

DEXUS Property Group (ASX: DXS)

ASX release

14 August 2014

2014 Annual results presentation

DEXUS Funds Management Limited, as responsible entity for DEXUS Property Group provides the 2014 annual results presentation.

For further information please contact:

Investor relations

David Yates
T: +61 2 9017 1424
M: +61 418 861 047
E: david.yates@dexus.com

Media relations

Louise Murray
T: +61 2 9017 1446
M: +61 403 260 754
E: louise.murray@dexus.com

About DEXUS

DEXUS Property Group is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With \$17.8 billion of assets under management, the Group also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners. The Group manages an office portfolio of 1.7 million square metres predominantly focused across Sydney, Melbourne, Brisbane and Perth and is the largest owner of office buildings in the Sydney CBD, Australia's largest office market. DEXUS is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange under the stock market trading code 'DXS' and is supported by more than 32,000 investors from 20 countries. With nearly 30 years of expertise in property investment, development and asset management, the Group has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for its investors. www.dexus.com

Download the DEXUS IR app to your preferred mobile device to gain instant access to the latest stock price, ASX Announcements, presentations, reports, webcasts and more.



DEXUS Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for DEXUS Property Group (ASX: DXS)

DEXUS PROPERTY GROUP

2014 ANNUAL RESULTS PRESENTATION – 14 AUGUST 2014



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

DEXUS
PROPERTY GROUP

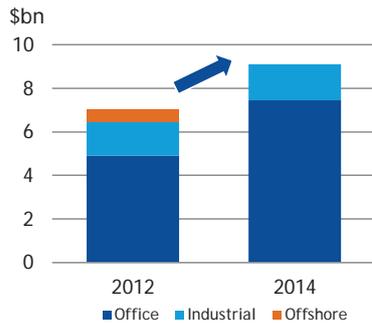
AGENDA

- Group highlights
- Financial results
- Capital management
- Third party funds management
- Portfolio results
- Trading and transactions
- Market outlook
- Summary
- Appendices

GROUP HIGHLIGHTS – Delivering on focused strategy since 2012

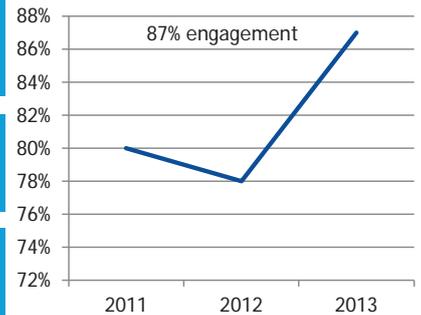
Significant transformation of listed portfolio

- \$5.7bn** total transactions
- Fully divested offshore markets
- Successful takeover of CPA



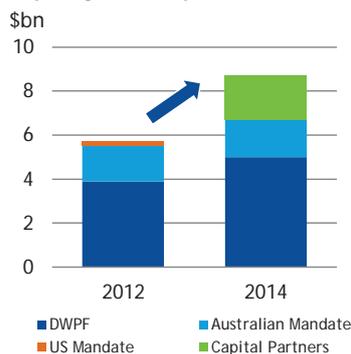
Strong employee engagement

- Enhanced culture and core capabilities
- Introduced IT and process efficiencies
- Implemented leadership programs



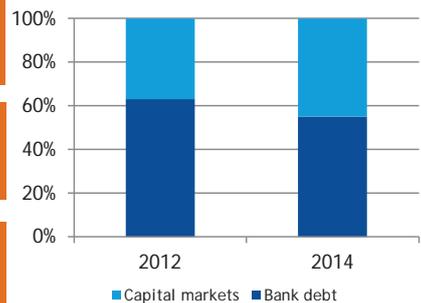
Significant growth of third party funds platform

- \$4.3bn** total transactions
- >50%** increase in FUM
- Delivered continued outperformance



Strong capital management

- Upgraded credit ratings
- Solid balance sheet
- Improved debt duration & diversity



GROUP HIGHLIGHTS – For the year ended 30 June 2014

9.9% Total security holder return

7.6% Growth in FFO per security

4.3% Growth in distribution per security

524,000sqm Total space leased¹ across the Group

3.6% DEXUS office portfolio like-for-like income growth

\$1.7bn New funding secured

1. At 100% including Heads of Agreement across total Group office, industrial and retail properties.

GROUP HIGHLIGHTS – Completion of CPA transaction



CPA transaction

Transaction completed in
9 months
and introduced new
capital partner

\$3.4bn
transaction significantly increased
the Group's office market share

Identified and acting on
22
value enhancement and
leasing opportunities

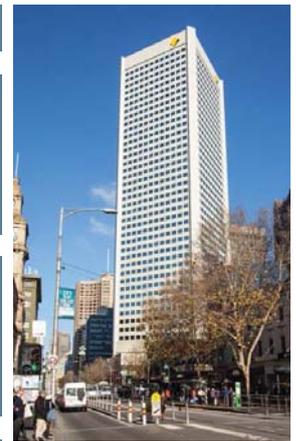
Acquired on a forecast
10-year unlevered IRR in excess of
9.5%

Sold interests in five¹
properties for more than
\$30m
above underwrite assumptions

Successfully completed
integration
of 20 properties onto the
DEXUS platform

Completed
35
leasing transactions
since acquisition

Expect to deliver
circa 2% accretion
to FFO in FY15 in line with forecasts



1. Including 655 Collins Street, Melbourne, 750 Collins Street, Melbourne and a 50% interest in 2 Southbank Boulevard, Melbourne under the terms of a Memorandum of Understanding announced on 6 January 2014, together with 50% interests in 10 Shelley Street, Sydney and 201 Kent Street, Sydney (settles on 1 September 2015) to co-owners following the exercising of pre-emptive rights.

DEXUS Property Group 2014 Annual Results Presentation

Slide 5

DEXUS
PROPERTY GROUP

GROUP HIGHLIGHTS – Strong start to FY15

DEXUS TRANSACTIONS

IDENTIFIED TRADING PROPERTIES

SOLD

30 Distribution Drive, Laverton

EXCHANGED TO SELL

50 Carrington Street, Sydney

5-13 Rosebery Avenue, Rosebery

25-55 Rothschild Avenue, Rosebery

154 O'Riordan Street, Mascot

PROGRESSING SALE

40 Market Street, Melbourne

to deliver approx.
\$40m
of trading profits
for FY15

OTHER PROPERTIES

PROGRESSING SALE

Entered into exclusive due diligence for the sale of
201 Elizabeth Street, Sydney

EXCHANGED TO SELL

Lumley Centre, Auckland, New Zealand
for NZ\$146m, a 14.5% premium¹

THIRD PARTY FUNDS

\$159.7m

Acquisition of two shopping centres
for DWPF at Sturt Mall, Wagga Wagga and
Deepwater Plaza, Woy Woy



Acquired a further development site at
Radius Industrial Estate, Larapinta across

42,780sqm

in the newly formed
DEXUS Industrial Partnership



1. To 30 June 2013 valuation.

DEXUS Property Group 2014 Annual Results Presentation

Slide 6

DEXUS
PROPERTY GROUP



FINANCIAL RESULTS – Key financial metrics

| Key financial metrics | 30 June 2014 | Previous corresponding period |
|-------------------------------------|--------------|---|
| FFO ¹ | \$410.6m |  12.4% |
| FFO per security | 8.34c |  7.6% |
| Distribution per security | 6.26c |  4.3% |
| Statutory net profit | \$406.6m | \$514.5m |
| Gearing (look-through) ² | 33.7% | 29.0% |
| NTA per security | \$1.060 | \$1.052 |

1. DEXUS's FFO comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark to market impacts, fair value movements of interest bearing liabilities, amortisation of certain tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, rental guarantees, coupon income and distribution income net of funding costs.

2. Adjusted for cash and for debt in equity accounted investments.

FINANCIAL RESULTS – Funds From Operations

- FFO up 12.4% to \$410.6m
- Office & Industrial like-for-like income growth of 3.1%:
 - Office: 3.6%
 - Industrial: 1.5%
- FFO per security up 7.6%
- Gross MER⁴ of 49 bps

| | 30 June 2014 \$m | 30 June 2013 \$m |
|---|---------------------|---------------------|
| Office portfolio | 394.9 | 309.2 |
| Industrial portfolio | 117.3 | 112.3 |
| Management operations ¹ | 27.9 | 20.8 |
| Development & trading ¹ | 2.7 | 1.2 |
| Group corporate ¹ | (27.5) | (25.2) |
| Finance costs ² | (139.4) | (111.2) |
| Incentive amortisation and rent straight-line | 22.4 | 30.5 |
| Other | 12.3 | 2.8 |
| Discontinued operations ³ | — | 25.0 |
| FFO | 410.6 | 365.4 |
| FFO per security | 8.34 | 7.75 |
| Distribution payout ratio | 75.1% | 77.4% |
| Distribution per security | 6.26 | 6.00 |

1. Refer to slide 45 for further detail.

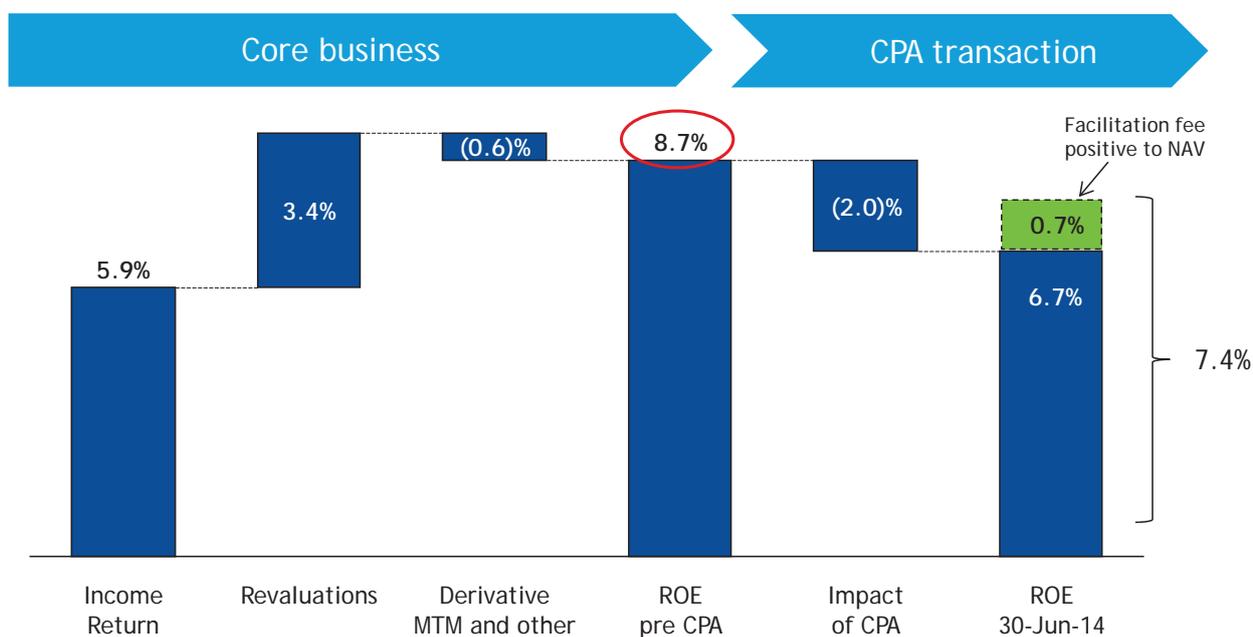
2. Including interest revenue.

