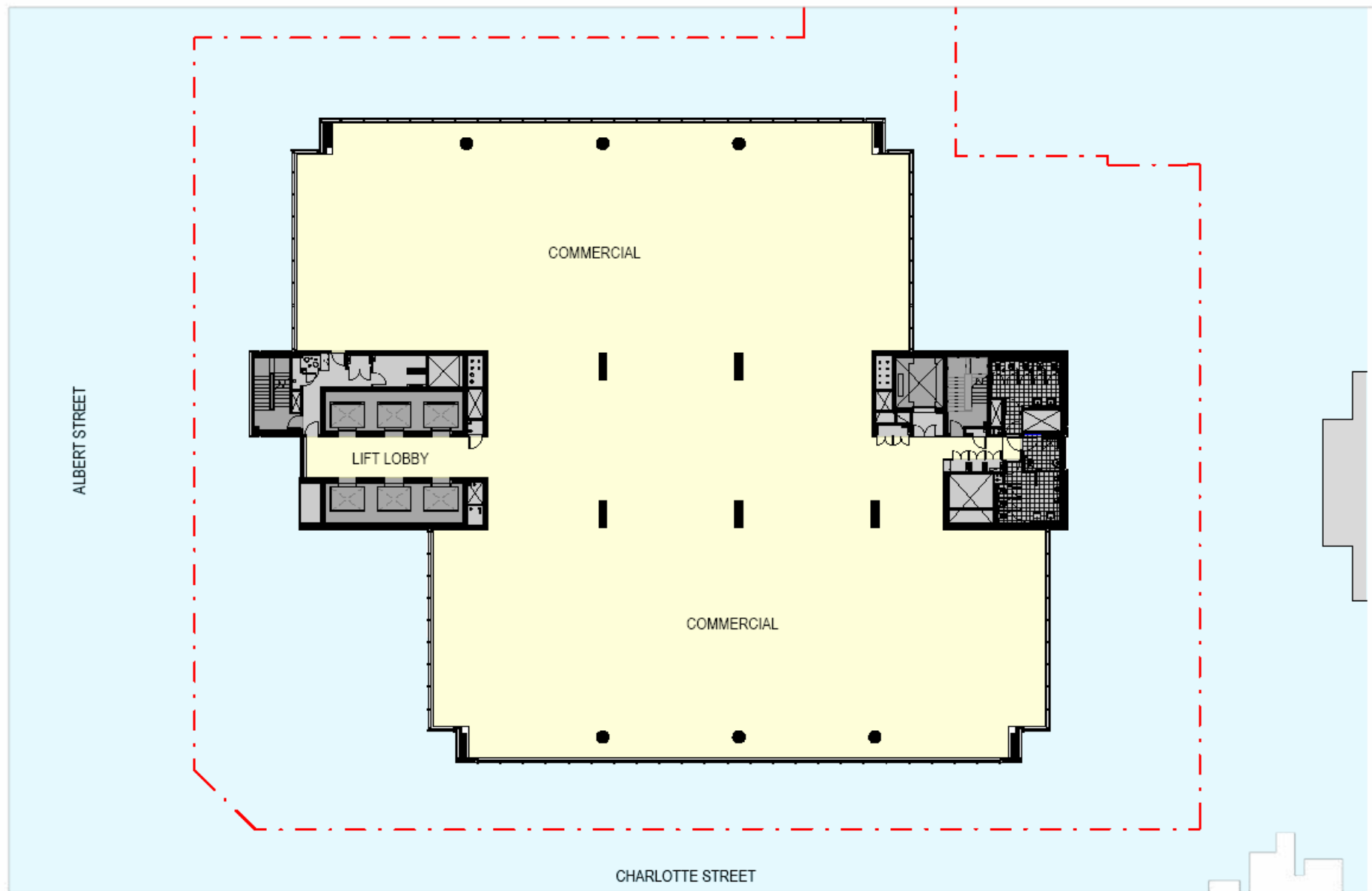
123 Albert St - Typical Low Rise

ALBERT STREET



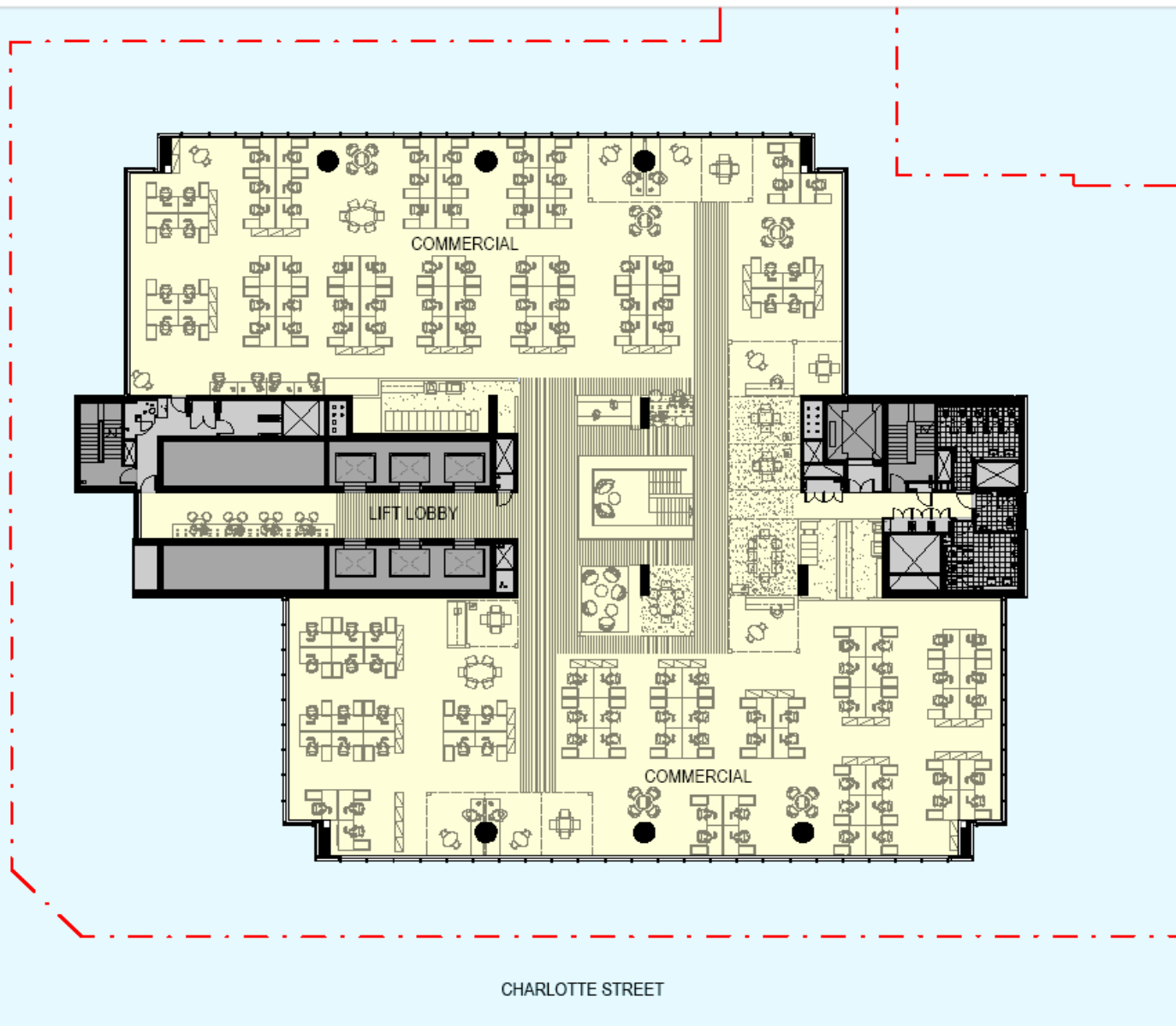
CHARLOTTE STREET

123 Albert St - Transfer Level



123 Albert St - Typical High Rise





123 Albert St - Test Fit @ 1:12sqm

## GROUND FLOOR LOBBY / THROUGH LINK / RETAIL

FLOOR



PT-1 (INTERNAL), PT-2 (EXTERNAL)  
GRANITE,  
RAVEN GREY,  
FLAMED FINISH  
600x600mm



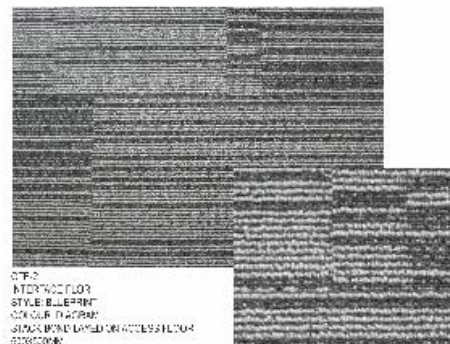
PT-3  
LIMESTONE,  
IVORY CHARCOAL  
