

DEXUS PROPERTY GROUP

2013 HALF YEAR RESULTS PRESENTATION



DEXUS Funds Management Limited
ABN 24 060 920 783
AFSL 238163 as responsible entity for DEXUS Property Group

DEXUS
PROPERTY GROUP

AGENDA

- Strategy
- Group highlights
- Financial results
- Capital management
- Third party funds management
- Portfolio results
- Transactions and market outlook
- Summary
- Appendices

STRATEGY

A clear and focused strategy

OUR VISION

To be globally recognised as Australia's leading real estate company

OUR STRATEGY

To deliver superior risk-adjusted returns for our investors from high quality Australian real estate, primarily comprising CBD office buildings

OUR STRATEGIC OBJECTIVES

OFFICE

Being the leading owner and manager of Australian office

CORE CAPABILITIES

Having the best people, strongest tenant relationships and most efficient systems

CAPITAL PARTNERSHIPS

Being the wholesale partner of choice in Australian office, industrial and retail

CAPITAL & RISK MANAGEMENT

Actively managing our capital and risk in a prudent and disciplined manner

OUR PEOPLE WILL BE RECOGNISED FOR

Property expertise

Institutional rigour

Entrepreneurial spirit

STRATEGY

Progress on strategic objectives and initiatives

STRATEGIC OBJECTIVES

HY13 PROGRESS

INITIATIVES IMPLEMENTED

OFFICE

Being the leading owner and manager of Australian office



- Proactively managing and driving performance
- Redeploying excess capital into core Australian office markets
- Enhancing tenant relationships through implementing new systems and practices

CORE CAPABILITIES

Having the best people, strongest tenant relationships and most efficient systems



- Implementing programs and systems to enhance core capabilities
- Embedding a culture of service excellence and high performance
- Creating operational efficiencies and reducing costs

CAPITAL PARTNERSHIPS

Being the wholesale partner of choice in office, industrial and retail



- Growing third party funds management business through
 - Developing new capital partners
 - Partnering with third party funds on investment opportunities

CAPITAL & RISK MANAGEMENT

Actively managing our capital in a prudent and disciplined manner

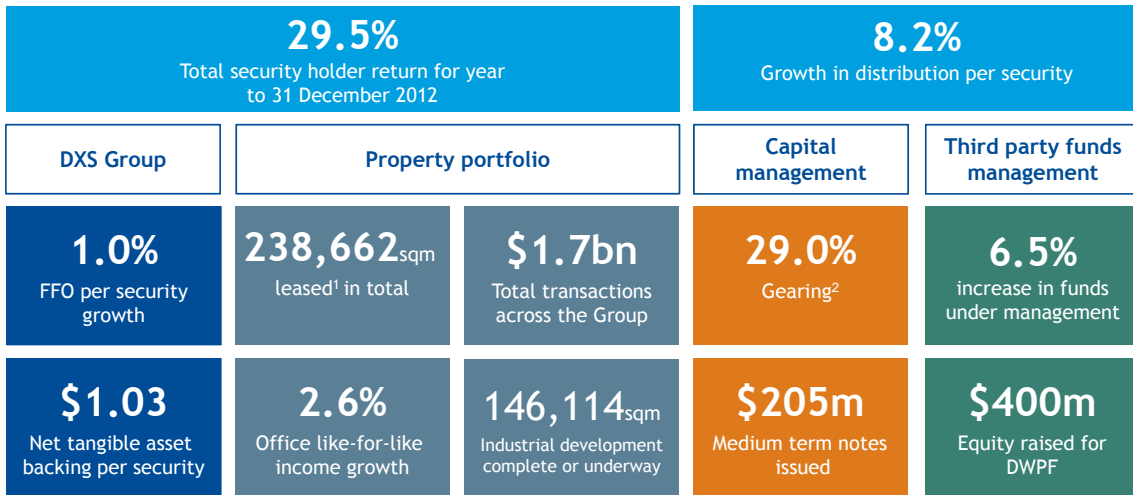


- Progressing the exit of non-core offshore markets
- Reducing the cost and improving the access to capital
- Progressing the recycling of non-core Australian properties

GROUP HIGHLIGHTS

For the six months ended 31 December 2012

DXS investor returns



1. Including Heads of Agreement.
2. Pro-forma gearing including the impact of the settlement of the US portfolio sale, the acquisition of interests in three Sydney properties and the acquisition of 40 Market Street, Melbourne and Carole Park industrial estate, South Brisbane.



FINANCIAL RESULTS



FINANCIAL RESULTS

		Six months to 31 Dec 2012	Six months to 31 Dec 2011
Key financial metrics	Statutory net profit	\$267.0m	\$145.7m
	FFO ¹	\$182.2m	\$184.3m
	FFO per security	3.85c	3.81c
	Distribution per security	2.89c	2.67c
	Gearing	29.0% ²	29.0%
	NTA per security	\$1.03	\$1.01

1. FFO (Funds from Operations): net profit adjusted to exclude property revaluations, unrealised mark-to-market changes, changes in deferred tax, amortisation of tenant cash and fit-out incentives, gain/loss on sale of certain assets and rent straight-lining. Refer to the glossary for the detailed explanation and slide 8 for a reconciliation to net profit.
2. Pro-forma gearing including the impact of the settlement of the US portfolio sale, the acquisition of interests in three Sydney properties and the acquisition of 40 Market Street, Melbourne and Carole Park industrial estate, South Brisbane.

FINANCIAL RESULTS

	Six months to 31 Dec 2012 \$m	Six months to 31 Dec 2011 \$m
Statutory net profit	267.0	145.7
Net fair value gain of investment properties ¹	(120.4)	(60.0)
Impairment of inventories	—	2.0
Net fair value loss of derivatives	11.9	74.6
Finance break costs attributable to US sales transaction	12.4	—
Net loss/(gain) on sale of investment properties	1.5	(2.9)
Incentive amortisation and rent straight-line	14.3	16.7
RENTS capital distribution	—	(5.3)
Deferred tax (benefit)/expense	(4.5)	12.3
Impairment of goodwill and other	—	1.2
Funds From Operations (FFO)	182.2	184.3

1. Includes \$4.7 million of revaluations related to DXS's share of its equity accounted investments and \$18.7 million of net revaluations relating to discontinued operations (US and Europe). Further details are included in the DXS Group financial statements.

FINANCIAL RESULTS

Funds From Operations

- Operating EBIT from continued operations up \$12.9m to \$203.3m
- Office like-for-like income growth of 2.6%
- Industrial like-for-like income growth of 1.1%
- Finance costs \$10.1m lower as a consequence of the US central portfolio sale

	Six months to 31 Dec 2012 \$m	Six months to 31 Dec 2011 \$m
Office	151.8	141.3
Industrial	57.8	58.4
Net profit from management operations ¹	11.5	13.2
Group corporate & asset management ¹	(17.8)	(22.5)
Operating EBIT - continued operations	203.3	190.4
Discontinued operations ²	17.0	40.8
Operating EBIT	220.3	231.2
Finance costs ³	(53.6)	(63.7)
Incentive amortisation and rent straight-line	14.3	16.7
Other	1.2	0.1
Funds From Operations	182.2	184.3
FFO per security	3.85	3.81
Distribution per security	2.89	2.67

- Refer to slide 10 for further detail.
- US and European industrial and including US corporate costs.
- Including interest revenue and RENTS.

FINANCIAL RESULTS

Corporate revenue and expenses

Net profit from management operations

HY13	Property management	Development & trading	Funds management	Total (\$m)
Revenue	15.9	16.1	13.4	45.4
Operating expenses ¹	(12.6)	–	(6.5)	(19.1)
Cost of sales – active trading	–	(14.8)	–	(14.8)
Total operating expenses	(12.6)	(14.8)	(6.5)	(33.9)
Net profit from management operations	3.3	1.3	6.9	11.5

Group corporate & asset management

HY13	Total (\$m)
Group corporate expenses	(11.1)
DXS asset management	(6.7)
Group corporate & asset management	(17.8)

Management Expense Ratio (MER)

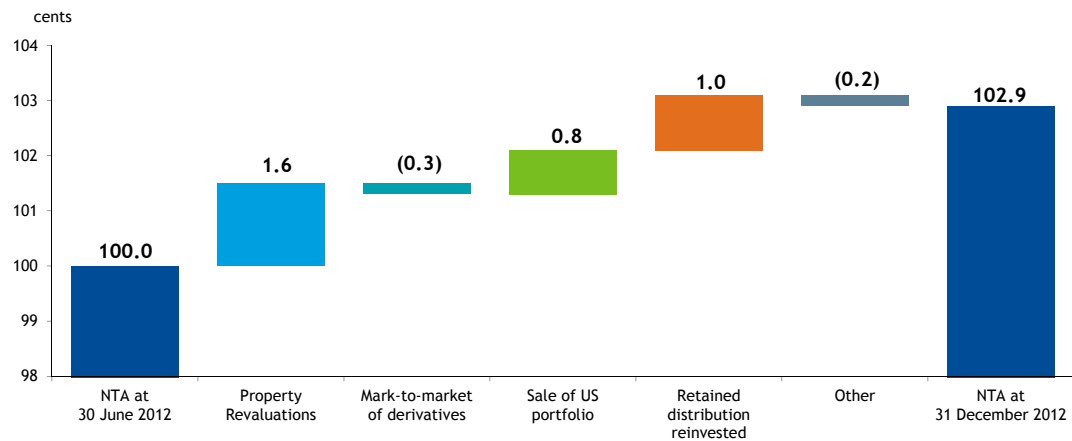
HY13 Gross MER ²	Total (\$m)
A) Group corporate & asset management	(17.8)
B) Funds under management	6,534
Gross MER = 2*A/B	54bps

- Comprises property management salaries of \$5.2m and corporate & administration expenses of \$13.9m.
- Gross Management Expense Ratio: calculated as annualised domestic costs arising from managing DXS assets and corporate activity/divided by domestic funds under management.