3. US and European industrial and including US corporate costs.

4. Management Expense Ratio.

FINANCIAL RESULTS – Return on equity (ROE)

- ROE through the cycle target is 9-10%
- FY14 ROE of 6.7% impacted by CPA transaction

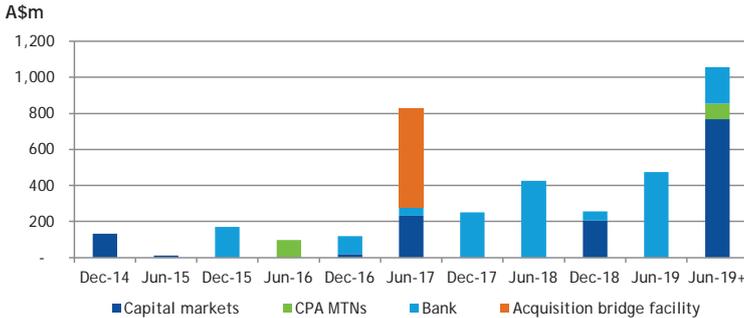


CAPITAL MANAGEMENT – FY14 achievements

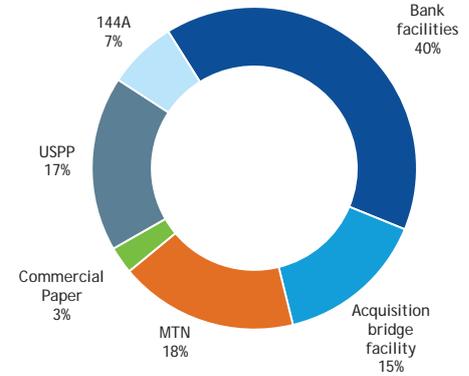
- Achieved upgraded S&P and Moody's credit ratings
 - Immediate savings of circa 10bps on existing bank debt
 - Savings of circa 10-25bps on future DCM issues
- Sourced \$1.7 billion of new funding including \$1.3 billion for CPA transaction
- Reduced cost of debt by 50bps by taking advantage of lower floating rates through lower interest rate hedging
- Maintained a solid balance sheet with gearing well inside 30-40% target range

| Key metrics | 30 June 14 | 30 June 13 |
|-------------------------------------|------------|------------|
| Gearing (look-through) ¹ | 33.7% | 29.0% |
| Cost of debt ² | 5.4% | 5.9% |
| Duration of debt | 5.2 years | 5.4 years |
| Hedged debt ³ | 60% | 64% |
| S&P/Moody's credit rating | A-/A3 | BBB+/Baa1 |

Debt maturity profile⁴



Diversified mix of facilities⁴



1. Adjusted for cash and for debt in equity accounted investments.

2. Weighted average across the period, inclusive of fees and margins on a drawn basis.

3. Average for the full year. Actual debt hedged at 30 June 2014 was 64%.

4. Including domestic MTNs in equity accounted investments.

CAPITAL MANAGEMENT – FY15 focus

Take advantage of improved credit ratings to reduce the cost of debt

Improve diversification and length of debt profile through refinancing bridge funding

Maintain gearing at the lower end of the target range of 30-40%





THIRD PARTY FUNDS MANAGEMENT – FY14 achievements

New partners

Attracted new partner
CPIIB
to form the
DEXUS Office Partnership

Attracted new partner
Future Fund
to form the
DEXUS Industrial Partnership

Existing funds

100% of funds
outperformed
benchmarks in 2014

DWPF raised
\$520m
from new equity and DRP

DWPF acquired
\$317m
of new office, industrial &
retail properties

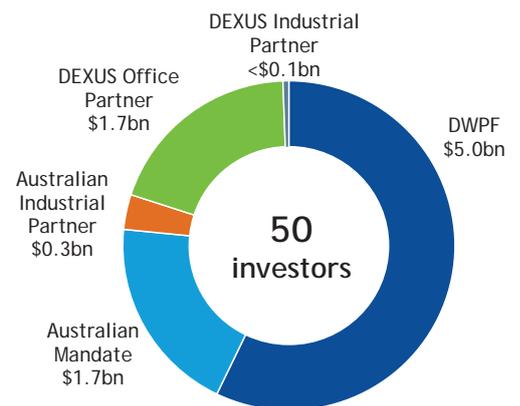
Australian Industrial
Partnership increased to
\$536m

Retail

Strengthened
retail team
with key appointments

Retail transactions reinforce
position as a key
sub-regional owner/manager

Third party funds under management



DWPF performance against benchmark

| Total return (post fees) | One year | Three years | Five years |
|--------------------------|---------------|---------------|---------------|
| DWPF | 9.26% | 9.16% | 8.94% |
| Benchmark ¹ | 8.78% | 8.62% | 7.75% |
| Variance | +0.48% | +0.54% | +1.19% |

1. Mercer IPD Post Fee Gross Asset Weighted Index (Gross returns, Gross Asset weighted).

THIRD PARTY FUNDS MANAGEMENT – FY15 focus

Continue to achieve top quartile performance

Continue to deliver on investment plans and objectives

Leverage retail management team to enhance performance



PORTFOLIO RESULTS

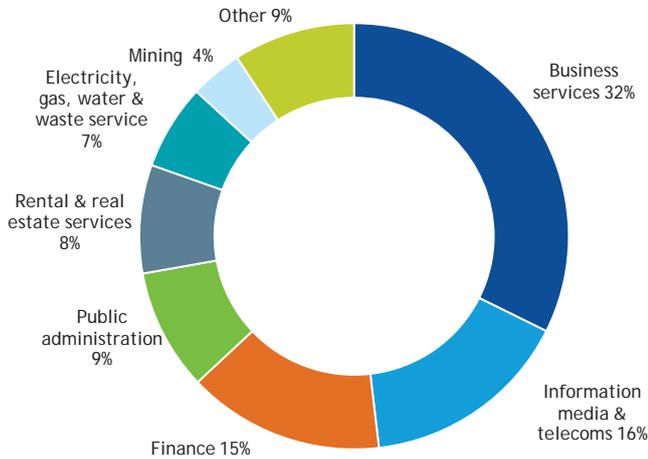


PORTFOLIO RESULTS – Increased office leasing activity¹

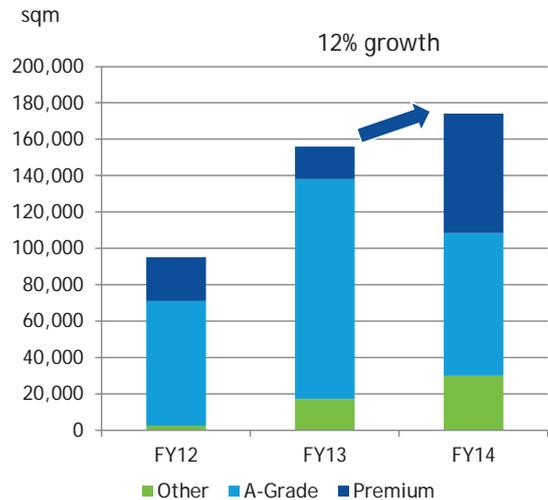
12% greater leasing volume than prior year

38% of all office leasing achieved in Premium Grade

Leasing by business sector



Leasing by property grade



1. Excludes CPA portfolio.

PORTFOLIO RESULTS – Total portfolio valuation metrics

Southgate, Melbourne



Up \$25.2m or 5.8%

44 Market St, Sydney



Up \$17.2m or 7.1%

Woodside Plaza, Perth



Up \$20.8m or 4.3%

1 Margaret St, Sydney



Up \$9.4m or 4.6%

45 Clarence St, Sydney



Up \$15.8m or 6.1%

201 Elizabeth St, Sydney



Up \$12.8m or 8.7%

- Total portfolio valuation uplift of \$165.5m predominantly driven by leasing success
 - Office portfolio valuations up 2.1% or \$155.3m
 - Industrial portfolio valuations up 0.7% or \$10.2m
 - 34bps tightening in total portfolio average cap rate
- Expect a further 25 basis point tightening in capitalisation rates for well leased properties with strong tenant covenants over the next 12 months

| Capitalisation rates | 30 June 2014 ¹ | 30 June 2013 | Change |
|------------------------------|---------------------------|--------------|---------------|
| DEXUS office | 6.87% | 7.17% | ↓ 30bp |
| DEXUS industrial | 8.32% | 8.55% | ↓ 23bp |
| Total DEXUS portfolio | 7.13% | 7.47% | ↓ 34bp |

1. Excludes CPA portfolio.

PORTFOLIO RESULTS – Office FY14 performance¹

174,109 sqm

Leased² in total

4.9 years

WALE³
(June 2013: 5.0 years)

95.2%

Occupancy³
(June 2013: 94.6%)

61%

Retention
(June 2013: 72%)

3.6%

Like-for-like
income growth

9.2%

Total return⁴
(June 2013: 10.6%)

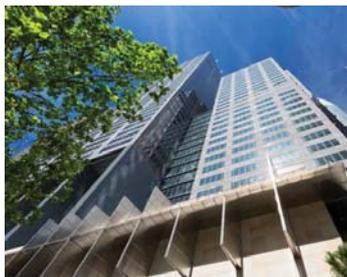


1 Bligh Street, Sydney NSW

1. Excludes CPA portfolio.
2. At 100%, including Heads of Agreement (HOA) of 103,334sqm.
3. By income.
4. For the 12 months ended 30 June 2014.

PORTFOLIO RESULTS – Office leasing drives strong performance

Governor Macquarie Tower, Sydney



Minter Ellison 9,503sqm

40 Market Street, Melbourne



Powercor 11,615sqm

Southgate Complex, Melbourne



IBM 11,485sqm

Governor Phillip Tower, Sydney



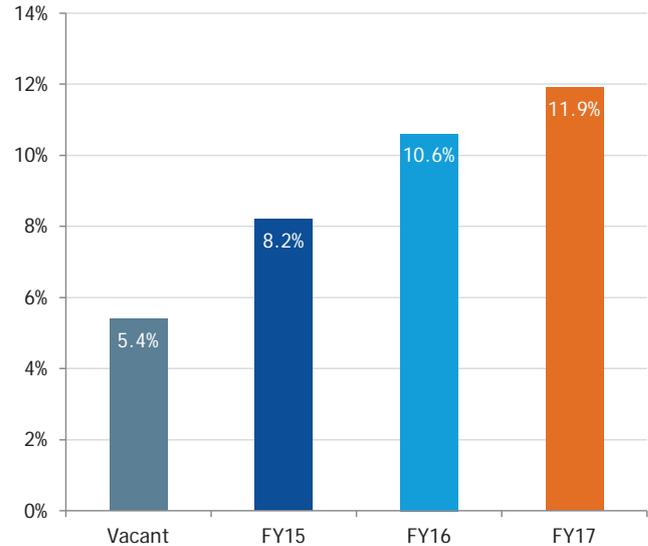
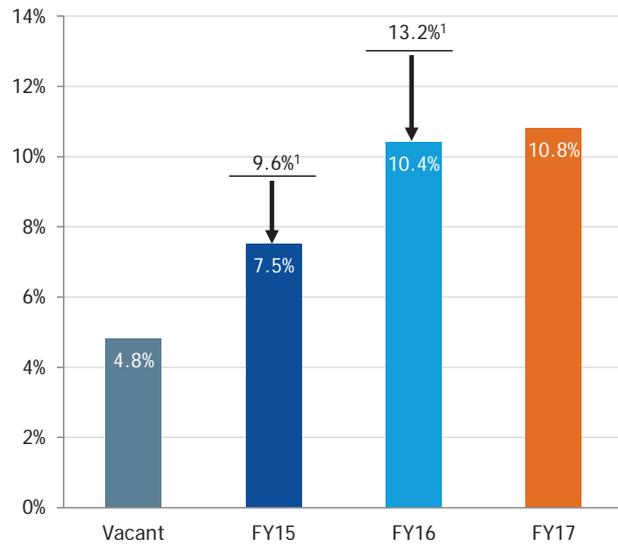
KWM 11,982sqm