600x300mm  
(BENISARAH RASABALE)

## WET AREAS



PT-4  
DOUBLE-CHIPPED STRIPED CERAMIC TILES  
FOREST MARBLE RANGE BY GLENROCK  
600x600mm  
600x600mm

## COMMERCIAL FLOORS



PT-5  
INTERLOCK FLOOR  
STYLE BLUEPRINT  
600x600mm  
GRANITE BOND LAYED ON ACCESS FLOOR  
600x600mm

WALL



MEDIUM GREY METALLIC

DARK GREY METALLIC



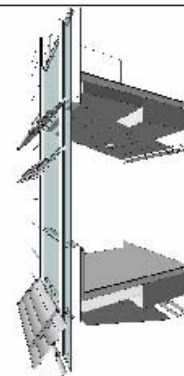
PT-6  
CONCRETE ALUMINIUM PANEL  
600x600mm TYPICALLY  
600x600mm TYPICALLY



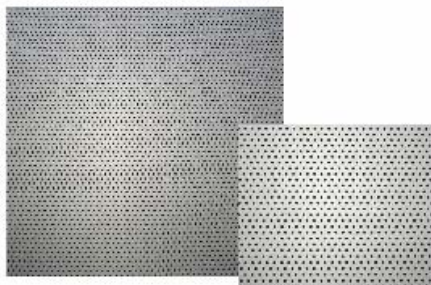
PT-7  
DOUBLE-CHIPPED STRIPED CERAMIC TILES  
FOREST MARBLE RANGE BY GLENROCK  
600x600mm  
600x600mm



PT-8 - PT-9  
CONCRETE WALL PANEL  
NATURAL AND RED ALUMINIUM FINISHES,  
SET PLASTERED TO GILL



CEILING

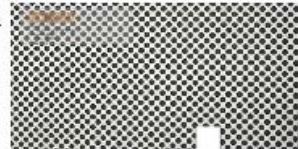


PT-10  
100% PERFORATED METAL CEILING TILE,  
600x600mm TYPICALLY  
600x600mm TYPICALLY  
ON PERFORATION EXTERNALLY,  
ON PERFORATION INTERNALLY AT FURNITURE WALLS TO ISSUE,  
600x600mm TYPICALLY