FINANCIAL RESULTS

Net tangible assets and Return on Equity (ROE)

Change in net tangible assets



- Delivered an ROE of 5.9% for the six months to 31 December 2012
 - Ahead of the Group's through the cycle ROE target of 9-10% on an annualised basis

CAPITAL MANAGEMENT



CAPITAL MANAGEMENT

Key highlights

FY13 focus

Reduce cost of funds

Maintain strong diversity of debt and duration of greater than four years

Maintain strong credit rating metrics

Continue on-market securities buy-back, where accretive to investor returns

Utilise headroom for quality acquisitions or cancel excess facilities

HY13 performance

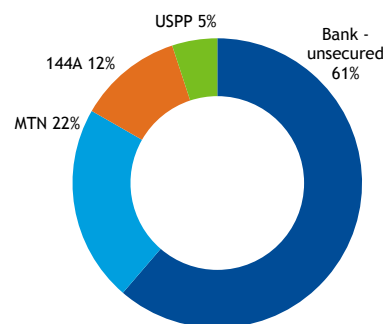
- Reduced cost of funds by 30bps to 5.8%
- Successfully restructured US debt facilities associated with the sale of US properties
- Issued \$205 million medium term notes at a cost of 5.7% with a duration of 5.8 years
- Enhanced our approach to interest rate hedging
- Credit metrics remain strong following major transactions
- Continued buy-back – now 64% complete
- Headroom retained above target level to facilitate transaction settlements

CAPITAL MANAGEMENT

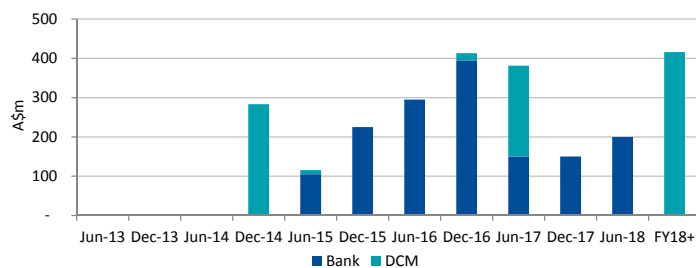
Cost of debt and duration

	31 Dec 2012	30 Jun 2012
Cost of debt ¹	5.8%	6.1%
Duration of debt	4.1 years	4.2 years
Hedged debt	70%	73%
Gearing ²	29.0% ³	27.2%
Headroom (approximately) ⁴	\$0.5bn	\$0.6bn
S&P/Moody's credit rating	BBB+/Baa1	BBB+/Baa1

Diversified mix of facilities³



Debt maturity profile³



1. Weighted average.

2. Refer to glossary for gearing definition.

3. Pro-forma including the impact of the settlement of the US portfolio sale, the acquisition of interests in three Sydney properties and the acquisition of 40 Market Street, Melbourne and Carole Park industrial estate, South Brisbane. All other debt metrics are broadly consistent on a pro-forma basis.

4. Undrawn facilities plus cash, excluding cash held in escrow.

THIRD PARTY FUNDS MANAGEMENT



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Slide 15

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THIRD PARTY FUNDS MANAGEMENT Highlights

FY13 focus

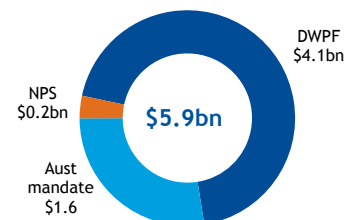
- Continue to develop new capital partnerships
- Continue to achieve investment objectives to enhance returns for our established funds
- Raise further capital for DWPF

HY13 performance

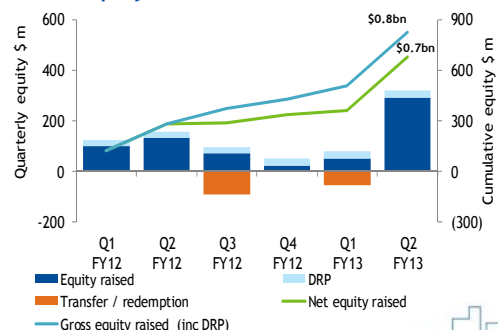
- Third party funds under management increased 6.5%
- Strong support from DWPF investors raising over \$400m of equity including \$290m from a new investor
- DWPF acquired two office properties jointly with DXS and one industrial property (approx. \$204m)¹
- Launched NPS partnership and have transacted on an additional two properties in January
- DWPF out-performed benchmark² over 1, 3 & 5 years

1. Excluding acquisitions costs and includes post balance date transaction.
 2. Mercer IPD Australian Pooled Property Fund Index.
 3. At 31 December 2012 including post balance date acquisition of a 50% interest in 39 Martin Place, Sydney.

Third party funds management platform³



DWPF equity raised since 2012



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PORTFOLIO RESULTS



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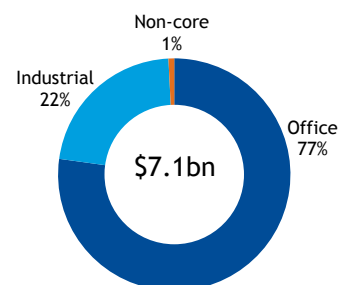
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PORTFOLIO RESULTS

Total portfolio

Total DXS portfolio ¹	31 Dec 2012	30 Jun 2012
Total value	\$7.1bn	\$6.4bn
Total number of properties	82	74
Total NLA (sqm)	1.7m	1.8m
Income growth (like-for-like)	2.2%	3.3%
Occupancy by area	94.7%	93.4%
Occupancy by income	95.0%	95.8%
Weighted average lease expiry ²	4.7 years	4.7 years
Weighted average cap rate	7.60%	7.64%

Total DXS portfolio composition¹



1. 30 June 2012 and 31 December 2012 details include all post balance date transactions, exclude cash and discontinued operations (US and Europe).
2. By income.

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PORTFOLIO RESULTS

Total portfolio – valuation metrics for the six months to 31 December 2012

- Total portfolio valuation uplift of \$99.2m¹ primarily driven by leasing success
 - Office portfolio valuations up 1.9% or \$92.8m
 - Industrial portfolio valuations up 0.4% or \$6.4m
- Valuations tempered by high incentives and longer let-up times in the medium-term
- Cap rate compression evident in prime, highly occupied office and industrial properties
 - Average office cap rates remain steady but under pressure to tighten from investor demand
 - Secondary industrial cap rates under pressure to soften where leasing challenges exist

Office and industrial portfolio valuation metrics¹

	Valuation change		Cap rates		Discount rates	
	31 Dec 12 \$	31 Dec 12 %	31 Dec 12 %	30 Jun 12 %	31 Dec 12 %	30 Jun 12 %
Office	92.8	1.9	7.29	7.30	9.07	9.18
Industrial	6.4	0.4	8.58	8.59	9.61	9.66
Total	99.2	1.5	7.60	7.64	9.20	9.30

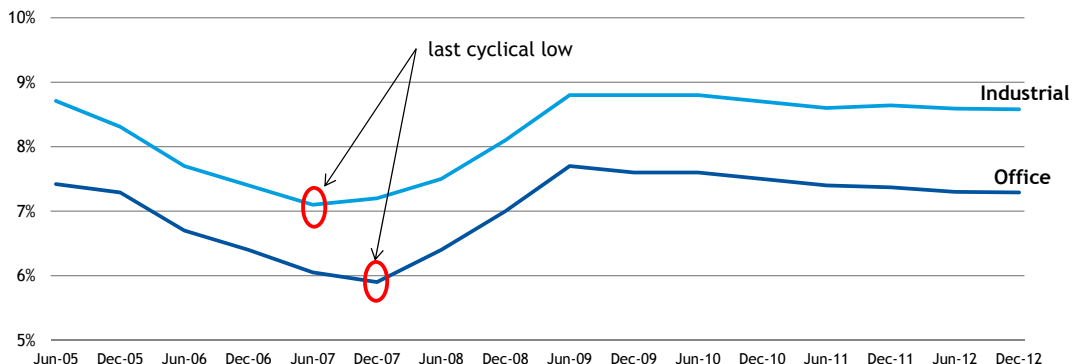
1. Excluding discontinued operations (US and Europe).

PORTFOLIO RESULTS

Total portfolio – historical cap rates

- Cap rate compression has traditionally occurred in periods of accelerating rental growth
- DEXUS portfolio cap rates last cyclical low of 7.1% for industrial and 5.9% for office
- Investor demand for high quality assets and independent valuation evidence is expected to drive cap rate compression over the next year

DXS office & industrial portfolio historical cap rate comparison



PORTFOLIO RESULTS

Office – operating performance

- Active period of leasing, with 63 leases over 61,882sqm¹
- Occupancy of 95.2%²
- Maintained solid portfolio WALE of 4.9 years³
- Delivered strong like-for-like income growth of 2.6%⁴
- Strong total return of 10.3%
- New rents were on average 2.7% lower than prior rents with average incentives of 9.6%
 - Excluding effective renewals, new rents were 4.9% higher with average incentives of 16.1%

1. Including Heads of Agreement of 7,855sqm.
2. By area.
3. By income.
4. Excluding 123 Albert Street, Brisbane.

Australia Square, 264-278 George Street, Sydney, NSW



PORTFOLIO RESULTS

Office – key leasing achievements

- Leased 61,882sqm across 16 properties
 - Retained 33 tenants over 50,000sqm on average 8.5 months prior to expiry
 - Signed 11,000sqm of new leases

Key office leases completed

Property	Tenant	Area ¹ (sqm)	Income ¹ %	Term	Expiry
8 Nicholson Street	Vic State Gov't	23,528	2.3	5	Jun 18
11 Talavera Road	Ericsson	4,607	0.4	5	Dec 18
	Upstream Print Solutions	1,587	0.2	4	Feb 17
240 St Georges Terrace	Woodside	4,281	1.1	5	Dec 18
Southgate Towers	CEO	3,847	0.4	7	Oct 22
The Zenith	TCA	3,161	0.3	5	Mar 18
201 Elizabeth Street	State Property Authority	1,637	0.2	4	Apr 17
	Transgrid	1,627	0.2	3	Apr 16
Australia Square	DEXUS Property Group	1,032	0.2	8	Apr 21
	Abacus	516	0.1	5	Dec 17

50 Carrington Street, Sydney, NSW

1. By ownership.



PORTFOLIO RESULTS

Office – leasing focus

FY13 focus

- Progress 8 Nicholson Street, Melbourne and 30 The Bond, Sydney
- Focus on leasing in Sydney western core

HY13 performance

- Retained tenant at 8 Nicholson Street for a further five years and progressing discussions with Lend Lease at 30 The Bond
- Secured tenants at:
 - 45 Clarence Street: two new tenancies 1,698sqm
 - 383 Kent Street: one new tenant 1,447sqm
 - 321 Kent Street: one new tenant 1,482sqm

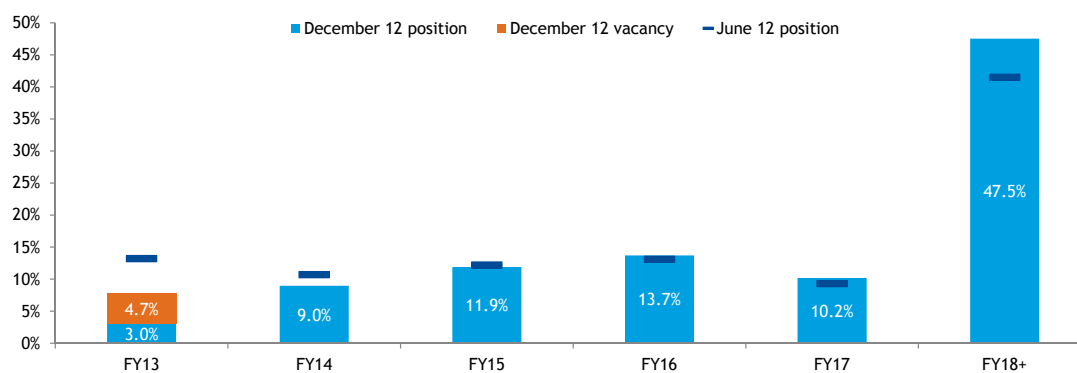
Office leasing focus

Property	Tenant	Area ¹ (sqm)	Expiry status	Progress
FY13				
14 Moore Street	Comcare/ATO	10,969	Available/May 13	Part space under negotiation, marketing continuing
Australia Square	Vacant	2,294	Available	1,200sqm under negotiation, marketing balance
45 Clarence Street	Vacant	2,493	Available	2,200sqm under negotiation
GPT, 1 Farrer Place	Vacant	1,528	Available	Marketing continuing.
1 Bligh Street	Vacant	1,000	Available	HOA for suite on Lvl 17 (289sqm) and interest in remaining suites
FY14				
30 The Bond	Lend Lease	17,547	Mar 14	In discussions with current tenant
GPT, 1 Farrer Place	Corrs	3,685	May 14	Marketing continuing
FY15				
GMT, 1 Farrer Place	NSW Gov't	10,203	Dec 14	Actively marketing assuming vacancy
Woodside Plaza	Deloitte	4,282	Jun 15	In discussions