- Of the total 191 leasing transactions secured
 - 127 new leasing deals
 - 59 renewals
 - 5 development deals
- Average incentives of 18.6%
 - Completed 29 effective deals
- Average face rental growth of 3.1%
 - Effective rents down on average 7.4%

PORTFOLIO RESULTS – Office lease expiry profile

30 June 2014: excluding CPA portfolio

30 June 2014: including CPA portfolio



1. At 30 June 2013.

PORTFOLIO RESULTS – Industrial FY14 performance



1. At 100%, including HOA of 48,859sqm.
2. By income.
3. For the 12 months ended 30 June 2014.

PORTFOLIO RESULTS – Industrial leasing underpinned by flight to quality

Quarry at Greystanes



Consortium Group 15,516sqm

Wacol Industrial Estate



Cotton On 12,246sqm

DEXUS Industrial Estate, Dandenong



Reece Plumbing 24,236sqm

1 Foundation Place, Greystanes



Allied Pickfords 8,672sqm

- Completed 74 leasing transactions
- Average incentives of 11.0%
- Average face rents down 8.6%
 - Driven by reversions on three short-term leases that were extended or re-leased
- Divested five non-core properties, improving portfolio quality

PORTFOLIO RESULTS – FY15 office and industrial focus

Maintain >95% occupancy in the office portfolio

Reduce DEXUS office lease expiries in FY16-FY17 to 8.5% and 9.5% respectively

Target positive like-for-like income growth across the combined DEXUS portfolio

Focus on reducing incentives and securing effective leasing deals



PORTFOLIO RESULTS – Group development pipeline

\$3.3bn
Group pipeline

\$1.3bn
DEXUS portfolio

\$2.0bn
Third Party Funds

Up to 15%
of DEXUS portfolio
allocated to
development/
trading/value-add

- Delivering core office real estate on attractive metrics to enhance portfolio quality and value
- Creating investment grade industrial facilities to improve portfolio diversity

| DEXUS developments and fund-throughs | Total est cost ¹ | Est cost to complete ¹ | Total estimated project cost | | |
|---|-----------------------------|-----------------------------------|------------------------------|--------|--------|
| | | | FY15 | FY16 | FY17+ |
| 5 Martin Place, Sydney | \$100m | \$92m | \$100m | | |
| DEXUS Industrial Estate, Laverton North | \$140m | \$115m | | \$140m | |
| Quarry at Greystanes | \$49m | \$30m | \$49m | | |
| Radius Industrial Estate, Larapinta | \$16m | \$11m | | \$16m | |
| Quarrywest at Greystanes | \$96m | \$66m | | \$96m | |
| 105 Phillip Street, Parramatta | \$120m | \$112m | | | \$120m |
| 12 Creek Street, Brisbane | \$19m | \$19m | | | \$19m |
| 180 Flinders Street, Melbourne | \$230m | \$148m | | | \$230m |
| 480 Queen Street, Brisbane | \$272m | \$180m | \$272m | | |
| Kings Square, Perth | \$217m | \$143m | \$217m | | |
| DEXUS pipeline | \$1,259m | \$916m | | | |

 Developments underway
 Uncommitted development pipeline
 Fund-through office investments

| DEXUS total portfolio capital expenditure ² | Estimated FY15 |
|--|-------------------|
| Maintenance capital expenditure | \$55-65m |
| Tenant incentives and leasing costs | \$55-65m |
| Total capital expenditure | \$110-130m |

1. DEXUS share.
 2. Including CPA portfolio.

PORTFOLIO RESULTS – Overview of key developments



| Key office developments underway | 5 Martin PI | Kings Square | 480 Queen St |
|----------------------------------|----------------|----------------------|----------------------|
| Property grade | Premium office | A-grade office | Premium office |
| DEXUS ownership | 25% | 50% | 50% |
| Area (sqm) | 33,740 | 52,781 | 55,561 |
| Expected end value (100%) | \$400m | \$434m | \$544m |
| Practical completion (PC) date | Mid 2015 | Mid 2015 | Early 2016 |
| % pre-committed | 42% | 55% | 62% |
| Rental income guarantee from PC | n/a | 5 years ¹ | 2 years ² |
| Target 10 year IRR | >10% | 9-10% | 9-10% |

Fund-through developments

- 480 Queen Street, Brisbane: secured Allens and PricewaterhouseCoopers
- Kings Square, Perth: KS2 now 100% leased to Shell

Quarrywest development

- Acquired Quarrywest site comprising 25.6 hectares in a 50:50 partnership with the Future Fund in June 2014 for \$50.5 million to provide a further circa 115,000sqm of product by 2018

1. Leighton Holdings has provided DEXUS and DWPF with a five year income guarantee on any remaining vacancies at practical completion.
 2. Grocon has provided DEXUS and DWPF with a two year income guarantee on any remaining vacancies at practical completion.



TRADING – Trading and repositioning

- 'Trading' is the activity of developing/repositioning assets with a view to selling for profit
- Focus on generating profits from new opportunities and unlocking value in existing properties
- DEXUS has strong core capabilities and experience to support the trading strategy
 - Development – leading capability in office and industrial development
 - Transactions – strong track record in deal origination and execution
- Activities are undertaken in a tax paying entity (DXO) within DEXUS stapled group



50 Carrington Street, Sydney NSW

TRADING – Core investment grade product focus

- Incremental capital invested in trading activities is focused on core investment grade product
- Focus on assets (new and existing) where DEXUS can leverage
 - Asset management skills
 - Tenant relationships
 - Market knowledge
- Focus on properties where current use is office or industrial

Characteristics of trading opportunities and strategies

| OFFICE | INDUSTRIAL |
|---------------------------------|------------------|
| Core investment grade markets | |
| Buying vacancy & leasing risk | |
| Unlocking alternative use value | |
| Development & redevelopment | Redevelopment |
| Price below replacement cost | Land development |

TRADING – Identified trading and repositioning pipeline

- Near term trading profits considerably 'de-risked' - meaningful contribution expected
 - FY14: delivered \$4.3 million of trading profits in line with \$4-5 million target
 - FY15: expect to deliver approximately \$40 million of trading profits
 - FY16/17¹: approximately \$90 million pre-tax trading profits under contract
- Significant pipeline of opportunity
 - sourced from existing portfolio and acquisitions
 - 20 projects with potential for trading or repositioning in the future

| Identified property | Status | Expected timing of trading profit contribution (pre-tax) | |
|---|-------------------|--|------------------|
| | | FY15 | FY16/17 |
| 30 Distribution Drive, Laverton | Sold | | |
| 50 Carrington Street, Sydney | Exchanged | | |
| 40 Market Street, Melbourne | Progressing | | |
| 1-15 Rosebery Avenue, Rosebery | Exchanged | | |
| 25-55 Rothschild Avenue, Rosebery | Exchanged | | |
| 154 O'Riordan Street, Mascot | Exchanged | | |
| 57-65 Templar Road, Erskine Park | Yet to be secured | | |
| Expected trading profits (pre-tax) | | approx \$40m | ← approx \$90m → |

| | |
|--|---|
| | Trading profits secured or exchanged and under contract |
| | Progressing trading profits |
| | Trading profits yet to be secured |

1. Carried forward tax losses expected to be substantially extinguished by end of FY15.

TRANSACTIONS – Re-shaping the portfolio

Transactions since 2012

200+ Properties

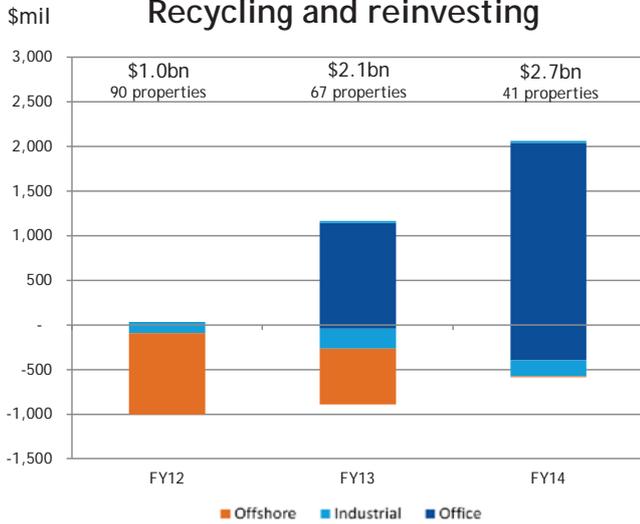
5 countries

\$10bn Total combined value

- Transactions have been critical in rebalancing the DEXUS portfolio and growing third party funds
- Significant capital deployed early in the cycle

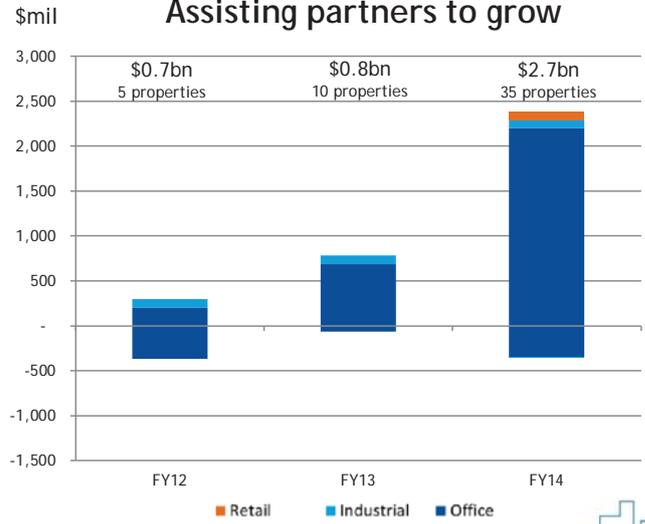
DEXUS Portfolio

Recycling and reinvesting



Third Party Funds

Assisting partners to grow



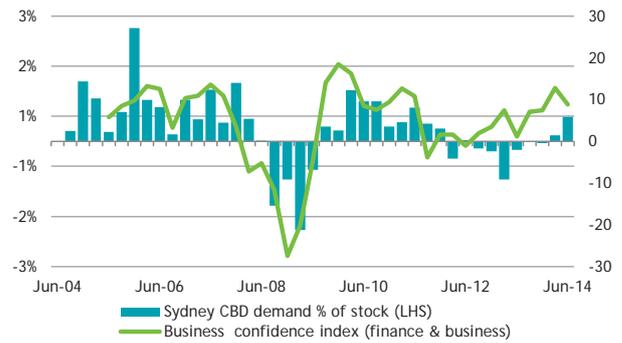
MARKET OUTLOOK



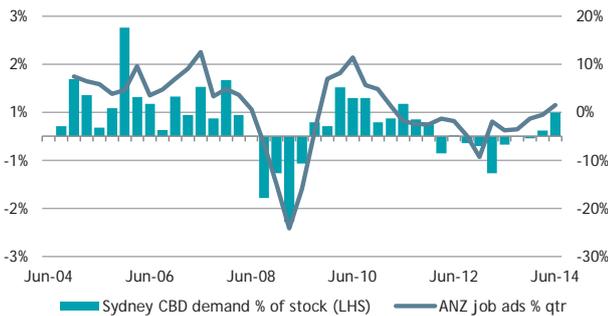
MARKET OUTLOOK – Office demand indicators point to improving demand

- Office cycle in Sydney and Melbourne has bottomed and demand is beginning to improve
- Lead indicators point to an improvement in office demand in FY15
- Employment growth, business confidence, profits and gains in the share market are all positive
- Tenants' flight to quality is driving demand for high quality space

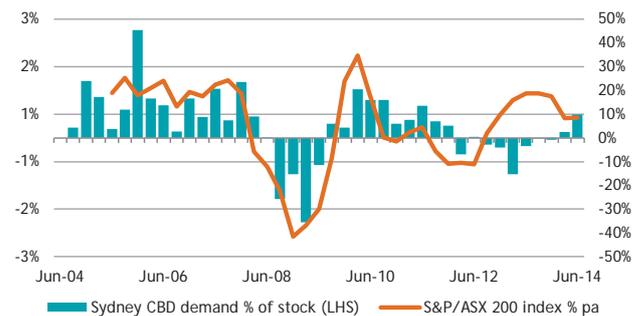
Business confidence positive



Employment is strengthening - ANZ job ads



Office demand aligned with share market



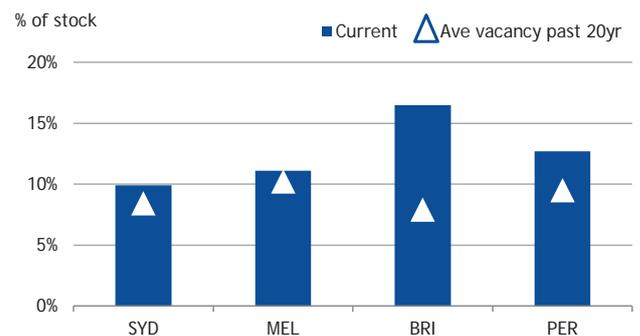
Source: JLL Research, ANZ, ABS, NAB, Bloomberg.