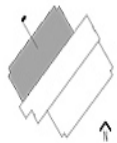


PT-11  
100% PERFORATED METAL CEILING TILE

PT-12  
100% PERFORATED METAL CEILING TILE

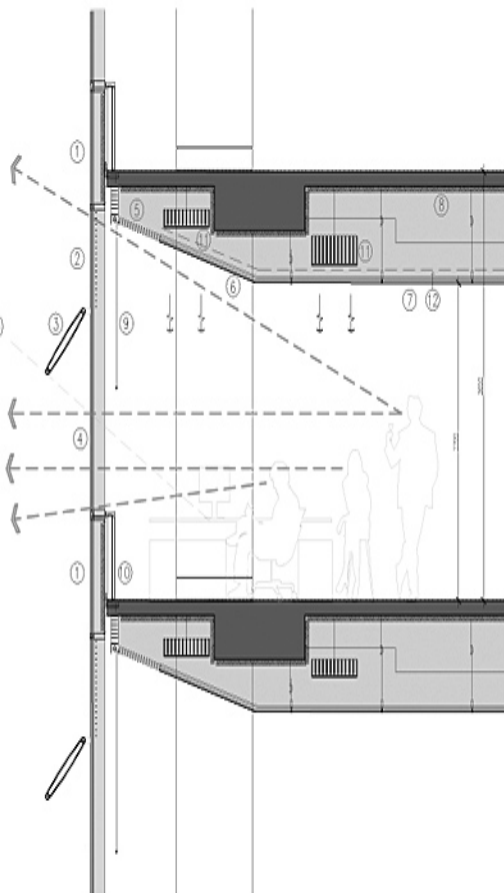


PERFORATED METAL CEILING TILE (MCK,  
600x600mm TYPICALLY  
600x600mm TYPICALLY  
100% PERFORATED METAL CEILING TILE

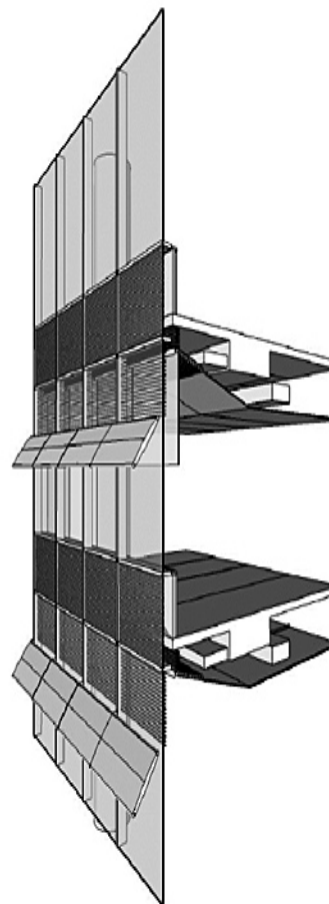


#### LEGEND

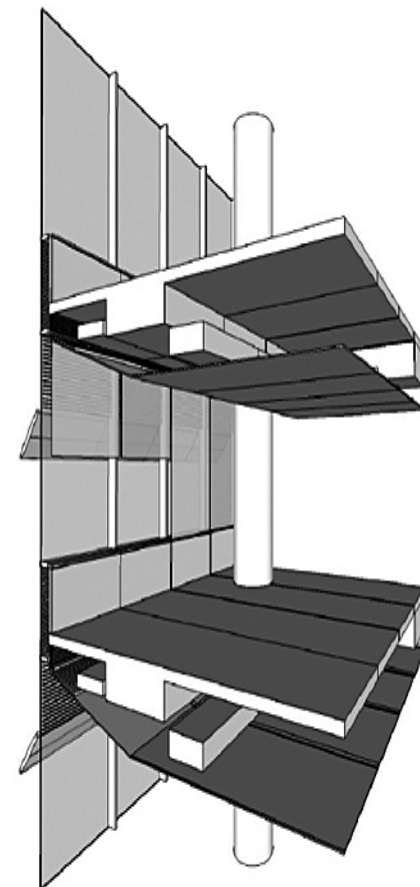
- 1 HIGH PERFORMANCE SPANDREL PANEL TO MINIMISE HEAT GAIN
- 2 EXTERNAL: CLEAR GLASS AT TOP TO IMPROVE DAYLIGHT PENETRATION (VLT 60%, SC 0.45)  
INTERNAL: LIGHT REDIRECTING DEVICE TO IMPROVE DAYLIGHT LEVELS DEEPER INTO FLOOR PLATE
- 3 EXTERNAL SHADING DEVICE TO IMPROVE THERMAL COMFORT, AVOID/MINIMISE GLARE
- 4 HIGH PERFORMANCE GLASS/ MEDIUM VISUAL LIGHT TRANSMISSION TO REDUCE GLARE (VLT 35%, SC 0.3)
- 5 70% OPEN GRILL
- 6 RAISED CEILING AT PERIMETER TO MAXIMISE LIGHT PENETRATION & EXTERNAL VIEW OPPORTUNITIES
- 7 PERFORATED CEILING TO ALLOW AIR CIRCULATION BETWEEN CHILLED BEAM & OFFICE SPACE
- 8 INSULATED SLAB
- 9 REFLECTIVE ROLLER BLIND (FITOUT)
- 10 ELECT/COMMS OUTLET
- 11 AIR CONDITIONING
- 12 TENANT SERVICES ZONE (60mm)