1. By ownership.

PORTFOLIO RESULTS

Office lease expiry profile by income



	%	%	%	%	%	%			
ATO 14 Moore	0.3	Lend Lease 30 The Bond	2.7	NSW Gov't GPT/GMT	1.8	IBM Southgate	1.3	Mallesons GPT/GMT	1.9
Bluestone 321 Kent	0.2	Corrs GPT/GMT	1.0	Lloyds 45 Clarence	0.9	Merrill Lynch GPT/GMT	0.9	Promina 321 Kent	0.8
Nexia Court Australia Square	0.2	CMC Markets GPT/GMT	0.5	Phillips Fox 201 Elizabeth	0.9	Grant Thornton 383 Kent	0.7	Covermore Victoria Cross	0.6
Maersk 201 Elizabeth	0.2	Travelex One Margaret	0.4	Bank West 45 Clarence	0.7	Sparke Helmore 321 Kent	0.7	Internat'l SOS 45 Clarence	0.6

PORTFOLIO RESULTS

Industrial – strong operating performance

- Leased 176,780sqm¹ across 58 leases
 - Including 50,508sqm of development projects
- Improved occupancy² by 2.7% to 94.4%
- Portfolio WALE³ of 4.0 years
- Achieved like-for-like income growth of 1.1%
- Delivered a total return of 7.8%
- Negotiated new rents at an average 0.7% lower than prior rents, despite portfolio being 5.8% over-rented
 - Average incentives were 6.3%

1. Including Heads of Agreement of 31,865sqm.
2. By area.
3. By income.

DEXUS Industrial Estate, 25 Distribution Drive, Laverton North, VIC



DEXUS Industrial Estate, 27 Distribution Drive, Laverton North, VIC



PORTFOLIO RESULTS

Industrial – focus

FY13 focus

- Increase occupancy at Sydney properties
- Complete development projects
 - 43,800sqm of trading properties
 - 31,500sqm of projects at the Quarry
- Secure \$2m in trading profits¹



HY13 performance

- Increased Sydney portfolio occupancy by 1.3%²
- Completed three development projects
 - 13,630sqm of trading properties
 - 31,680sqm of projects at the Quarry
 - Total cost \$54m and average target IRR of 18.1%
- Six developments underway for total cost³ of \$87.3m covering 100,804sqm
- On track to deliver trading profits

Quarry at Greystanes, NSW

1. Trading profit guidance was revised to \$2m in October 2012.
2. Since 30 June 2012.
3. DXS interest.

PORTFOLIO RESULTS

Corporate responsibility and sustainability – value-add approach

- Achieved an average 4.7 star NABERS Energy rating exceeding the 4.5 star target
- Achieved an average 3.5 star NABERS Water rating
- Office portfolio delivered on average a 30% reduction in resource consumption and emission reduction since FY08
- DEXUS Property Group named CitySwitch NSW Signatory of the Year in Green Office awards
- Maximised sustainability credentials reduce let up times and increase tenant retention

DXS office portfolio	Dec 09	Dec 10	Dec 11	Dec 12
NABERS Energy rating	3.2	3.3	3.5	4.7
NABERS Water rating	3.0	3.0	3.2	3.5
Energy consumption % savings	↓9.6	↓1.4	↓6.0	↓7.1
Water consumption % savings	↓3.4	↓2.4	↓4.2	↓8.6
GHG emissions % savings	↓7.1	↓2.7	↓6.5	↓9.1

- 1 Bligh Street recognised globally
 - First Australian building to win International High-Rise Award 2012, donating €50,000 prize money to establish a student scholarship program for sustainable commercial high-rise design
- 123 Albert Street recognised domestically
 - Environmentally Sustainable Development, built form at UDIA Qld 2011 Awards for Excellence
 - FuturArc Green Leadership Award 2012 in Commercial Architecture category

TRANSACTIONS AND MARKET OUTLOOK



TRANSACTIONS

Active period of transaction activity



\$1.7bn
total transactions
across the Group

54
properties transacted

Transactions
significantly
improve quality
of earnings

TRANSACTIONS

Active period of transaction activity

- DXS acquisitions totalling \$676m
 - \$550m core office¹ at a cap rate of 7.2% and forecast 10 year IRR of 9.3%
 - \$105m value-add² office with a forecast 3 year IRR of over 12%
 - \$21m core industrial at a 7.75% cap rate and a forecast 10 year IRR of 9.5%
- Sold US\$561m US portfolio of 26 properties at 13% premium to book value
- Pursuing the divestment of remaining six European and one US property over the next 12 months



1. Including 12 Creek Street, Brisbane (DXS 50% interest \$120.8m); 225 George Street, Sydney (DXS 25% interest \$271.3m); 39 Martin Place, Sydney (DXS 50% interest \$74.9m); 2 and 4 Dawn Fraser Avenue, Sydney Olympic Park (DXS 50% interest \$82.7m).
2. 50 Carrington Street, Sydney (\$58.5m) and 40 Market Street, Melbourne (\$46.7m).

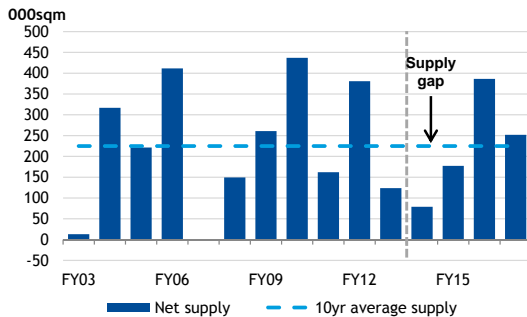
MARKET OUTLOOK

Australian office markets

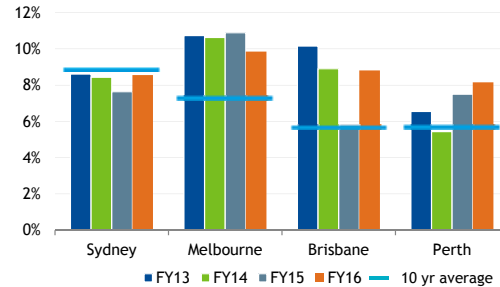
Relatively stable near term outlook

- Markets relatively well balanced due to low supply despite below average demand
- Anticipate recovery in demand from mid FY14 given impact of lower interest rates and improved white collar employment growth
- Vacancy in major markets not far from historic averages

Net supply forecast - core markets



Vacancy forecast 2012-2015



Source: Jones Lang LaSalle actual & DEXUS forecast.

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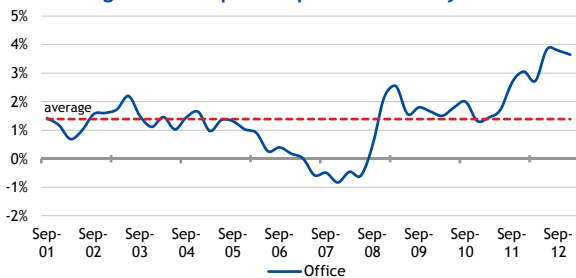
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MARKET OUTLOOK

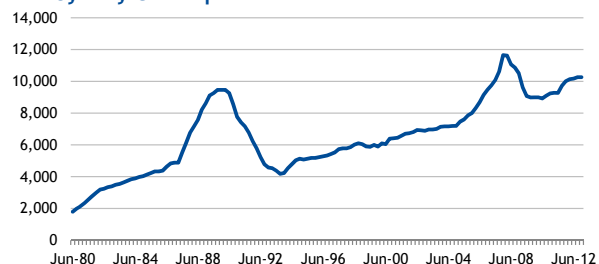
Capital values to be supported by yield spreads

- Yield spreads are above average and demand is strong, putting downward pressure on cap rates for prime assets
- Values should increase provided fundamentals do not deteriorate
- Spreads between prime and secondary cap rates to persist in the short term

Pricing – wide cap rate spread over 10 yr bond



Sydney CBD capital value index



Source: IPD, Jones Lang LaSalle, RBA, DEXUS Research.

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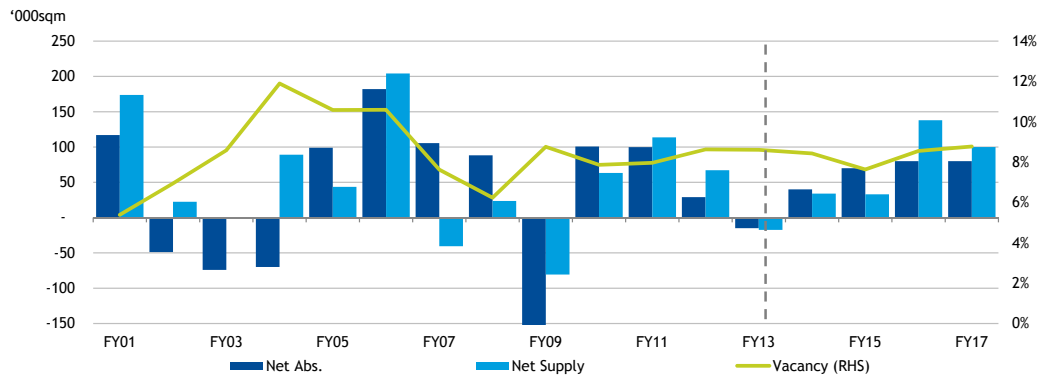
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MARKET OUTLOOK

Sydney CBD weak demand matched by low supply

Sydney CBD office market



- Positive net absorption forecasts from FY14 onwards – business services driven
- Limited supply in FY14 and FY15 – scope for rents to rise
- Supply cycle peak in FY16 – some risk if demand is flat

Source: Jones Lang LaSalle actual & DEXUS forecast.

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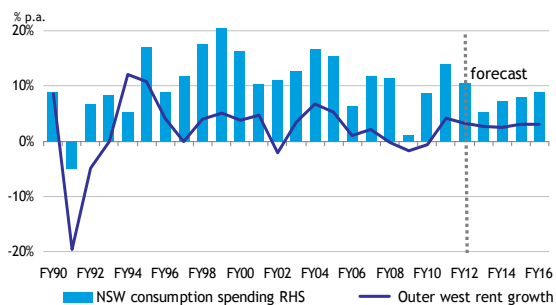


MARKET OUTLOOK

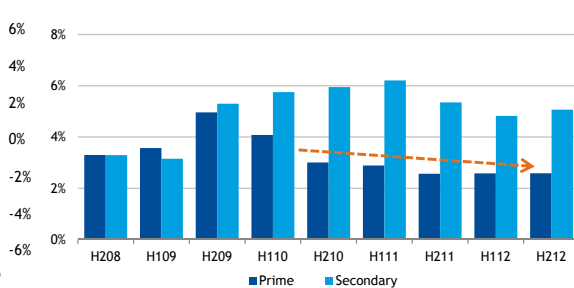
Industrial markets maintain good occupancy

- Fundamentals remain robust
- Supply low and vacancy rates stable
- Lead indicators positive, but yet to translate to demand and rents

Rental growth & consumption spending



Industrial – supply levels low, vacancy stable



Source: Jones Lang LaSalle, Savills, DEXUS Research, Deloitte Access Economics Dec 12.