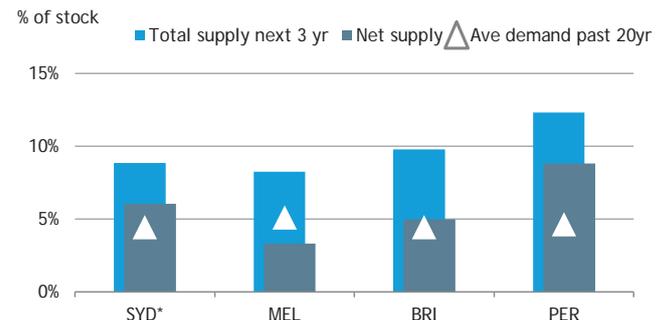
MARKET OUTLOOK – Expect improving office demand to help absorb supply

- Office vacancy has risen in the past two years
 - Sydney and Melbourne near long term average
 - Brisbane and Perth moved above average due to contraction in the resource sector
- Supply levels over the next three years are significant, but older stock withdrawal will reduce net supply
- Supply is 55% pre-committed
- Perth will experience a higher level of supply than east coast markets
- Rent cycle appears to be bottoming and the short term outlook is mild

Office vacancy rates by market



Office supply over next 3 years



Source: DEXUS Research, JLL Research, *Sydney excludes one off impact of GFC in FY09.



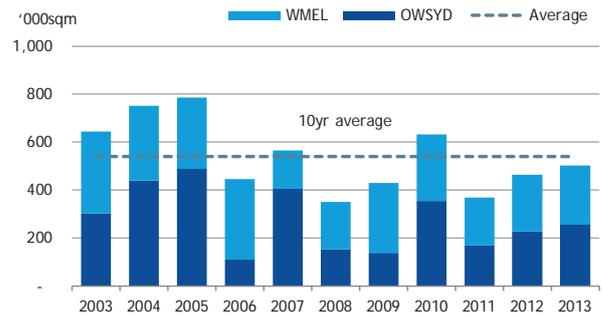
MARKET OUTLOOK – Industrial positioned to benefit from economic activity

- Lead indicators are improving, such as business confidence, retail sales, wholesale output and transport activity
- Demand led by logistics providers and retailers
- Take-up of new premises will continue to benefit from supply chain trends & movement of goods
- Supply a stabilising influence - around long term average levels

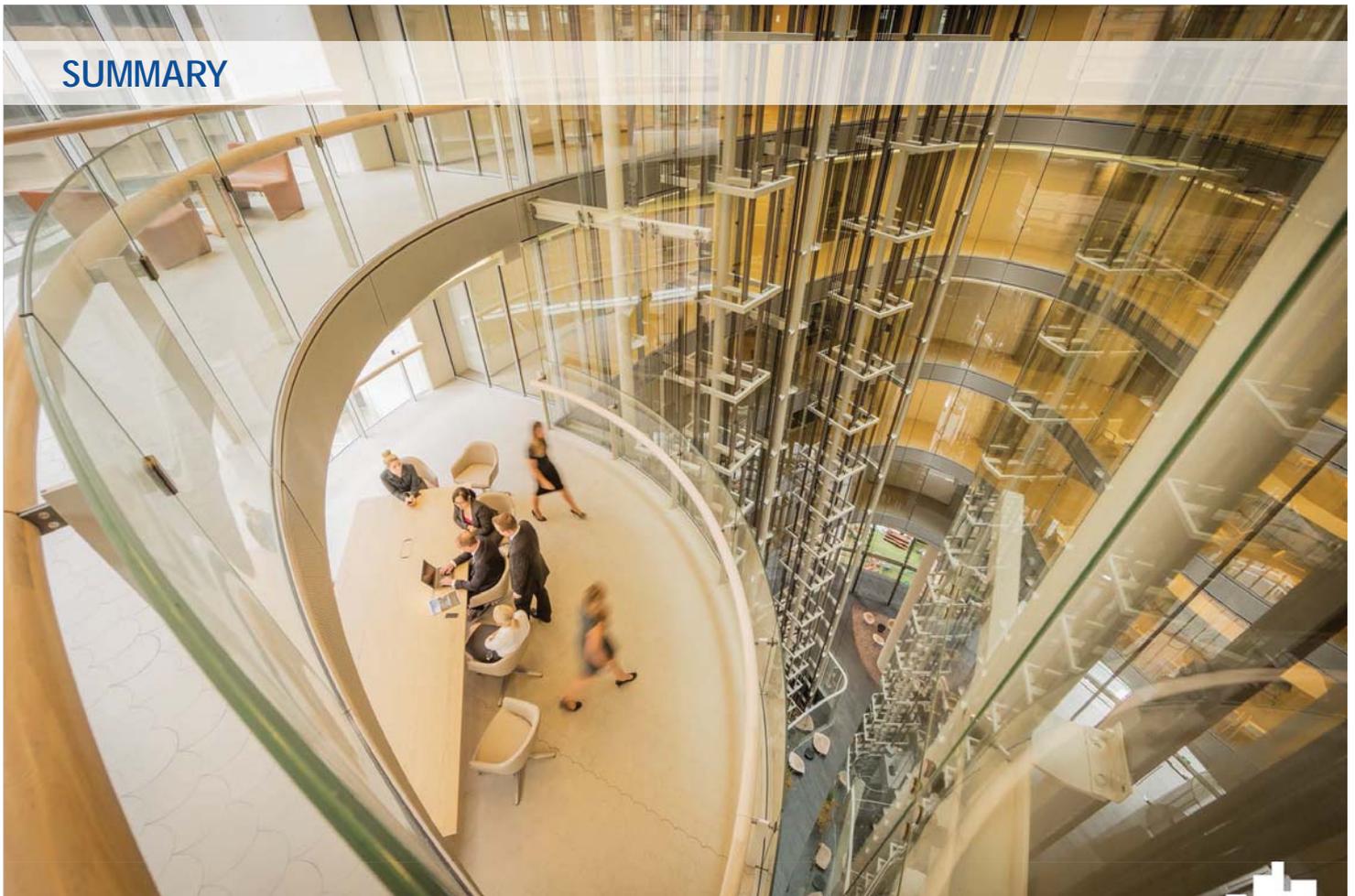
Wholesale and transport sector output to strengthen



Industrial take-up relatively consistent through cycles



Source: DEXUS Research, Deloitte Access Economics, JLL Research.



SUMMARY



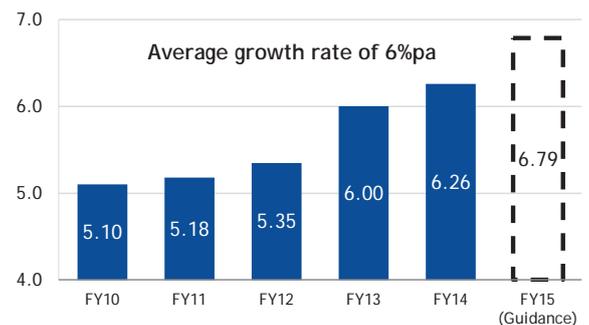
SUMMARY – FY15 drivers

| | PROPERTY PORTFOLIO | FUNDS MANAGEMENT & PROPERTY SERVICES | TRADING |
|-----------------|--|--|---|
| FY15 DRIVERS | Maximising performance from the DEXUS property portfolio | Driving performance and generating revenue from funds management and property services | Delivering trading profits from identified properties |
| FY15 FORECAST | Target positive like for like income growth | \$35-40 million | approx. \$40 million |
| EARNINGS TARGET | 80-90% | 10-20% | |

SUMMARY

- Expect economic conditions to strengthen
 - However will face competitive leasing markets where vacancy remains elevated
- Well positioned to deliver earnings growth through the cycles
- Market guidance¹ for FY15
 - Adoption of the Property Council of Australia's (PCA) recommended approach for calculating FFO from 1 July 2014
 - PCA FFO per security of 9.84 cents, reflecting 8.5% growth² from FY14
 - Distribution per security of 6.79 cents, in line with free cash flow, reflecting 8.5% growth³ from FY14

Distribution – cents per security

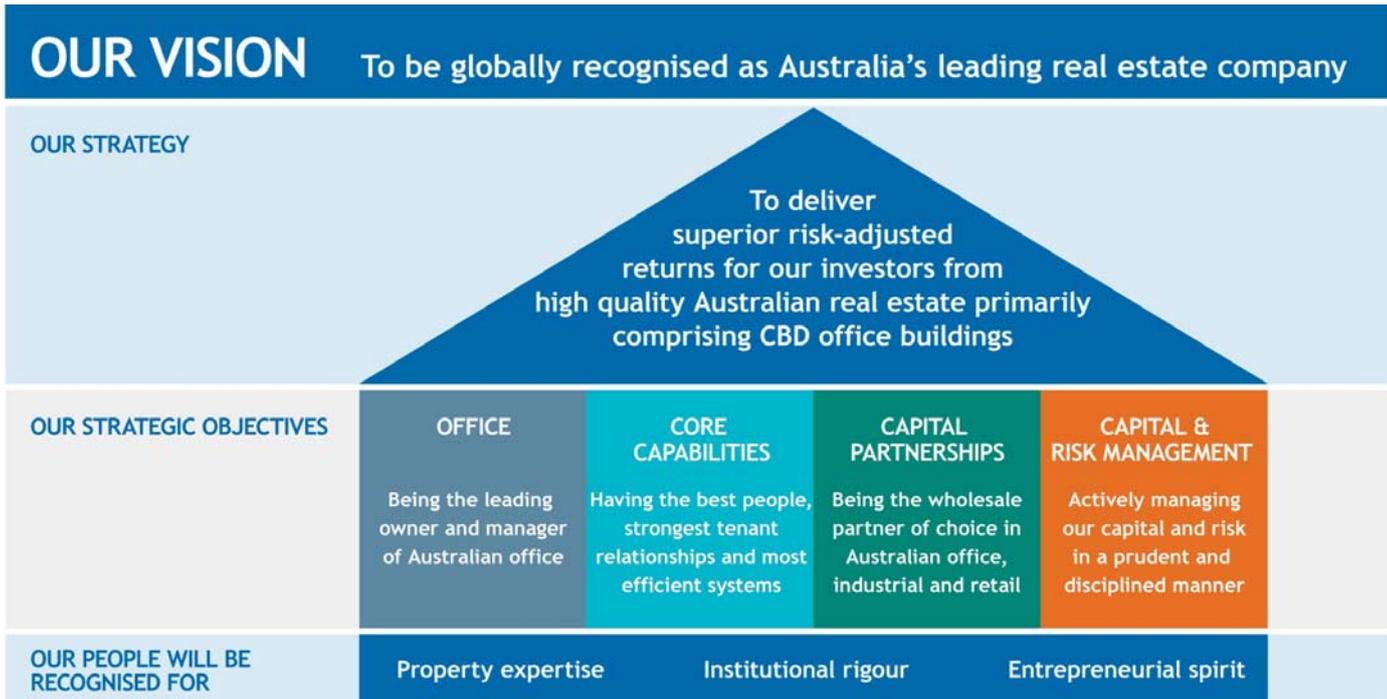


1. Barring unforeseen changes to operating conditions assumptions include: Targeting positive like-for-like income growth across the office and industrial portfolios, weighted average cost of debt of circa 5.4%, trading profits of approximately \$40m and Management Operations revenue of approximately \$35-40m.
 2. Based on FY14 PCA FFO of 9.07 cents per security, refer to slide 48 for further details.
 3. Based on FY14 distribution of 6.26 cents per security, refer to slide 48 for further details.