N-W FAÇADE SECTION (TYPICAL)

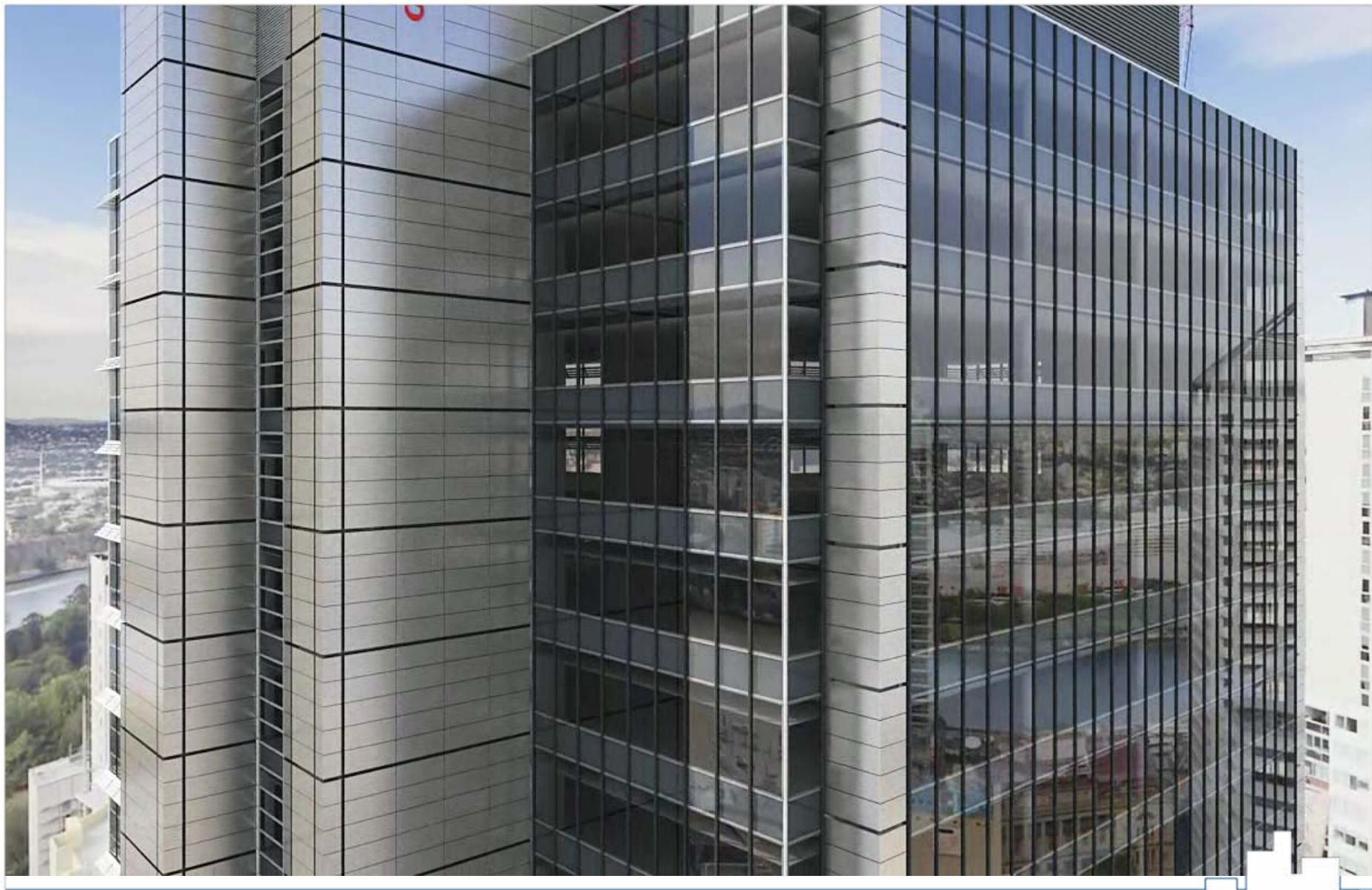


N-W FAÇADE - EXTERIOR VIEW (TYPICAL)



N-W FAÇADE - INTERIOR VIEW (TYPICAL)





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# Key Feasibility Criteria

- Pre-commitment to Rio Tinto
  - 67% of total net lettable area
- Average Rio Tinto rent achieved
  - approx \$535/sqm net face
- Remaining vacancy 12,500sqm
  - to be leased by mid 2011
- Estimated yield on total cost
  - 6.8%
- DXS 100% of total cost
  - \$350 million
- Expenditure to completion
  - \$250 million





# DEXUS

Western Corridor - Office  