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SUMMARY



SUMMARY

- Achieved solid operational results in a challenging market
- Portfolio composition is on target to deliver superior risk-adjusted returns to investors
- Significant progress made on our objective of being the leading owner and manager of Australian office
- Well positioned for growth with a strong and conservative balance sheet
- Market guidance for FY13¹
 - FFO per security 7.75 cents
 - Distribution per security 5.8 cents



1 Bligh Street and Governor Phillip Tower, 1 Farrer Place, Sydney, NSW

1. Barring unforeseen circumstances. Assumptions include: 75% payout ratio, delivering 2% like-for-like NOI growth in the office portfolio, \$2m in trading profits, cost of debt at 6.0% and excluding further on-market buy-back.

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2013 HALF YEAR RESULTS APPENDICES



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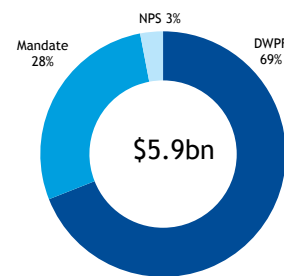
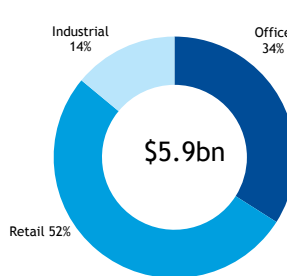
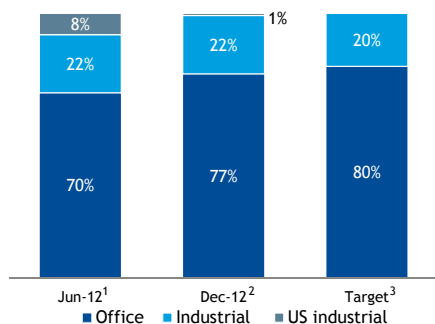
GROUP HIGHLIGHTS

DEXUS today

DEXUS Property Group platform

\$13bn² AUM

Public and private capital	226 property professionals	120 properties	2,823,364sqm NLA
Office \$7.5bn ²	Industrial \$2.4bn ²	Retail \$3.1bn ²	Development pipeline \$1.6bn
DXS portfolio investments \$7.1bn ²		Third Party Funds management \$5.9bn ²	



- As at 30 June 2012 including the NPS partnership and the acquisitions of 50 Carrington Street, Sydney and 12 Creek Street, Brisbane.
- At 31 December 2012 including post-balance date transactions.
- Target of 3-5 year timeframe.

DEXUS Property Group 2013 Half Year Results Presentation

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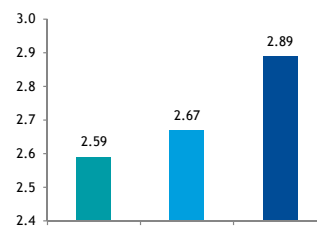
GROUP HIGHLIGHTS

Strong total security holder returns

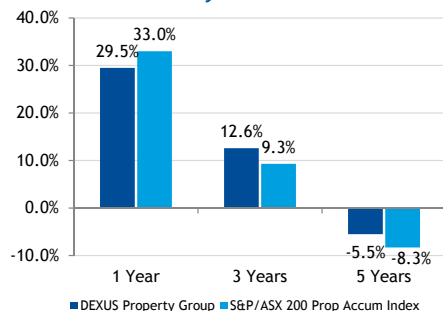
DXS investor returns

- One year total security holder return of 29.5%¹
 - Outperformed A-REIT index² over 3 and 5 years
- Dec-12 distribution per security growth of 8.2%

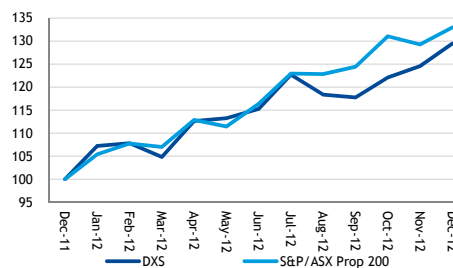
Distribution – cents per security



DEXUS total security holder return



DEXUS accumulation price performance



- DXS share price appreciation plus distributions paid. Source UBS.
- S&P/ASX Property 200 Accumulation Index.

DEXUS Property Group 2013 Half Year Results Presentation

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FINANCIAL RESULTS

Change in net tangible assets

	31 Dec 2012 \$m	30 Jun 2012 \$m	cps		Investment portfolio	% of portfolio	Cap rate %	Valuation movement \$m
Opening net tangible assets	4,784	4,878	100.0		Office	70	7.29	92.8
Revaluation of real estate	120	68	2.5	→	Industrial	22	8.58	6.4
Retained earnings ¹	46	110	0.9		Industrial US	8	n/a	43.3
Amortisation of tenant incentives ²	(14)	(32)	(0.3)		Europe	<1	n/a	(22.1)
Fair value movements ³	(19)	(189)	(0.4)		Total portfolio	100%		
NTA changes in comprehensive income	133	(43)	2.8					
Impact of the securities buy-back	(77)	(51)	0.1					
Total movement in NTA	56	(94)	2.9					
Closing net tangible assets	4,840	4,784	102.9					

1. Based on payout ratio being 70% of FFO.
2. Includes rent straight-lining.
3. Primarily includes fair value movements of derivatives, deferred tax and gain/(loss) on sale of assets.

FINANCIAL RESULTS

Interest reconciliation

	31 Dec 2012 \$m	31 Dec 2011 \$m
Interest paid/payable	60.9	67.5
Other finance costs (amortised fees)	2.0	2.4
Realised interest rate swap (income)/expense ¹	(2.4)	3.3
Add: RENTS	—	6.3
Gross finance costs for cost of debt purposes	60.5	79.5
Less: interest capitalised	(6.1)	(15.0)
Less: interest income	(0.8)	(0.8)
Net finance costs for distributable earnings	53.6	63.7
Add: unrealised interest rate swap MTM loss ²	10.4	74.0
Add: interest income	0.8	0.8
Less: RENTS	—	(6.3)
Add: finance break costs attributable to US sales transaction	12.4	—
Total statutory finance costs	77.2	132.2
Represented by:		
Statutory finance costs from continuing operations (Fin Stats note 2)	51.8	57.6
Statutory finance costs from discontinued operations (Fin Stats note 5) ³	25.4	74.6
Total statutory finance costs	77.2	132.2

1. Net fair value loss of interest rate swap of \$11.2m (per note 2) includes realised interest rate swap expense of \$0.9m. Finance costs from discontinued operations of \$12.9m (per note 5) includes realised interest rate swap income \$3.3m.
2. Net fair value loss of interest rate swaps of \$11.2m (per note 2) includes unrealised interest rate swap MTM loss \$10.3m. Net fair value loss of derivatives of \$1.0m (per note 5) includes unrealised interest rate swap MTM loss \$0.1m.
3. Statutory finance costs from discontinued operations of \$25.4m (per note 5) consists of finance costs attributable to US sales transactions of \$12.9m, finance break costs of \$12.4m and unrealised interest rate swap MTM loss of \$0.1m included within net fair value loss of derivatives.

FINANCIAL RESULTS

Direct property portfolio movements

	Office ¹ \$m	Industrial \$m	Discontinued operations		DEXUS total ¹ \$m
			US industrial \$m	Other ² \$m	
Opening direct property	4,680	1,659	539	45	6,923
Leasing incentive ³	21	6	2	—	29
Maintenance capex	10	3	2	2	17
Acquisitions	189	—	—	—	189
Developments ⁴	10	51	—	—	61
Disposals ⁵	—	(171)	(15)	—	(186)
FX	1	—	(9)	1	(7)
Revaluations	93	6	43	(22)	120
Amortisation	(24)	(3)	(2)	—	(29)
Straight-lining	2	1	—	—	3
Closing direct property	4,982	1,552	560	26	7,120

1. Includes DXS's share of equity accounted investments.
2. Includes Europe.
3. Includes rent free incentives.
4. Includes capitalised interest.
5. At book value.

CAPITAL MANAGEMENT

Debt overview and buy-back summary

Key metrics	31 Dec 2012		30 Jun 2012		Buy-back summary	31 Dec 2012		30 Jun 2012	
Total debt	\$2,089m	\$1,941m			Total buy-back commitment	\$200m	\$200m		
Cost of debt ¹	5.8%	6.1%			% of securities on issue	5%	5%		
Gearing	29.0% ²	27.2%			Total securities bought back	137.1m	55.2m		
Headroom (approximately) ³	\$0.5bn	\$0.6bn			% of total commitment	64.3%	25.5%		
Debt duration	4.1 years	4.2 years			Total unit cost bought back	\$128.5m	\$51.0m		
S&P/Moody's rating	BBB+/Baa1	BBB+/Baa1			Average price per security	\$0.937	\$0.923		
Covenant gearing (covenant ⁴ <55%)	29.1%	27.8%							
Interest cover (covenant ⁴ >2.0x)	4.0x	3.8x							
Priority debt (covenant ⁴ <30%)	1.0%	1.1%							

1. Weighted average for the period.
2. Pro-forma including the impact of the settlement of the US portfolio sale and the acquisition of interests in three Sydney properties and the acquisition of 40 Market Street, Melbourne and Carole Park industrial estate, South Brisbane. Gearing excluding these transactions was 28.6%.
3. Undrawn facilities plus cash.
4. As per public bond covenants.

CAPITAL MANAGEMENT

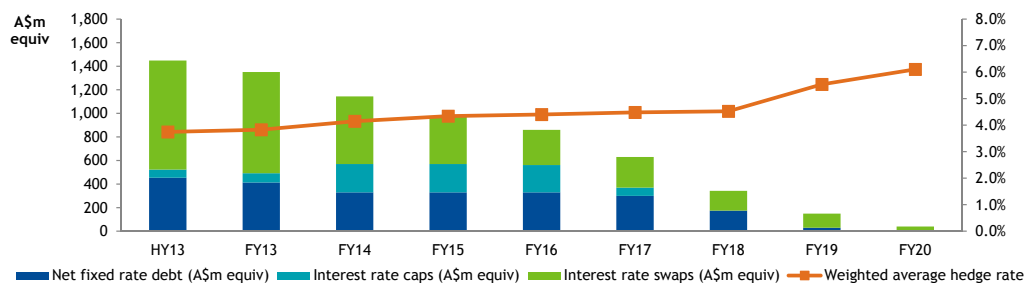
Interest rate hedging profile

Change in approach to interest rate hedging

- Established targets for diversification of sources of hedging, reducing the sensitivity of returns to rate movements
- In line with this strategy, hedging was added during the period via fixed rate debt and interest rate caps

	31 Dec 2012	31 Dec 2011
Average amount of debt hedged ¹	70%	80%
Average amount of debt hedged excluding caps ¹	67%	77%
Weighted average interest rate on hedged debt	3.7%	4.3%
Weighted average fixed & floating rate ²	5.8%	6.2%
Weighted average maturity of interest hedges	4.0 years	5.7 years

Hedge maturity profile



- Average amount hedged for the period.
- Includes fees and margins.