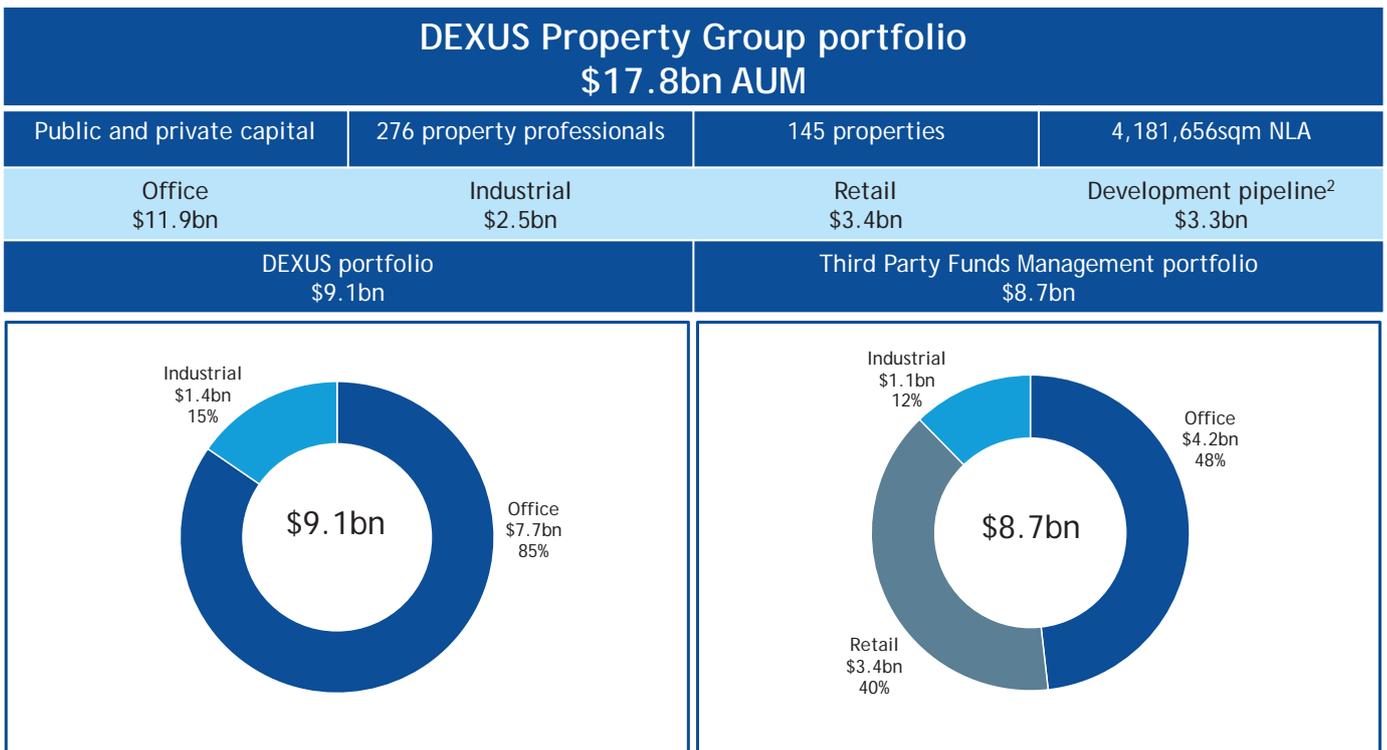


CONTENTS

| | | | |
|--|----|----------------------------------|----|
| Strategy | 41 | Portfolio results | |
| Group highlights | | Office portfolio | 54 |
| DEXUS today | 42 | Industrial portfolio | 60 |
| Total security holder returns | 43 | Completed development pipeline | 65 |
| Financial results | | Uncommitted development pipeline | 66 |
| Reconciliation to statutory net profit | 44 | Transactions | |
| Corporate revenue and expenses | 45 | Another active year | 67 |
| Change in net tangible assets and revaluations | 46 | Market outlook | 68 |
| FFO and PCA FFO reconciliation | 47 | Exchange rates and securities | 73 |
| FFO and distribution per security | 48 | Glossary | 74 |
| Cash flow reconciliation | 49 | Important information | 75 |
| Interest reconciliation | 50 | | |
| Direct property portfolio movements | 51 | | |
| Capital management | | | |
| Interest rate hedging profile | 52 | | |
| Debt overview and buy back summary | 53 | | |



GROUP HIGHLIGHTS – DEXUS today¹



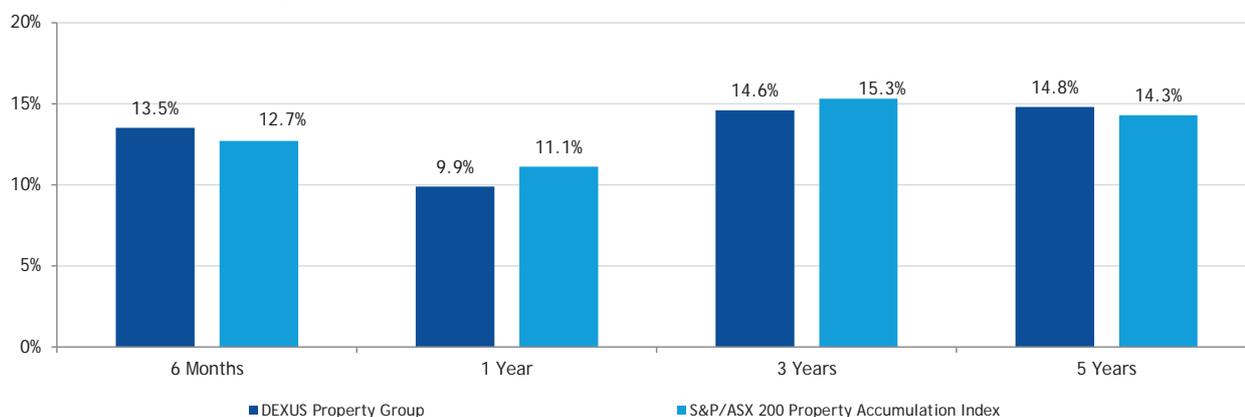
1. As at 30 June 2014.
2. Including fund-through investments.

GROUP HIGHLIGHTS – Total security holder returns

DEXUS investor returns

- One year total security holder return of 9.9%¹
- Distribution per security growth of 4.3% for the 12 months ended 30 June 2014

DEXUS total security holder return



1. DEXUS security price appreciation plus distributions paid. Source UBS.

FINANCIAL RESULTS – Reconciliation to statutory net profit

| | 30 June 2014 \$m | 30 June 2013 \$m |
|---|---------------------|---------------------|
| Statutory net profit | 406.6 | 514.5 |
| Net fair value gain of investment properties ¹ | (165.5) | (220.6) |
| Net fair value movements of derivatives & interest bearing liabilities ² | 40.6 | 17.7 |
| Net loss on sale of investment properties | 8.3 | 3.6 |
| CPA transaction costs | 76.7 | — |
| Finance break costs attributable to sales transactions | 4.5 | 18.8 |
| FX translation reserve transfer ³ | (0.8) | 21.5 |
| Incentive amortisation and rent straight line | 22.4 | 30.5 |
| Deferred tax expense /(benefit) and other | 17.8 | (20.6) |
| Funds From Operations (FFO) | 410.6 | 365.4 |

1. 30 June 2014 includes \$19.8m of revaluations related to DEXUS's share of its equity accounted investments. Further details are included in the DEXUS 2014 Financial Statements.

2. Comprises net fair value gain on interest bearing liabilities of \$12.3m and net fair value loss on derivatives of \$52.9m.

3. Foreign currency translation reserve transfer on disposal of foreign operations.

FINANCIAL RESULTS – Corporate revenue and expenses

Management operations

| FY14 (\$m) | Property Mgmt | Funds Mgmt | Mgmt Operations | Development & Trading ² |
|---------------------------------|---------------|-------------|-----------------|------------------------------------|
| Revenue | 36.1 | 32.0 | 68.1 | 70.7 |
| Operating expenses ¹ | (26.3) | (13.9) | (40.2) | (3.0) |
| Cost of sales – trading | – | – | – | (65.0) |
| Total operating expenses | (26.3) | (13.9) | (40.2) | (68.0) |
| Net profit | 9.8 | 18.1 | 27.9 | 2.7 |

Management Expense Ratio (MER)

| FY14 Gross MER ³ | Total (\$m) |
|-------------------------------|--------------|
| Group corporate | (27.5) |
| Asset management ⁴ | (10.8) |
| Total corporate & AM | (38.3) |
| Average FUM | 7,820 |
| Gross MER = A/B | 49bps |

1. Comprises property management salaries of \$8.9m and corporate & administration expenses of \$31.3m.

2. Net profit comprises \$4.3m from trading offset by \$1.6m net development costs.

3. Gross Management Expense Ratio: calculated as annualised domestic costs arising from managing DEXUS assets and corporate activity divided by average funds under management.

4. Asset Management reflects office and industrial "corporate and administration expenses" as shown in Note 34(b) to the DEXUS 2014 Financial Statements.

FINANCIAL RESULTS – Change in net tangible assets and revaluations

| | \$m | cps |
|--|------------|------------|
| Opening net tangible assets (30 Jun 13) | 4,948 | 105.2 |
| Revaluation of real estate | 165 | |
| Retained earnings ¹ | 95 | |
| Amortisation of tenant incentives ² | (22) | |
| Fair value movements ³ | (159) | |
| NTA changes in comprehensive income | 79 | |
| Equity issue to acquire CPA | 850 | |
| Impact of the securities buy back | (75) | |
| Acquisition of management rights | (42) | |
| Total movement in NTA | 812 | 0.8 |
| Closing net tangible assets (30 Jun 14) | 5,760 | 106.0 |

| Investment portfolio | Valuation change (\$m) | Cap rate (%) | % of portfolio |
|------------------------------|------------------------|--------------|----------------|
| DEXUS office portfolio | 155.3 | 6.87 | 2.1% |
| DEXUS industrial portfolio | 10.2 | 8.32 | 0.7% |
| Total DEXUS portfolio | 165.5 | 7.13 | 1.8% |

1. Based on payout ratio of 75% of FFO.

2. Includes rent straight-lining.

3. Primarily includes fair value movements of derivatives and interest bearing liabilities, CPA transaction costs, deferred tax and gain/(loss) on sale of assets and includes property revaluations of discontinued operations.