UBS - 24 March 2009

John Swadling  
Head of Office Investments

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

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PROPERTY GROUP

# Western Corridor - Office

★ - Western Corridor Assets



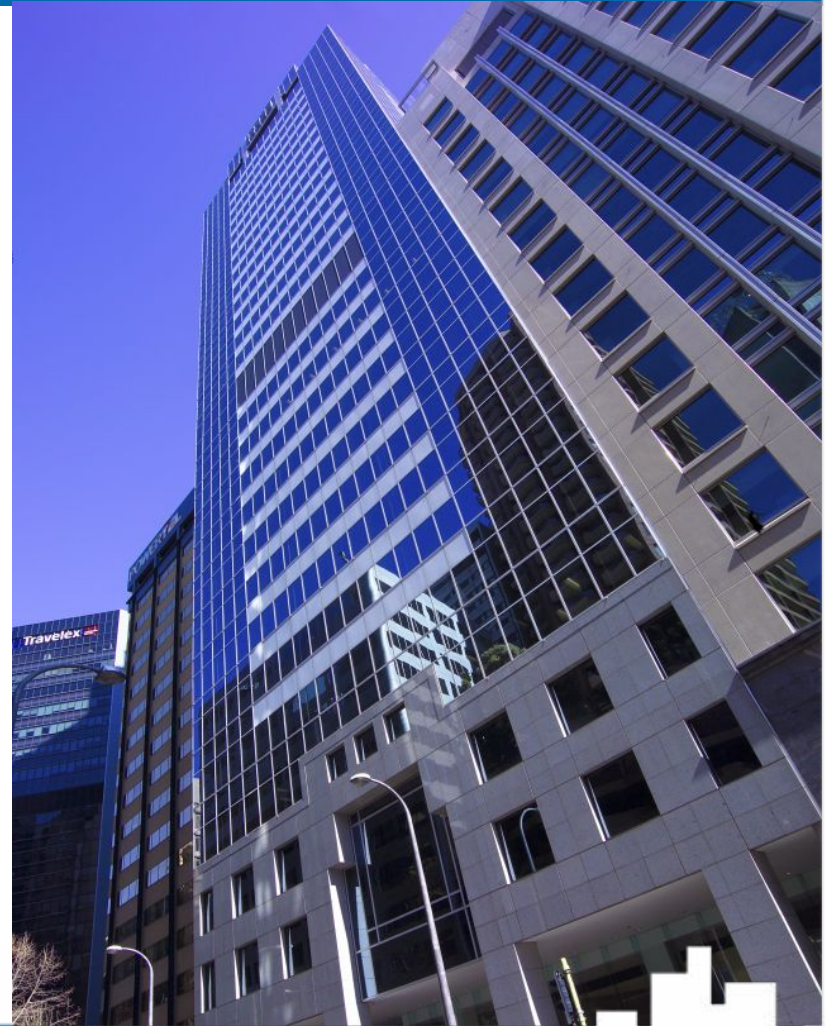


# 45 Clarence Street, Sydney

45 Clarence Street is a modern A-grade office building located in the western corridor of the Sydney CBD overlooking Darling Harbour. This high rise building includes 28 levels of office accommodation and five levels of basement parking for 160 cars.