CAPITAL MANAGEMENT

Interest rate hedging profile

	HY13	FY13	FY14	FY15	FY16	FY17	Avg FY18+ ⁴
A\$ net fixed coupon debt (A\$m) ^{1,2}	213	271	330	330	330	300	41
A\$ interest rate swaps (A\$m) ¹	817	804	574	400	298	260	66
A\$ interest rate caps (A\$m) ¹	70	78	240	240	232	70	0
A\$ total hedged (A\$m)¹	1,099	1,154	1,144	970	860	630	106
A\$ hedge rate (ex margin) ³	4.02%	3.98%	4.15%	4.34%	4.40%	4.48%	4.93%
US\$ net fixed coupon debt (US\$m) ^{1,2}	250	146	—	—	—	—	—
US\$ interest rate swaps (US\$m) ¹	113	56	—	—	—	—	—
US\$ total hedged (US\$m)¹	363	202	—	—	—	—	—
US\$ hedge rate (ex margin) ³	2.91%	2.94%	—	—	—	—	—
Total hedged (A\$m)¹	1,448	1,349	1,144	970	860	630	106
Hedge rate (ex margin)³	3.74%	3.83%	4.15%	4.34%	4.40%	4.48%	4.93%

- Refer slide 47 for current period weighted average cost of debt including floating rate component, credit margins and fees

- Average amount during the period.
- Gross fixed coupon debt less the amount converted to floating rate basis via coupon-matched swaps.
- Weighted average rate of fixed debt, swaps and caps for the period. Caps included at a rate equal to the lower of cap strike and forecast floating rate for the applicable period.
- Hedging period FY18–FY22.

CAPITAL MANAGEMENT

Debt balances by jurisdiction

	Interest bearing liabilities \$m	Cross currency swaps ¹ \$m	Total liabilities after cross ccy swaps ² \$m	Weighted average cost of debt ³ %
Australia/New Zealand	A\$1,479	A\$64	A\$1,543	6.3%
USA	US\$595	(US\$65)	US\$530	4.5%
Europe	€36	–	€36	1.0%
Total	A\$2,101	–	A\$2,099	5.8%
Less amortised debt costs	(A\$12)			
Current & non-current interest bearing liabilities	A\$2,089			

Cross currency swap maturity profile	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
US\$ maturities (US\$m)	–	78	–	41	–	–	–	250
US\$ contract rate	–	1.0231	–	1.0470	–	–	–	1.0470

- As at 31 December 2012. Note: Additional US\$304m cross currency swaps were transacted in December 2012 (AUD/USD 1.0470) on a forward start basis, commencing in line with settlement of US sale and maturing in line with US\$ debt maturities.
- Cross currency swap principal amounts included at contract exchange rates. Differs to total interest bearing liabilities by the amount of the cross currency swap mark-to-market.
- Weighted average of fixed and floating rates for the current period, inclusive of fees and margins on a drawn basis.

CAPITAL MANAGEMENT

Debt facility detail

	Facility limit A\$m	Drawn A\$m	Pro-forma facility limit	Maturity dates	Security	Currency
Bilateral bank debt	1,498	993	1,520	Jan 15–Feb 18	Unsecured	A\$ US\$
Mortgage loans	74	74	–	–	Secured	US\$
Medium term notes (MTN)	160	160	160	Jul 14	Unsecured	A\$
	210	210	210	Apr 17	Unsecured	A\$
	175	175	175	Sep 18	Unsecured	A\$
US senior notes (144A)	120	120	48 ²	Oct 14	Unsecured	US\$
	241	241	241	Mar 21	Unsecured	US\$
US senior notes (USPP)	125	125	125	Dec 14–Mar 17	Unsecured	US\$
Total^{1,3}	2,606	2,101	2,482			
Bank guarantee utilised		1				
Headroom		504				

- USPP maturities: US\$78m Dec 14, US\$11m Mar 15, US\$19m Dec 16, US\$22m Mar 17.
- US\$50m retained until the sale of Glendale which is expected within 12 months.
- Total adjusted for discounts on 144A (\$1m) and premiums on MTNs (\$5m).

PORTFOLIO RESULTS

Acquisitions

Acquisitions	Sector	Interest %	Acquisition A\$m ¹	Initial yield %	Cap rate %	Settlement
50 Carrington Street, Sydney, NSW	Office	100	58.5	5.2	8.0	Nov 2012
12 Creek Street, Brisbane, QLD	Office	50	120.8	7.9	7.75	Oct 2012
40 Market Street, Melbourne, VIC	Office	100	46.7	8.9	8.5	Jan 2013
131 Mica Street, Carole Park, QLD	Industrial	100	21.0	7.7	7.75	Jan 2013
225 George Street, Sydney, NSW	Office	25	271.3	5.4	6.5	Feb 2013
39 Martin Place, Sydney, NSW ²	Office	50	74.9	5.7	7.6	Feb 2013
2 & 4 Dawn Fraser Avenue, Sydney Olympic Park, NSW	Office	50	82.7	7.8	8.0	Feb 2013
Total DXS			675.9			
12 Creek Street, Brisbane, QLD	Office DWPF	50	120.8			Oct 2012
295 Archerfield Road, Richlands, QLD	Industrial DWPF	100	8.3			Nov 2012
39 Martin Place, Sydney, NSW ²	Office DWPF	50	74.9			Feb 2013
Industrial portfolio (Laverton & Greystanes)	Industrial NPS	50	129.7			Oct 2012
Coles Distribution Centre, Laverton, VIC	Industrial NPS	50	50.0			Oct 2012
Total Third Party Funds			383.7			
Total Group			1,059.6			

1. Acquisition price excluding acquisition costs.
2. Includes Martin Place Shopping Circle \$3.38m (50% interest).

DEXUS Property Group 2013 Half Year Results Presentation

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PORTFOLIO RESULTS

Divestments

Divestments	No. properties	Book value A\$m	Proceeds Local Ccy \$m	Proceeds A\$m
Industrial ¹	16	170.6	A\$171.0	171.0
US industrial – west coast portfolio	26	522.9	US\$561.0	540.3
Total DXS		693.5		711.3
112 Talavera Road, Macquarie Park, NSW		50.5 ²	A\$50.5	50.5
Total Third Party Funds		50.5	A\$50.5	50.5
Total Group		744.0		761.8

1. Includes post balance date disposal.
2. Book value at 30 June 2012.

DEXUS Property Group 2013 Half Year Results Presentation

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PORTFOLIO RESULTS

Revaluation summary as at 31 December 2012

	Office A\$m	Industrial A\$m	Discontinued operations		Total A\$m
			US industrial A\$m	Europe A\$m	
Investment properties ¹	90.7	5.7	43.3	(22.1)	117.6
Development properties ¹	(2.6)	0.7	–	–	(1.9)
Equity accounted properties	4.7	–	–	–	4.7
Total P&L revaluations	92.8	6.4	43.3	(22.1)	120.4

1. Includes investment properties classified as held for sale and discontinued operations.

PORTFOLIO RESULTS

Revaluation summary as at 31 December 2012

	Office A\$m	Industrial A\$m	Discontinued operations		Total A\$m
			US industrial A\$m	Europe A\$m	
Carry value – investment properties					
Externally revalued	1,005	435	–	–	1,440
Internally revalued	3,532	958	560	26	5,076
Sub total	4,537	1,393	560	26	6,516
Carry value – development properties					
Externally revalued	–	–	–	–	–
Internally revalued	86	159	–	–	245
Sub total	86	159	–	–	245
Carry value – equity accounted					
Externally revalued	231	–	–	–	231
Internally revalued	128	–	–	–	128
Sub total	359	–	–	–	359
Total carry value	4,982	1,552	560	26	7,120

PORTFOLIO RESULTS

Development pipeline and capital expenditure requirements

- DXS (owned) development pipeline is substantial
 - Heavily skewed to long dated industrial projects
 - NPS partnership is expected to result in DXS development capital requirement reducing by 50%

DXS portfolio	Est. FY13
Maintenance capital expenditure	\$40m-\$50m
Tenant incentives and leasing costs	\$40m-\$50m
Total capital expenditure	\$80m-\$100m

Costs to complete

DXS	Approx size (sqm)	FY13	FY14	FY15	FY16	FY17
Office	49,104		\$273.4m			
Industrial	189,109			\$118.8m		
Total	238,213				Approximately \$392.2m	

Third party	Approx size (sqm)	FY13	FY14	FY15	FY16	FY17
Office	21,000		\$135m			
Retail	181,690			\$1,034m		
Industrial ¹	76,000		\$75m			
Total	278,690				Approximately \$1,244m	

1. Excluding NPS partnership.

PORTFOLIO RESULTS

Developments – completed

	Building area sqm	Project cost A\$m	Yield on project cost %	Leased %	IRR ¹ %	Completed date
Industrial						
Greystanes, NSW – Warehouse 9 Spec	18,247	25.3	8.9	43	16.0	Nov 2012
Greystanes, NSW – Brady	13,433	10.5	8.4	100	22.2	Dec 2012
Wacol, QLD – Nissan and Spec 1	13,630	18.2	8.7	57	18.8	Jan 2013
Total industrial	45,310	54.0	8.7		18.1	

1. Project internal rate of return.

PORTFOLIO RESULTS

Developments – underway

	Area sqm	Est. total cost ¹ A\$m	Est. cost to completion A\$m	Pre-leased %	Est. yield on total cost %	Est. completion date
Industrial						
Erskine Park, NSW – Spec	30,145	36.2	12.4	0	8.8	Mar 2013
Wacol, QLD – Lot 2 Spec	12,220	15.4	9.7	0	9.1	May 2013
Laverton, VIC – Spec 4	11,854	4.7	1.9	0	9.6	May 2013
Laverton, VIC – Toll	18,670	9.4	6.5	100	9.2	Sep 2013
Greystanes, NSW – Roche	10,100	7.3	3.4	100	8.2	Oct 2013
Greystanes, NSW – under offer	17,815	14.3	4.5	0	8.2	Dec 2013
Total underway	100,804	87.3	38.3		8.8	

1. Includes land.

DEXUS Property Group 2013 Half Year Results Presentation

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PORTFOLIO RESULTS

Developments – uncommitted pipeline

DXS	Building area sqm	Project est. A\$m ¹	Project to est. completion A\$m	Est. yield on project est. cost %
Office				
180 Flinders Street, Melbourne, VIC	24,417	230.4	148.3	7.4
12 Creek Street, Brisbane, QLD	4,090	17.7	17.7	8.6
105 Phillip Street, Parramatta, NSW	20,597	115.4	107.4	8.9
Total office	49,104	363.5	273.4	7.9
Industrial				
Greystanes, NSW ²	55,656	36.9	14.8	9.4
DEXUS Industrial Estate, Laverton North, VIC ^{2,3}	133,453	137.1	104.0	8.4
Total industrial	189,109	174.0	118.8	8.6
Total pipeline	238,213	537.5	392.2	8.2

1. Includes land.

2. Quarry at Greystanes and DEXUS Industrial Estate, Laverton North, exclude developments underway, completed and land sold.