FINANCIAL RESULTS – FFO and PCA FFO reconciliation

- From 1 July 2014, DEXUS will adopt a new definition for calculating FFO, in accordance with the PCA white paper “Voluntary best practice guidelines for disclosing FFO and AFFO”. The table below shows how DEXUS’s FY14 FFO would have been reported under the PCA definition

| Reference | Item | DEXUS FFO \$m | PCA FFO \$m |
|--|--|------------------|----------------|
| | Statutory AIFRS net profit after tax | 406.6 | 406.6 |
| A Investment property and inventory | | | |
| A2 | Losses from sales of investment property | 8.3 | 8.3 |
| A3 | Fair value gain on investment property | (165.5) | (165.5) |
| B Goodwill and intangibles | | | |
| B2 | Reversal of impairment of goodwill or intangibles | (7.3) | (7.3) |
| C Financial instruments | | | |
| C2 | Fair value loss on the mark-to-market of derivatives | 52.9 | 52.9 |
| D Incentives and rent straight-lining | | | |
| D1 | Amortisation of fit out incentives | 33.8 | 33.8 |
| D2 | Amortisation of cash incentives | 4.2 | 4.2 |
| D4 | Amortisation of rent-free periods | — | 36.0 |
| D5 | Rent straight-lining | (15.6) | (15.6) |
| E Tax | | | |
| E1 | Non-FFO deferred tax benefits | 12.0 | 12.0 |
| F Other unrealised or one-off items | | | |
| F1 | Recycling of foreign currency translation reserve (FCTR) | (0.8) | (0.8) |
| F2 | Other unrealised or one-off items ¹ | 82.0 | 82.0 |
| | FFO | 410.6 | 446.6 |
| | FFO per security (cents) | 8.34 | 9.07 |
| | Distribution | 315.4 | 315.4 |
| | Payout ratio | 75% | 69% |

1. Includes \$76.7m of CPA transaction costs, \$4.5m finance break costs attributable to sales transactions, \$5.2m CPA distribution (net of funding cost), \$7.9m coupon income and \$12.3m of unrealised fair value gains on interest bearing liabilities.



FINANCIAL RESULTS – FFO and distribution per security

| Cents per security | FY13 | FY14 ex CPA | FY14 | FY15 | FY15 Growth |
|--------------------------|-----------------|-----------------|-----------------|-----------------|----------------|
| FFO (cps) | 7.75 | 8.19 | 8.34 | 9.04 | 8.4% |
| PCA FFO (cps) | 8.23 | 8.91 | 9.07 | 9.84 | 8.5% |
| Distribution (cps) | 6.00 | 6.14 | 6.26 | 6.79 | 8.5% |
| Payout ratio - FFO | 77% | 75% | 75% | 75% | |
| Payout ratio - PCA FFO | 73% | 69% | 69% | 69% | |
| WANOS¹ | 4,714.29 | 4,640.51 | 4,921.55 | 5,433.11 | |

1. Weighted average number of securities on issue. FY15 assumes no further changes to the 30 June 2014 number of securities on issue.



FINANCIAL RESULTS – Cash flow reconciliation

| | 30 June 2014 \$m | 30 June 2013 \$m |
|---|---------------------|---------------------|
| Cash flow from operating activities | 418.3 | 193.5 |
| add back: payment for inventory acquisition and capex | 23.1 | 160.8 |
| less: cost of sale of inventory | (65.3) | (22.9) |
| add back: capitalised interest | 6.1 | 10.7 |
| add back: adjustment for net CPA distribution ¹ | 5.2 | — |
| add back: equity accounted distribution receivable | 13.6 | — |
| Adjusted cash flow from operating activities | 401.0 | 342.1 |
| Payments from maintenance capex and fit-out incentives ² | (88.6) | (67.6) |
| Gross distribution - Feb-14 (paid) and Aug-14 (declared) | (315.4) | (282.1) |
| Cash deficit | (3.0) | (7.6) |

1. Included within cash flows from financing activities in the DEXUS 2014 Financial Statements.
2. Refer Note 35 of the DEXUS 2014 Financial Statements.



FINANCIAL RESULTS – Interest reconciliation

| | 30 June 2014 \$m | 30 June 2013 \$m |
|---|---------------------|---------------------|
| Interest paid/payable | 141.2 | 122.9 |
| Other finance costs (amortised fees) | 4.8 | 3.8 |
| Realised interest rate swap (income)/expense ¹ | 0.5 | (3.6) |
| Gross finance costs for cost of debt purposes | 146.5 | 123.1 |
| Less: interest capitalised | (6.4) | (10.7) |
| Net finance costs for distributable earnings | 140.1 | 112.4 |
| Add: unrealised interest rate swap MTM loss ¹ | 50.8 | 4.5 |
| Add: finance costs attributable to sales transaction | 4.5 | 18.8 |
| Less: finance costs attributable to investments accounted for using the equity method | (5.4) | — |
| Total statutory finance costs | 190.0 | 135.7 |
| Net fair value loss of derivatives | 2.1 | 13.2 |
| Add: finance costs attributable to investments accounted for using the equity method | 5.4 | — |
| Net fair value gain on interest bearing liabilities | (12.3) | — |
| Total statutory finance costs including derivatives | 185.2 | 148.9 |
| Represented by: | | |
| Statutory finance costs from continuing operations (Fin Stats note 3) | 190.0 | 98.6 |
| Finance costs included within investments accounted for using the equity method | 5.4 | — |
| Net fair value loss of derivatives (Statement of Comprehensive Income) | 2.1 | 10.9 |
| Finance costs from discontinued operations | — | 18.3 |
| Net fair value loss of derivatives (discontinued operations) | — | 2.3 |
| Finance costs attributable to sales transaction (discontinued operations) | — | 18.8 |
| Net fair value gain on interest bearing liabilities (Statement of Comprehensive Income) | (12.3) | — |
| Total statutory finance costs | 185.2 | 148.9 |

1. Net fair value loss of interest rate swap of \$51.3m (per note 3) includes realised interest rate swap expense of \$0.5m and unrealised interest rate swap MTM loss of \$50.8m.



FINANCIAL RESULTS – Direct property portfolio movements

| | Office ¹ \$m | Industrial ² \$m | DEXUS total ¹ \$m |
|---------------------------------|----------------------------|--------------------------------|---------------------------------|
| Opening direct property | 5,687 | 1,571 | 7,258 |
| Leasing incentives ³ | 80 | 13 | 93 |
| Maintenance capex | 38 | 8 | 46 |
| Acquisitions | 2,001 | — | 2,001 |
| Developments ⁴ | 131 | 64 | 195 |
| Disposals ⁵ | (393) | (191) | (584) |
| FX | 12 | — | 12 |
| Revaluations | 155 | 10 | 165 |
| Amortisation | (65) | (8) | (73) |
| Straight-lining | 13 | 3 | 16 |
| Closing direct property | 7,659 | 1,470 | 9,129 |

1. Includes DEXUS's share of equity accounted investments.

2. Includes Europe.

3. Includes rent free incentives.

4. Includes capitalised interest.

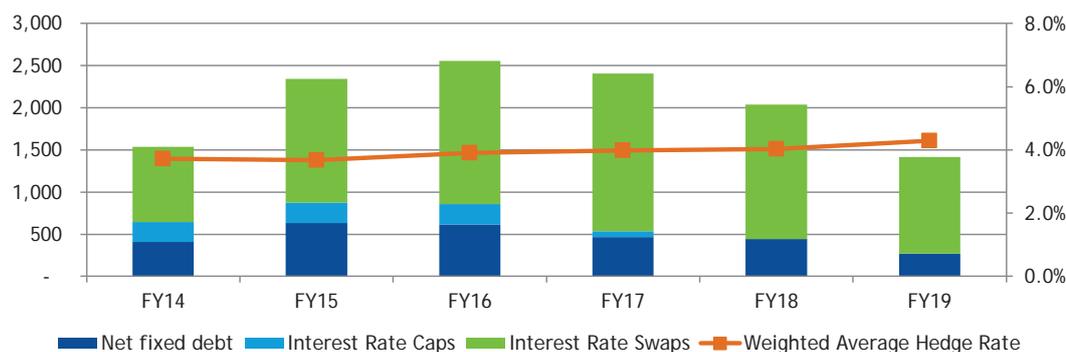
5. At book value.



CAPITAL MANAGEMENT – Interest rate hedging profile

| Hedging profile | 30 June 2014 | 30 June 2013 |
|--|--------------|--------------|
| Average amount of debt hedged ¹ | 60% | 64% |
| Average amount of debt hedged excluding caps ¹ | 51% | 60% |
| Weighted average interest rate on hedged debt ² | 3.7% | 3.9% |
| Weighted average fixed & floating rate ³ | 5.4% | 5.9% |
| Weighted average maturity of interest hedges | 5.7 years | 4.5 years |

Hedge maturity profile



1. Average amount hedged for the period. The actual hedged position at 30 June 2014 was 64%. Excludes NZD debt.

2. Including fixed rate debt (without credit margin).

3. Including fees and margins.



CAPITAL MANAGEMENT – Debt overview and buy back summary

| Key metrics | 30 June 2014 | 30 June 2013 | Buy-back program | FY14 program | FY13 program |
|---|-------------------|--------------|------------------------------|--------------|--------------|
| Total debt ¹ | \$2,932m | \$2,167m | Total securities bought back | 73.7m | 137.1m |
| Cost of debt ² | 5.4% | 5.9% | % of total commitment | 31.4% | 64.3% |
| Gearing (look-through) ³ | 33.7% | 29.0% | Total unit cost bought back | \$75.3m | \$128.5m |
| Headroom (approximately) ⁴ | \$0.5bn | \$0.3bn | Average price per security | \$1.022 | \$0.937 |
| Debt duration | 5.2 years | 5.4 years | | | |
| S&P/Moody's rating | A-/A3 | BBB+/Baa1 | | | |
| Covenant gearing (covenant ⁵ <55%) | 31.2% | 29.1% | | | |
| Interest cover (covenant ⁵ >2.0x) | 4.3x ⁶ | 4.0x | | | |
| Priority debt (covenant ⁵ <30%) | 0% | 0% | | | |

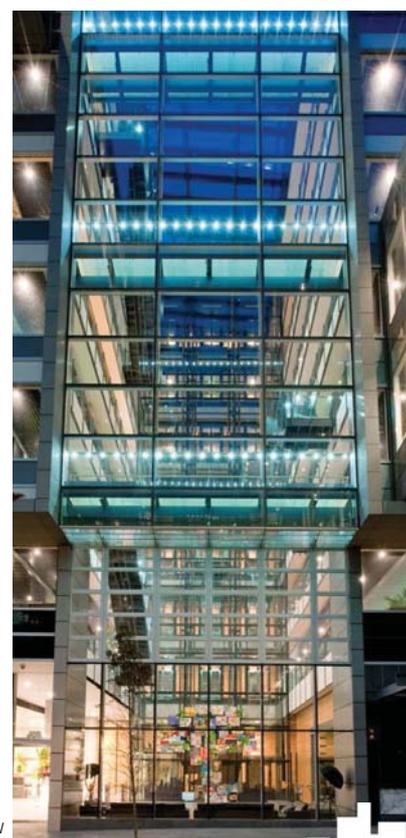
- The 2014 buy back program was launched on 3 July 2013 and suspended on 11 October 2013 due to the CPA transaction
- No securities have been bought back since DEXUS made the takeover offer for CPA and the 2014 buy back program concluded on 3 July 2014

1. Total debt does not include \$185.7m of debt in an equity accounted investment.
2. Weighted average for the year.
3. Adjusted for cash and for debt in equity accounted investments.
4. Undrawn facilities plus cash. Excluding forward start commitments.
5. As per public bond covenants.
6. Look-through interest cover is 4.1x.