Major upgrade works to the upper levels, lobby and lifts were completed in 2005.

Building Type -	A-grade - Office
Title -	Freehold
Ownership (%) -	100
Year Built -	1990
Lettable Area ('000sqm) -	32.213
Car Parking Spaces -	162
Major Tenant -	HBOS Australia, Hudson
Typical Floor Area (sqm) -	1,250
Average Passing Rent (A\$/sqm) -	473
Average Market Rent (A\$/sqm) -	565.82
Leased by Area -	100%
Weighted Lease Term by Income -	3.7 years

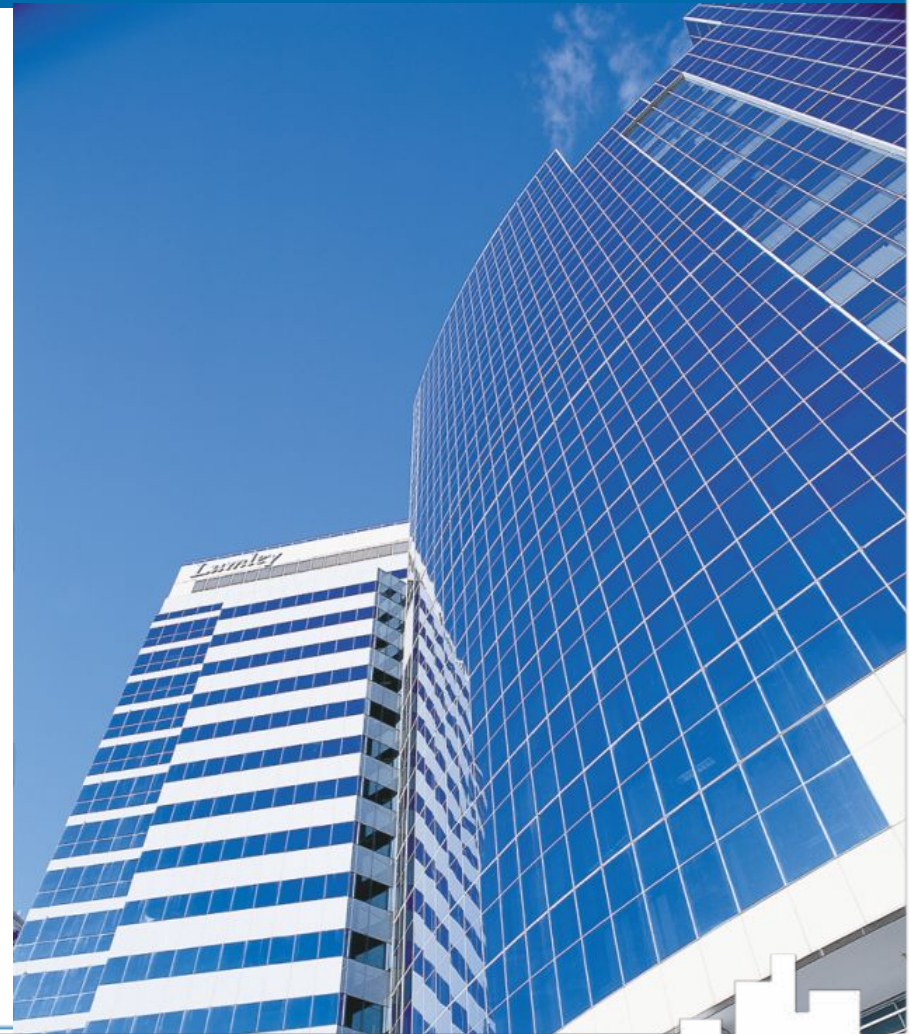


# 309-321 Kent Street, Sydney

A two office tower complex located in the western corridor of the Sydney CBD overlooking Darling Harbour. The complex comprises 36 levels of office accommodation, with 19 levels in 321 Kent Street and 17 levels in Lumley House (309 Kent Street), a ground level retail plaza and five levels of basement parking for 424 vehicles.