3. Project estimated cost includes cost of land sales.

DEXUS Property Group 2013 Half Year Results Presentation

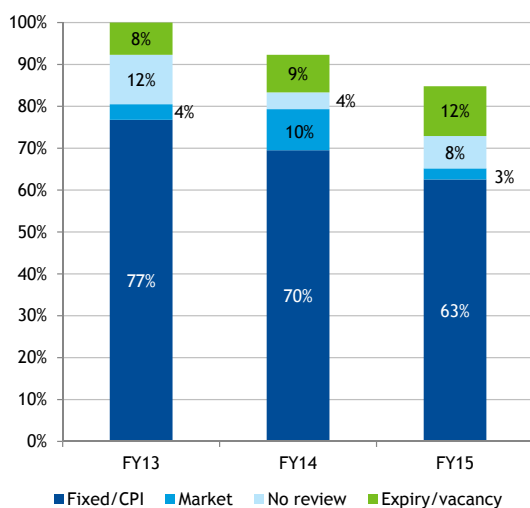
Slide 56



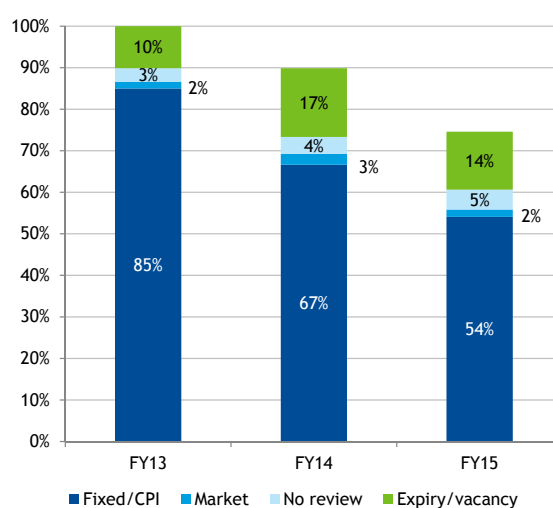
PORTFOLIO RESULTS

Office and industrial rent review profile

Office rent review profile



Industrial rent review profile



PORTFOLIO RESULTS

Office – operating performance

Office portfolio	31 Dec 2012	30 Jun 2012
Occupancy by area ¹	95.2%	97.1%
Occupancy by income	95.3%	96.8%
Average incentive ²	9.6%	17.3%
Average rental increase ²	(2.7%)	4.6%
Retention rate YTD	69%	66%
Retention rate rolling 12 mths	62%	66%
Over/under rented	4.0% under	3.3% under
Weighted average lease expiry ³	4.9 years	4.9 years
Weighted average cap rate	7.29%	7.30%
Total return – 1 year	10.3%	9.5%

1. By ownership.
2. Includes 1 Bligh Street, Sydney and 123 Albert Street, Brisbane.
3. By income.

44 Market Street, Sydney NSW



PORTFOLIO RESULTS

Office portfolio composition (leased by area)

	Occupancy 30 Jun 2012	Expiries sqm	Renewals sqm	New sqm	Other sqm	L4L closing occupancy	Transaction impact ¹	Occupancy 31 Dec 2012
Current period leases	97.1%	(23,491)	2,232	9,146	422	95.2%	0.0%	95.2%
Future periods leases		(50,988)	48,996	1,992	—			
Total square metres²	578,905	(74,749)	51,228	11,138	422	567,214	15,358	582,572
Retention								
– Year to date ³								69%
Office markets	Vacancy	Incentives						
Sydney	8.4%	27%						
Melbourne	8.1%	23%						
Brisbane	9.9%	24%						
Perth	5.6%	8%						
National average	8.8%	21%						
DXS portfolio average	4.8%	9.6%						

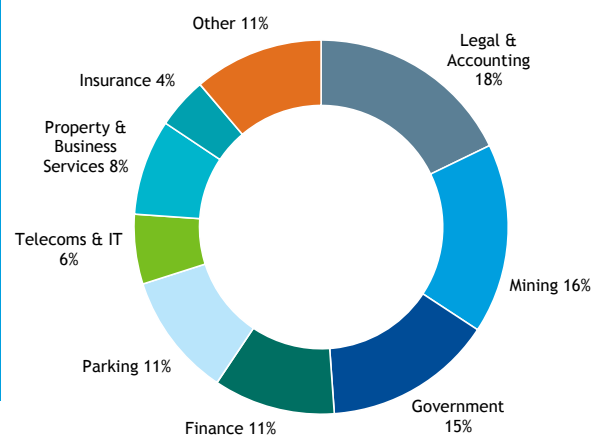
1. Includes 12 Creek Street, Brisbane following settlement.
2. Excludes 12 Creek Street, Brisbane and trading asset (50 Carrington Street, Sydney).
3. By area.

PORTFOLIO RESULTS

Office top 10 tenants

Tenant	S&P rating	% of income ¹
Woodside Energy	BBB+ stable	7.0%
S&K Car Park Management	Not rated	6.4%
Rio Tinto	A- stable	5.0%
Commonwealth of Australia	AAA stable	4.5%
State of NSW	AAA negative	3.7%
Lend Lease	BBB- stable	2.7%
State of Victoria	AAA stable	2.3%
IBM Australia Limited	AA- stable	2.3%
King & Wood Mallesons	Not rated	2.2%
Clayton Utz	Not rated	2.1%

Diversity of tenants by income

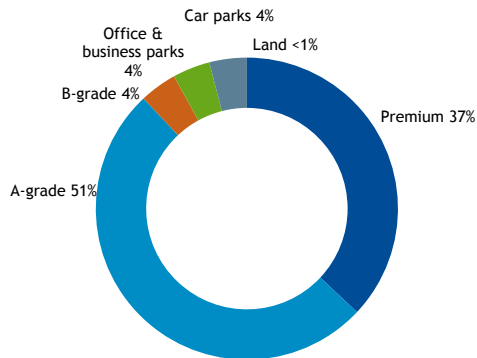


1. 31 December 2012 fully leased passing income annualised.

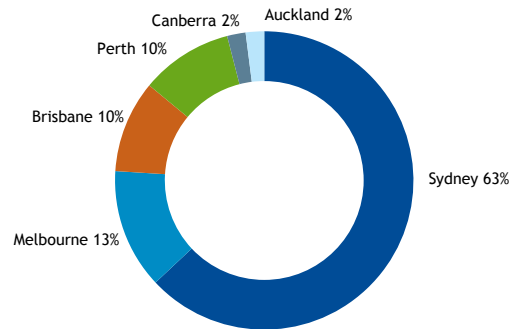
PORTFOLIO RESULTS

Office portfolio diversification

Property type by book value

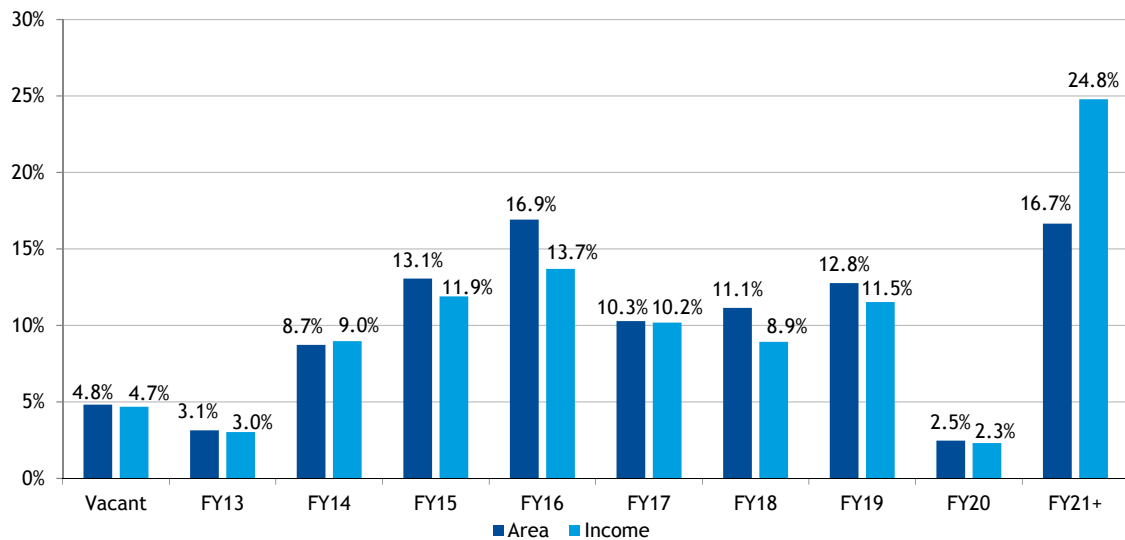


Geographical weighting by book value



PORTFOLIO RESULTS

Office lease expiry profile at 31 December 2012



PORTFOLIO RESULTS

Office resource consumption

DXS OFFICE ENERGY CONSUMPTION/INTENSITY



DXS OFFICE WATER CONSUMPTION/INTENSITY



DXS OFFICE GHG EMISSIONS/INTENSITY



PORTFOLIO RESULTS

Office NABERS ratings

Rating status	NABERS Energy				NABERS Water	
	Dec 2012		Jun 2012		Dec 2012	Jun 2012
	Inc GP ¹	Ex GP ¹	Inc GP ¹	Ex GP ¹		
The Zenith, 821 Pacific Highway, Chatswood	5.0	4.5	4.0	3.0	4.0	3.0
11 Talavera Road, Macquarie Park	4.5	4.0	3.5	3.5	4.5	4.0
40-50 Talavera Road, Macquarie Park	3.0	3.0	1.5	1.5	3.0	2.0
130 George Street, Parramatta	5.0	4.5	–	–	3.5	3.5
Victoria Cross, 60 Miller Street, North Sydney	4.5	4.0	4.0	3.5	3.5	3.5
45 Clarence Street, Sydney	5.5	5.0	5.0	5.0	3.5	3.5
201-217 Elizabeth Street, Sydney	4.5	3.5	3.5	3.5	3.5	3.0
Governor Phillip Tower, 1 Farrer Place, Sydney	4.5	3.5	4.5	3.5	3.5	3.5
Governor Macquarie Tower, 1 Farrer Place, Sydney	4.5	3.5	4.5	4.0	3.5	3.5
Australia Square – Tower	4.5	4.0	4.5	4.0	4.0	4.0
Australia Square – Plaza	5.0	4.5	5.0	4.5	4.0	4.0
309 Kent Street, Sydney	5.5	4.5	5.0	4.5	4.0	3.5
321 Kent Street, Sydney	5.5	5.0	5.0	4.5	4.0	3.5
383-395 Kent Street, Sydney	4.5	4.0	4.5	4.0	4.0	4.0
One Margaret Street, Sydney	5.0	4.5	5.0	4.5	2.5	2.5
44 Market Street, Sydney	5.0	4.5	3.5	2.5	3.0	2.5
30-34 Hickson Road, Sydney	5.5	4.5	5.0	4.5	3.5	3.5

1. GreenPower.

PORTFOLIO RESULTS

Office NABERS ratings

Rating status	NABERS Energy				NABERS Water	
	Dec 2012		Jun 2012		Dec 2012	Jun 2012
	Inc GP ¹	Ex GP ¹	Inc GP ¹	Ex GP ¹		
Garema Court, 140-180 City Walk, Canberra	5.0	4.5	5.0	4.5	2.5	1.5
14 Moore Street, Canberra	4.5	3.5	4.0	3.5	3.0	3.0
172 Flinders Gate, Melbourne	3.5	3.0	3.0	2.5	3.0	3.0
189 Flinders Gate, Melbourne	4.0	3.5	4.0	3.5	1.5	1.5
8 Nicholson Street, Melbourne	3.5	3.5	3.5	3.5	3.5	3.5
Southgate Complex, Melbourne – HWT Tower	4.5	4.0	4.0	3.5	4.0	3.5
Southgate Complex, Melbourne – IBM Tower	4.5	4.0	4.0	3.5	3.5	4.0
Woodside Plaza, 240 St Georges Terrace, Perth	4.5	4.0	3.5	3.0	2.5	2.5
Total	4.7	4.1	3.9	3.5	3.5	3.3