PORTFOLIO RESULTS – Office operating performance

| Office portfolio | 30 June 2014 Post CPA | 30 June 2014 Pre CPA | 30 June 2013 |
|--|--------------------------|-------------------------|--------------|
| Occupancy by income | 94.6% | 95.2% | 94.6% |
| Occupancy by area | 94.3% | 95.7% | 94.4% |
| Average incentive | n/a | 18.6% | 12.2% |
| Average rental increase/(decrease) | n/a | 3.1% | (0.1%) |
| Retention rate rolling 12 mths | n/a | 61% | 72% |
| Under rented (face) | 0.7% | 1.0% | 3.8% |
| Weighted average lease expiry ¹ | 4.7 years | 4.9 years | 5.0 years |
| Weighted average cap rate | n/a | 6.87% | 7.17% |
| Total return – 1 year | n/a | 9.2% | 10.6% |

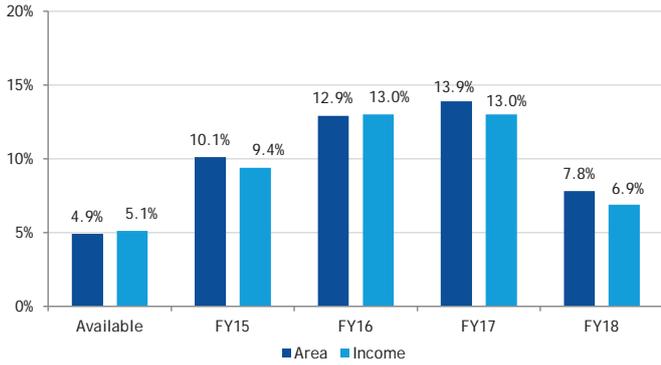


1. By income.

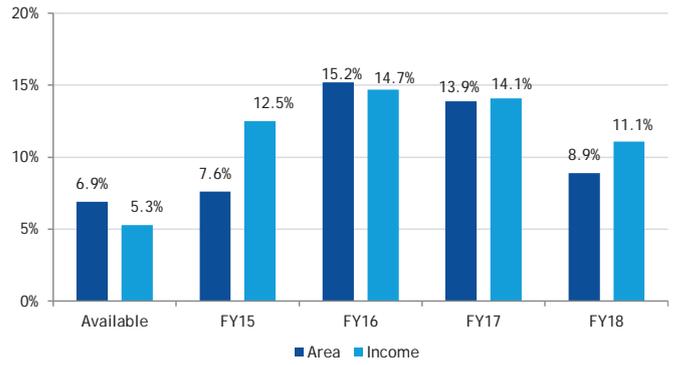


PORTFOLIO RESULTS – Office lease expiry profile at 30 June 2014

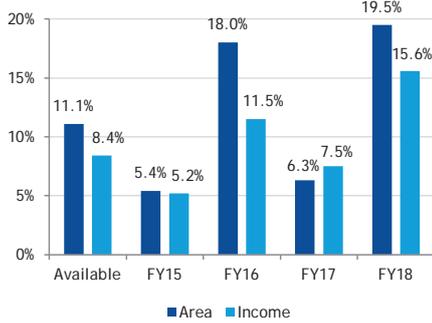
Sydney CBD office portfolio



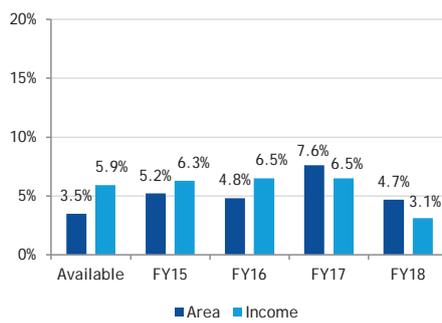
Sydney suburban office portfolio



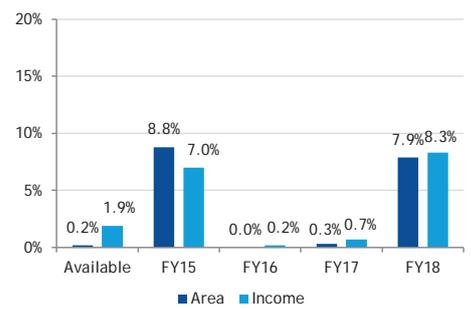
Melbourne CBD office portfolio



Brisbane CBD office portfolio

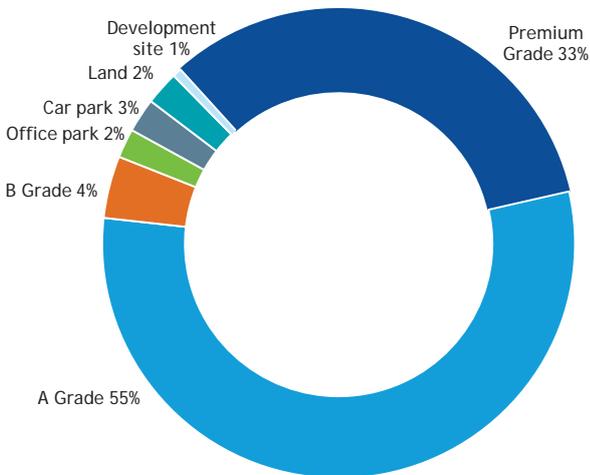


Perth CBD office portfolio

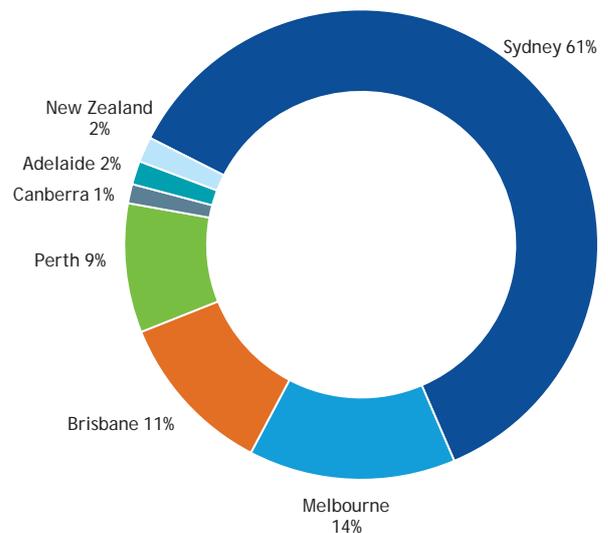


PORTFOLIO RESULTS – Office portfolio diversification

Property type by book value

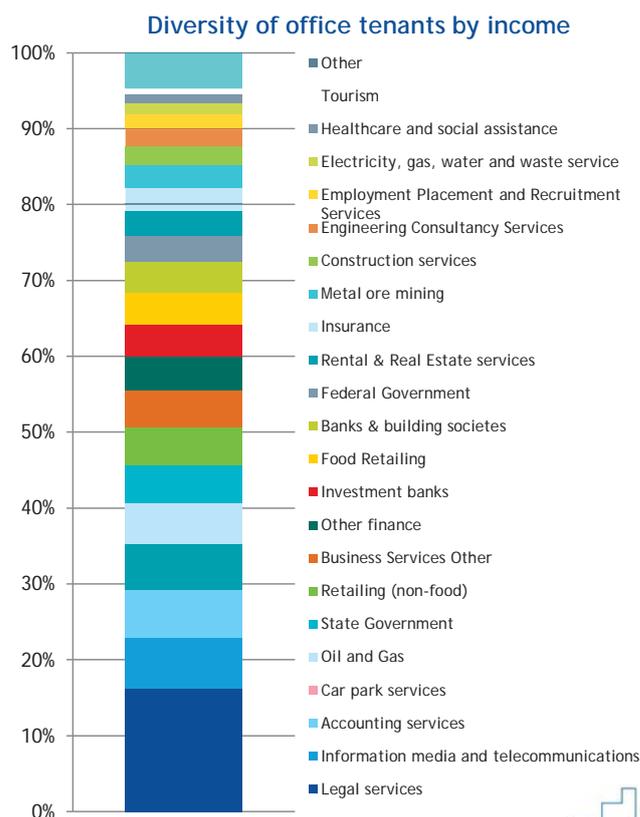


Geographical weighting by book value



PORTFOLIO RESULTS – Office top 10 tenants

| Office tenant | S&P rating | % of income ¹ |
|--------------------------------|---------------|--------------------------|
| Woodside Energy | BBB+ positive | 4.3% |
| Commonwealth of Australia | AAA stable | 4.1% |
| Wilson Parking Australia | Not rated | 4.0% |
| Commonwealth Bank of Australia | AA- | 2.9% |
| Rio Tinto | A- negative | 2.7% |
| State of NSW | AAA negative | 2.5% |
| Deloitte Services Pty Ltd | Not rated | 1.8% |
| Lend Lease Management Services | BBB- stable | 1.7% |
| IBM Australia Limited | AA- stable | 1.4% |
| State Of Victoria | AAA stable | 1.4% |



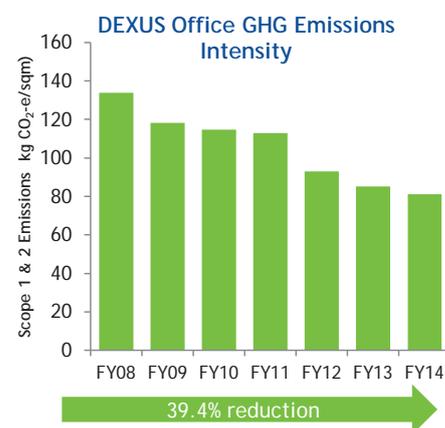
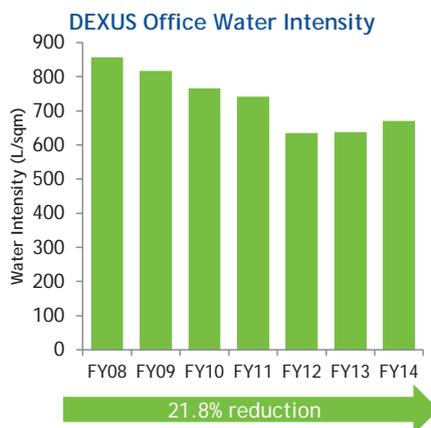
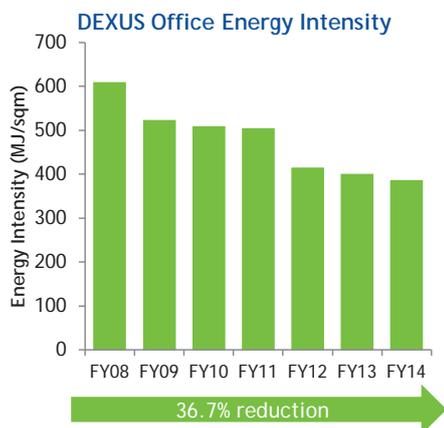
PORTFOLIO RESULTS - Corporate Responsibility and Sustainability

- Maintained and improved NABERS Energy and Water ratings
 - Weighted average 4.6 star NABERS Energy rating exceeding the 4.5 star target in DEXUS office portfolio¹
 - Weighted average 3.5 star NABERS Water rating in line with target in DEXUS office portfolio¹
- Delivered 8.4% absolute energy savings across the Group's like-for-like property portfolio
 - On track to meet 10% reduction target in FY15
- Included on the 2013 Carbon Disclosure Project's Performance Leadership Index and listed as a Sustainability Leader in the 2014 RobecoSAM Sustainability Yearbook
- Commenced DEXUS's transition from Global Reporting Initiative (GRI) G3.1 protocol to its materiality-based G4 protocol with further stakeholder engagement on material issues planned for completion in FY15
- Achieved notable successes in sustained environmental performance:
 - Celebrated 10 years of sustained efficient operation at 30 The Bond, Sydney, which achieved a 5.5 star NABERS Energy rating that showcases its innovative sustainability features and DEXUS's focus on continuous improvement
 - Successfully repositioned 50 Carrington, Sydney with targeted sustainability retrofit measures that improved its NABERS Energy rating by 1.5 stars to 4.5 stars in 18 months

1. NABERS ratings on an absolute basis. On a like-for-like basis the DEXUS weighted average NABERS Energy and Water ratings at 30 June 2014 were 4.8 and 3.5 stars respectively.