A major refurbishment of 321 Kent Street was completed in April 2006.

Building Type -	A-grade - Office
Title -	Freehold
Ownership (%) -	50
Co-owner -	AMP
Lettable Area ('000sqm) -	47,022
Typical Floor Area (sqm) -	1,065 / 1,550
Number of Buildings -	2
Car Parking Spaces -	497
Major Tenant -	Sparke Helmore, Promina/Asteron
Average Passing Rent -	457
Average Market Rent -	524
Weighted Lease term by Income -	5.7 years





# 44 Market Street, Sydney

A 26-level freestanding office tower. The building is of A-Grade standing following a substantial upgrade in 1996. It is located along with the western corridor of the Sydney CBD at the corner of Market, York and Clarence Streets.

Building Type -	A-grade - Office
Title -	Freehold
Ownership (%) -	100%
Lettable Area ('000sqm) -	30
Typical Floor Area (sqm) -	1000
Car parking spaces -	138
Major Tenant -	Maunsell Australia
Average Passing Rent (A\$/sqm) -	453.74
Average Market Rent (A\$/sqm) -	518.75
Leased by Area -	100%
Weighted Lease Term by Income -	3.1 years



# One Margaret Street, Sydney

One Margaret Street is located in the western corridor of the Sydney CBD overlooking Darling Harbour. The building includes 18 levels of A-grade office accommodation and three levels of car parking for 103 vehicles. The building was completely refurbished in 2002.

Building Type -	A-Grade - Office
Title -	Freehold
Ownership (%) -	100%
Lettable Area ('000sqm) -	20.64
Typical Floor Area (sqm) -	1125 / 1163
Car parking spaces -	103
Major Tenant -	Credit Union Services Corporation (Australia) Limited
Average Passing Rent (A\$/sqm) -	486
Average Market Rent (A\$/sqm) -	535
Leased by Area -	98%
Weighted Lease Term by Income -	4.6 years





# 383 Kent Street, Sydney

A 14-level 18,058 square metre A-Grade office tower which was completed in May 2002. The tower was constructed above the DEXUS car park. 383 Kent Street is located the western corridor of Sydney has dual frontage to Kent and Sussex Streets.

Building Type -	A-grade - Office
Title -	Freehold
Ownership (%) -	100
Lettable Area ('000sqm) -	18.051
Car Parking Spaces -	55 plus 785 for carpark = 840
Major Tenant -	Customcall Pty Ltd
Typical Floor Area (sqm) -	1447 / 1577
Average Passing Rent (A\$/sqm) -	447
Average Market Rent (A\$/sqm) -	478
Leased by Area -	100%
Weighted Lease Term by Income -	2.9 years - Office only 5.5 years incl. carpark @ 10 years 3.7 years incl. carpark @ 5 years



# 30 The Bond, 30-34 Hickson Road, Sydney

This contemporary development was the first office building in Australia to achieve a five-star Australian Building Greenhouse Rating (ABGR).

Located at Millers Point in the emerging north western waterfront precinct, the building provides over 19,700 square metres of office space and basement parking for 113 cars.

The building features the very latest in environmental design, including chilled beam air-conditioning, a first for a commercial building in Australia.

Building Type -	A-grade - Office
Title -	Freehold
Ownership (%) -	100
Lettable Area ('000sqm) -	19.770
Typical Floor Area (sqm) -	2,000
Major Tenant -	Lend Lease
Average Passing Rent (A\$/sqm) -	477.09
Average Market Rent (A\$/sqm) -	545.97
Weighted Lease Term by Income -	4.8 years



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