1. GreenPower.

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PORTFOLIO RESULTS

Industrial – operating performance

Industrial portfolio	31 Dec 2012	30 Jun 2012
Occupancy by area	94.4%	91.7%
Occupancy by income	93.9%	92.8%
Average rental increase ¹	(0.7%)	(5.0%)
Average incentive ¹	6.3%	5.6%
Retention rate YTD	78%	59%
Retention rate rolling 12 mths	63%	59%
Over rented	5.8%	4.8%
Weighted average lease expiry ²	4.0 years	4.4 years
Weighted average cap rate	8.58%	8.59%
Total return – 1 year	7.8%	8.0%

Quarry Industrial Estate, 8 Basalt Road, Greystanes, NSW



Quarry Industrial Estate, 2-6 Basalt Road, Greystanes NSW



1. Across all lease deals in the period, excluding development leasing.
2. By income.

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PORTFOLIO RESULTS

Industrial portfolio composition (leased by area)

	Occupancy 30 Jun 2012	Expiries sqm	Renewals sqm	New sqm	Other sqm	L4L closing occupancy	Transaction impact	Occupancy 31 Dec 2012
Current period leases	91.7%	44,955	24,400	56,465		94.0%	0.4%	94.4%
Future periods leases		51,063	50,769	295				
Total square metres	1,067,170	96,018	75,168	56,759	4,481	1,098,597	(101,312)	997,285
Retention								
– Year to date ¹								78%

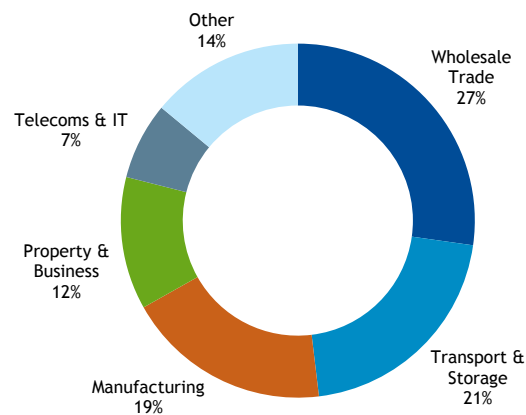
1. By area.

PORTFOLIO RESULTS

Industrial top 10 tenants

Industrial	% of income ¹
Wesfarmers Limited	5.0%
AWH Pty Ltd	4.3%
IBM Australia Limited	3.3%
Toll Transport Pty Ltd	2.9%
Visy Industry Packaging Pty Ltd	2.9%
DHL	2.8%
Commonwealth of Australia	2.4%
Salmat Business Force Pty Ltd	2.2%
L'Oreal Australia Pty Ltd	1.9%
Jemena Pty Ltd	1.7%

Diversity of tenants by income

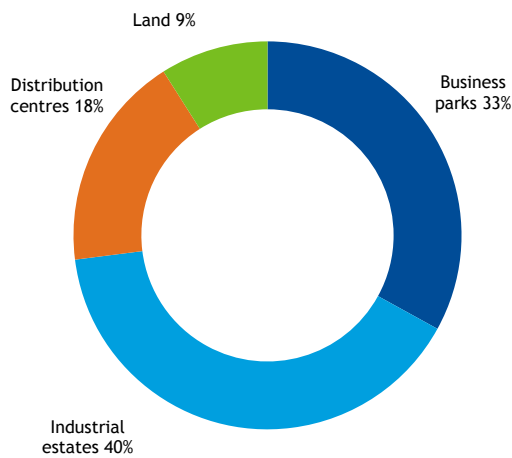


1. 31 December 2012 fully leased passing income annualised.

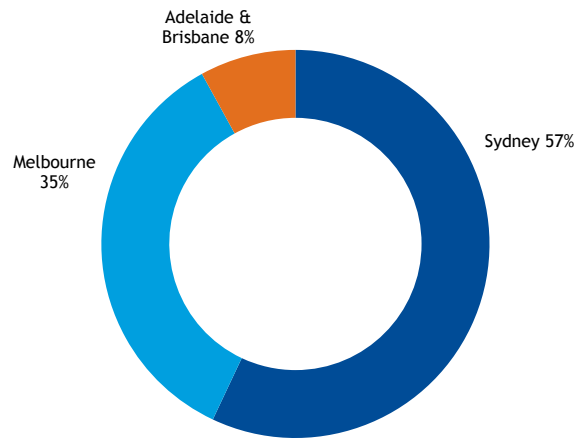
PORTFOLIO RESULTS

Industrial portfolio diversification

Property type by book value

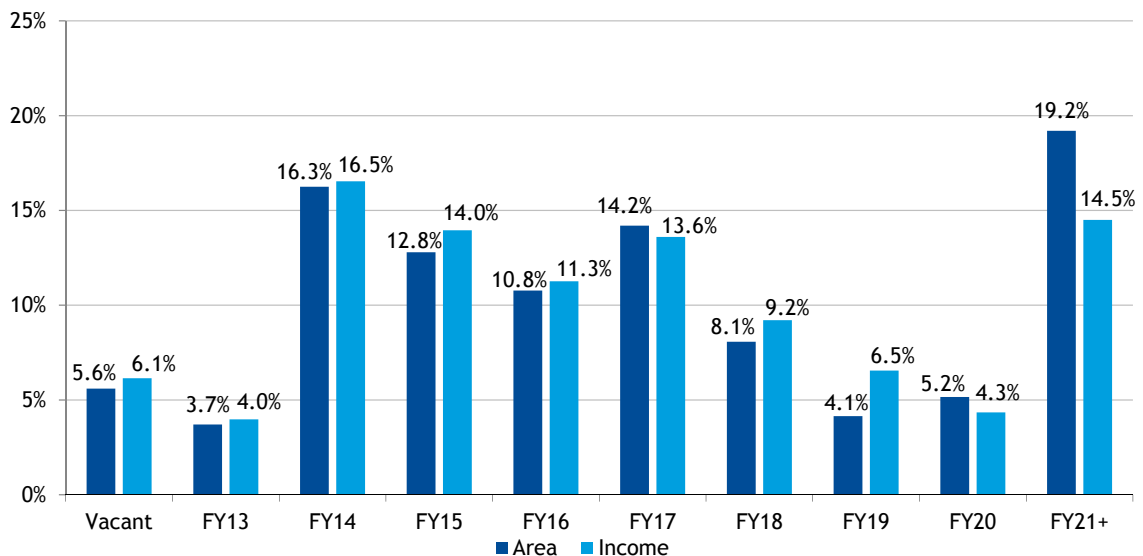


Geographical weighting by book value



PORTFOLIO RESULTS

Industrial lease expiry profile at 31 December 2012



PORTFOLIO RESULTS

Industrial resource consumption

DXS INDUSTRIAL ENERGY CONSUMPTION/INTENSITY



DXS INDUSTRIAL GHG EMISSIONS/INTENSITY



PORTFOLIO RESULTS

US industrial portfolio metrics

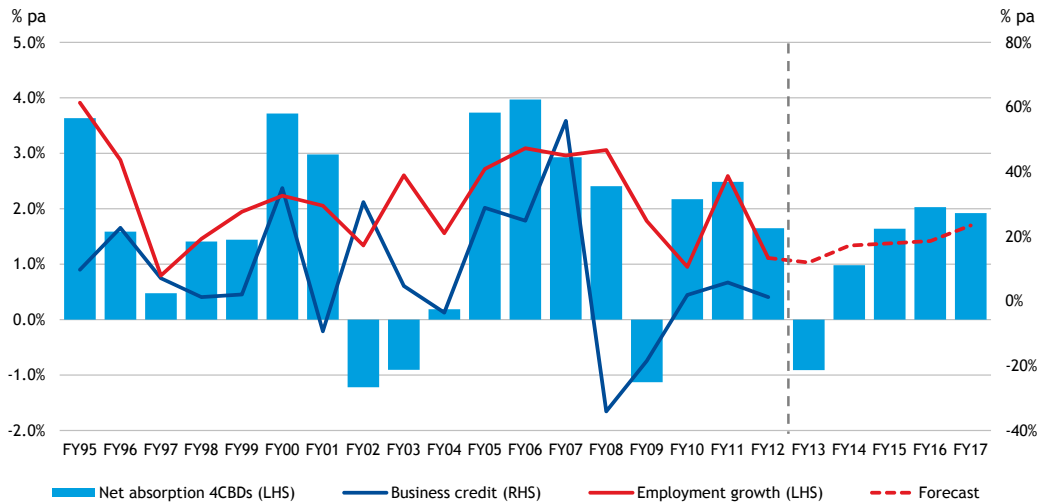
	West coast portfolio ¹ 31 Dec 2012	Heitman portfolio ² 31 Dec 2012	Glendale ³ 31 Dec 2012
Number of properties	26	25	1
Lettable area (sf)	6.503m	6.012m	0.491m
Income growth (like-for-like)	8.4%	7.0%	21.4%
Occupancy by area	97.9%	97.8%	100.0%
Occupancy by income	98.5%	98.3%	100.0%
Average incentive	6.8%	7.9%	3.2%
Retention rates (YTD area)	80.2%	80.7%	77.2%
Ave rental increase/decrease	(15.3%)	(14.7%)	(6.0%)
WALE (income)	4.0 years	4.1 years	3.3 years
Over/(under) rented	12.6%	13.9%	2.8%
Area leased (sf)	0.623m	0.531m	0.092m
Average passing yield (12 months)	6.18%	6.09%	7.04%

1. West coast portfolio comprises 23 properties and 3 Texas land parcels. 1777 S. Vintage Avenue, Ontario which was sold on 21 November 2012 has been excluded from this schedule.
 2. The Heitman portfolio represents the 25 properties (including 3 land parcels) sold to Heitman in February 2013, as announced on 20 December 2012.
 3. Glendale is the only remaining US property and represents the properties located at 3350 Tyburn Street & 3332-3424 N. San Fernando Road, Los Angeles.

AUSTRALIAN OFFICE MARKETS

Business cycle supports growth in demand from FY14

Business credit growth and total employment growth vs office demand (Sydney, Melbourne, Brisbane, Perth)



Source: Deloitte Access Economics, ABS, Jones Lang LaSalle, DEXUS Research.

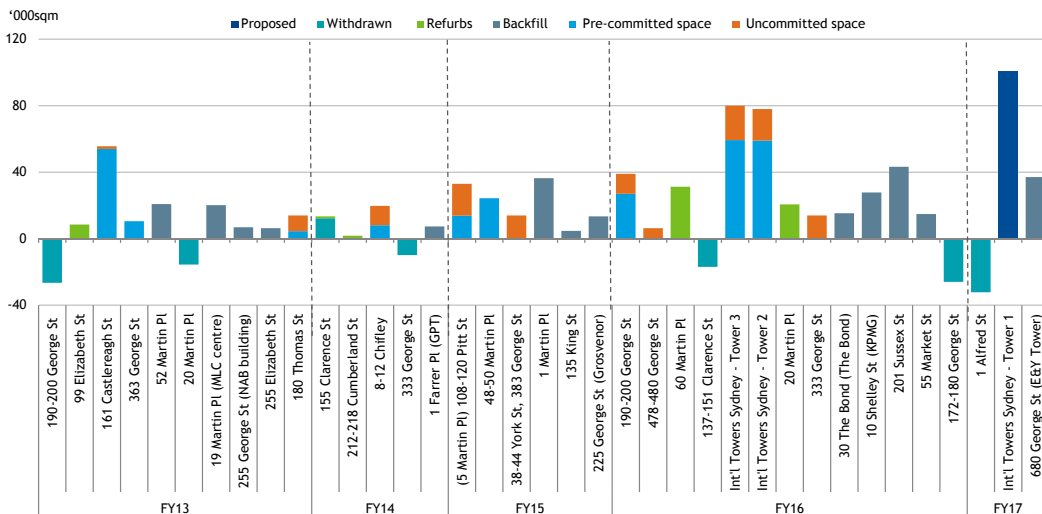


AUSTRALIAN OFFICE MARKETS

Sydney CBD office – supply and availability

- Continual focus on leasing and managing lease expiry risk will be required in Sydney market
 - Proactive asset managers with superior expertise will be the winners

Sydney supply, withdrawals and major backfill



AUSTRALIAN OFFICE MARKETS

Sydney CBD office market

Sydney CBD office market	At 31 Dec 2012
Total net lettable area	4.94 million sqm
Prime vacancy average	8.43%
DXS Sydney CBD office exposure¹	
Net lettable area	289,078sqm
Number of properties	14
% of portfolio by value	54.2%
Occupancy by area	92.9%
Occupancy by income	92.7%
Weighted average lease expiry	4.5 years



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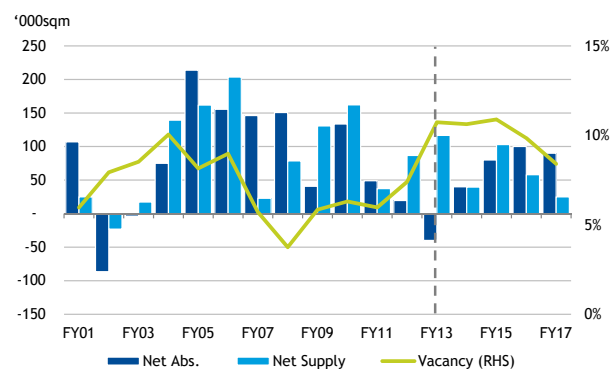
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AUSTRALIAN OFFICE MARKETS

Melbourne CBD vacancy to remain elevated over next 3 years

Melbourne CBD office market



Melbourne CBD office market	At 31 Dec 2012
Total net lettable area	4.33 million sqm
Prime vacancy average	8.1%
DXS Melbourne CBD office exposure¹	
Net lettable area	120,897sqm
Number of properties	7
% of portfolio by value	13.0%
Occupancy by area	99.0%
Occupancy by income	99.1%
Weighted average lease expiry	5.4 years

- Above average supply is expected to lead to a rise in vacancy and weak effective rental growth in the short term
- Vacancy anticipated to fall from FY16 as the current supply pipeline completes

Source: Jones Lang LaSalle actual & DEXUS forecast.
1. Including post balance date acquisitions.

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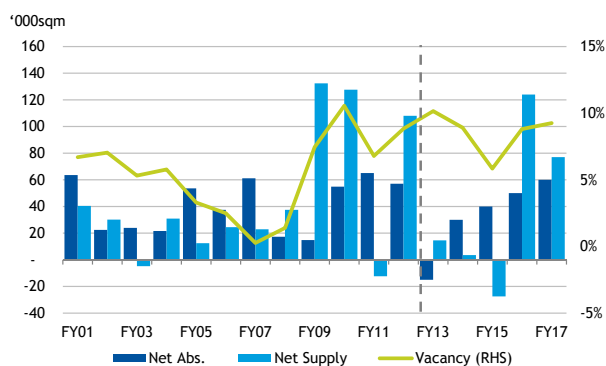
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AUSTRALIAN OFFICE MARKETS

Brisbane CBD expected to supply gap short term

Brisbane CBD office market



Brisbane CBD office market	At 31 Dec 2012
Total net lettable area	2.16 million sqm
Prime vacancy average	9.9%
DXS Brisbane CBD office exposure¹	
Net lettable area	55,403sqm
Number of properties	2
% of portfolio by value	9.2%
Occupancy by area	98.7%
Occupancy by income	97.5%
Weighted average lease expiry	7.2 years

- Short term demand outlook impacted by subdued demand from government sector and mining
- Demand expected to exceed supply in FY14 and FY15

Source: Jones Lang LaSalle actual & DEXUS forecast.

1. Including post balance date acquisitions and excludes the trading property 40 Market Street, Melbourne.

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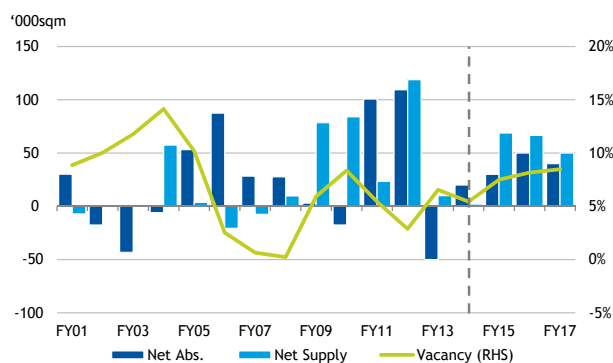
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AUSTRALIAN OFFICE MARKETS

Perth CBD to experience supply shortage in the short term

Perth CBD office markets



Perth CBD office market	At 31 Dec 2012
Total net lettable area	1.62 million sqm
Prime vacancy average	5.6%
DXS Perth CBD office exposure¹	
Net lettable area	47,263sqm
Number of properties	1
% of portfolio by value	8.8%
Occupancy by area	100.0%
Occupancy by income	99.0%
Weighted average lease expiry	5.3 years

- Demand likely to be weaker than previous few years due to slowing, but still elevated, resource investment
- Vacancy is expected to remain low over the next 3 years because there are few major projects under construction however supply risks will increase mid-decade

Source: Jones Lang LaSalle actual & DEXUS forecast.

1. Including post balance date acquisitions.

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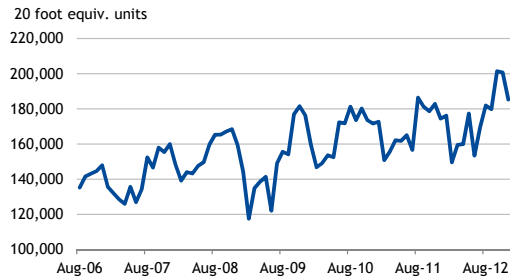
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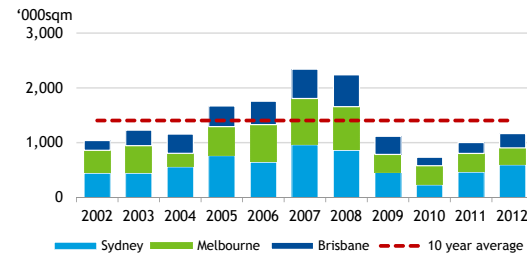
AUSTRALIAN INDUSTRIAL MARKETS

National outlook

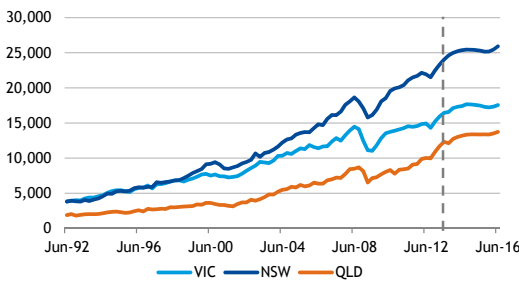
Container movements – Sydney ports



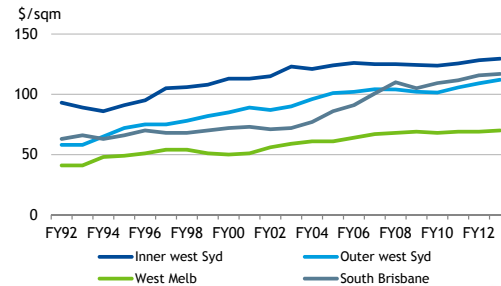
East coast supply



Imports by state of destination



Net face rents



Sources: Deloitte Access Economics, Jones Lang LaSalle actual & DEXUS forecast.

MARKET OUTLOOK

Australian office and industrial – FY14 positioned for solid returns

Australian office markets

Australian industrial markets

Tenant demand	➔ Improving in FY14 in line with employment growth projections	➔ Improvement from FY14 in line with projected growth in imports
Supply	↔ National supply levels below average	↔ Supply to remain around average levels
Vacancy rates	↔ Vacancy rates to remain relatively stable 8-10%	↔ For prime properties to remain relatively low
Buyer demand	↑ To remain strong for quality properties	↑ To remain strong for quality properties
Cap rates	↓ At or above long term averages and expected to tighten for prime assets	↓ Expected to tighten from current levels
Asset values	↑ For prime grade properties expected to increase due to tighter cap rates	↑ For prime grade properties expected to increase due to tighter cap rates

EXCHANGE RATES USED IN STATUTORY ACCOUNTS

		31 Dec 2012	30 Jun 2012	31 Dec 2011
Closing rates for Statement of Financial Position	USD	1.0384	1.0191	1.0156
	EUR	0.7868	0.8092	0.7847
	NZD	1.2608	1.2771	1.3145
Average rates for Statement of Comprehensive Income	USD	1.0385	1.0320	1.0280
	EUR	0.8153	0.7638	0.7444
	NZD	1.2729	1.2831	1.2823

GLOSSARY

Distribution payout policy:	For FY12 the distribution paid was 70% of Funds From Operations (FFO). Commencing FY13 the distribution paid will be a range of between 70-80% of FFO.
Funds From Operations (FFO):	Funds From Operations (FFO) is often used as a measure of real estate operating performance after finance costs and taxes. DXS's FFO comprises profit/loss after tax attributable to stapled security holders measured under Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark-to-market impacts, amortisation of certain tenant incentives, gain/loss on sale of certain assets, straight-line rent adjustments, deferred tax expense/benefit and DEXUS RENTS Trust capital distribution.
Gearing:	Gearing is represented by Interest Bearing Liabilities (excluding deferred borrowing costs and including the fair value of cross currency swaps) less cash divided by Total Tangible Assets (excluding derivatives and deferred tax assets) less cash. Covenant gearing is the same definition but not adjusted for cash.
Non-cash items:	Includes property revaluations, impairment of goodwill, derivative MTM, gain on sale and deferred tax.
Operating EBIT:	Comprises net operating income, management EBIT and other income less Responsible Entity fees and other expenses paid.
Portfolio value:	Unless otherwise stated, portfolio value is represented by investment properties, development properties and investments accounted for using the equity method, and excludes cash and other assets.
Securities on issue:	FFO per security is based on the average weighted units on issue.
Weighted Average Lease Expiry (WALE):	A measure, in years, of the average term to expiry of in-place rent. Includes vacancies.

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