PORTFOLIO RESULTS - Office portfolio sustainability metrics

| DEXUS office portfolio | Jun 08 | Jun 12 | Jun 13 | Jun 14 |
|---|--------|--------|--------|------------------------|
| NABERS Energy average rating ¹ | — | 3.9 | 4.7 | 4.8 4.6 ² |
| NABERS Water average rating ¹ | — | 3.1 | 3.2 | 3.5 3.5 ² |
| Energy consumption intensity (MJ/sqm) | 609.5 | 414.8 | 401.1 | 385.5 |
| Water consumption intensity (L/sqm) | 856.2 | 635.1 | 637.9 | 670.8 |
| Scope 1 & 2 Greenhouse gas emissions intensity (kgCO ₂ -e/sqm) | 133.9 | 93.1 | 85.3 | 81.2 |



Note: Data in charts is unaudited.
 1. NABERS ratings on a like-for-like basis
 2. NABERS ratings on an absolute basis

PORTFOLIO RESULTS – Industrial operating performance

| Industrial portfolio | 30 June 2014 | 30 June 2013 |
|--|--------------|--------------|
| Occupancy by income | 93.0% | 96.1% |
| Occupancy by area | 93.1% | 95.9% |
| Average rental decrease | (8.6%) | (2.4%) |
| Average incentive ¹ | 11.0% | 7.9% |
| Retention rate rolling 12 mths | 41% | 70% |
| Over rented (face) | 5.9% | 4.8% |
| Weighted average lease expiry ² | 4.0 years | 4.1 years |
| Weighted average cap rate | 8.32% | 8.55% |
| Total return – 1 year | 9.0% | 8.8% |

Quarry Industrial Estate, Reconciliation Drive, Greystanes NSW

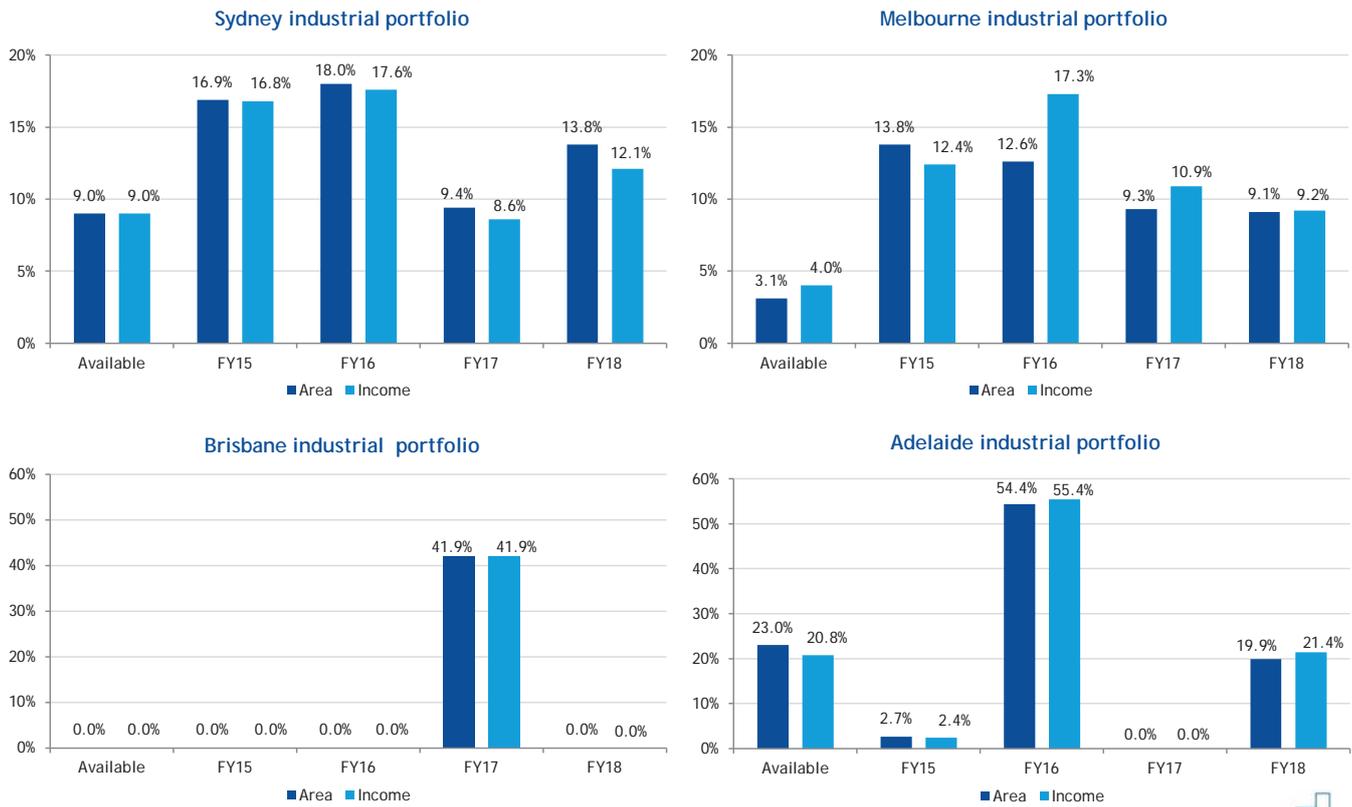


1 Foundation Place, Greystanes NSW



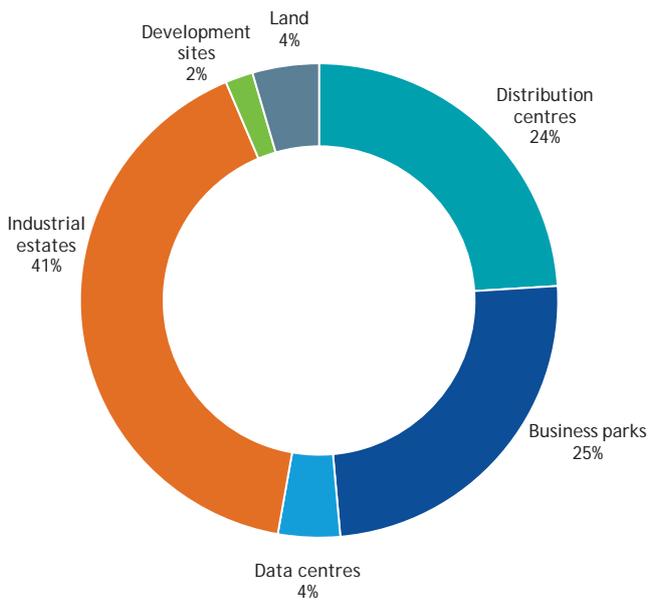
1. Across all lease deals in the period, excluding development leasing.
 2. By income.

PORTFOLIO RESULTS – Industrial lease expiry profile at 30 June 2014

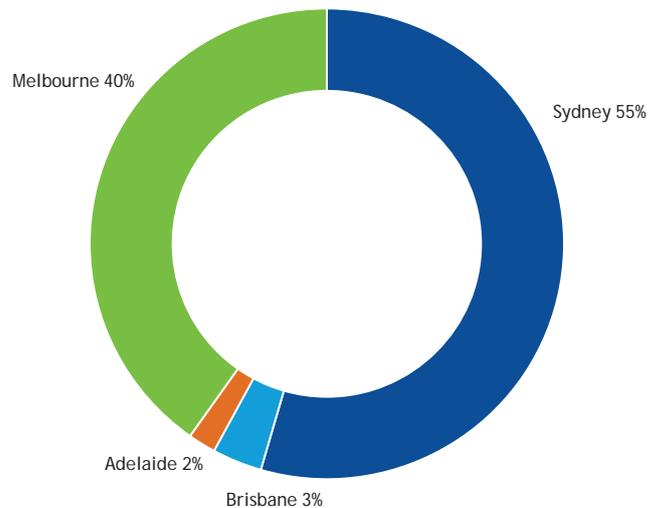


PORTFOLIO RESULTS – Industrial portfolio diversification

Property type by book value



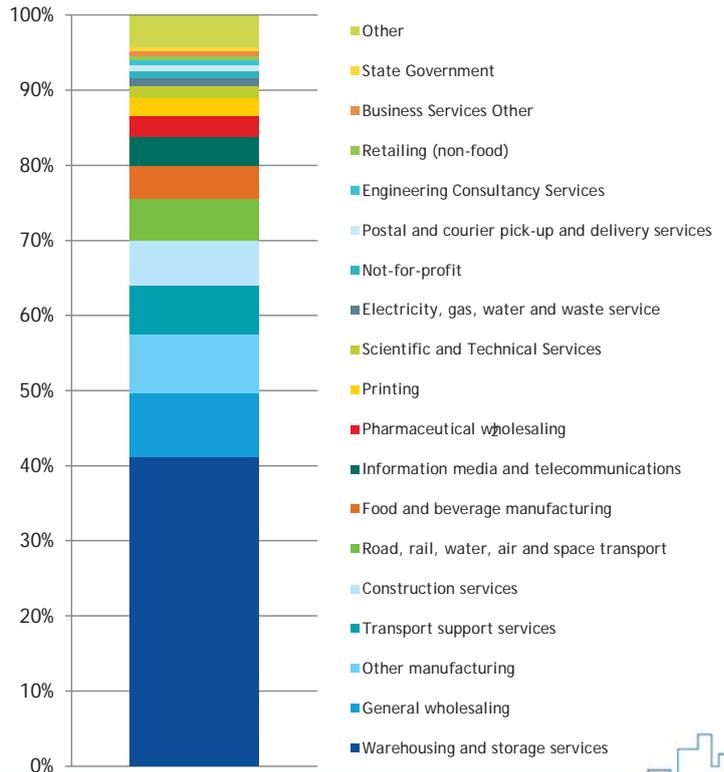
Geographical weighting by book value



PORTFOLIO RESULTS – Industrial top 10 tenants

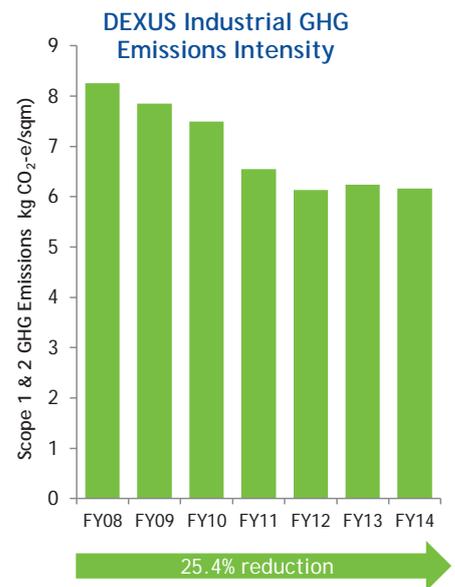
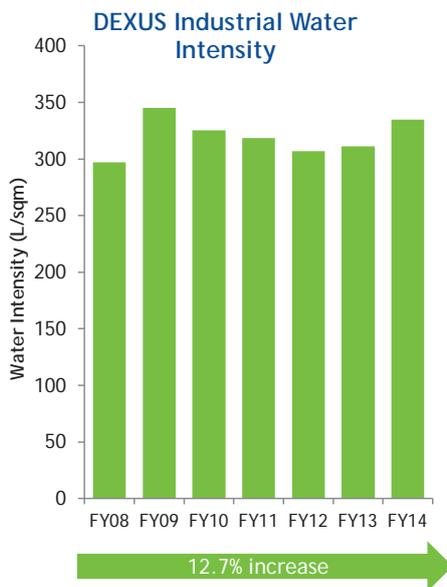
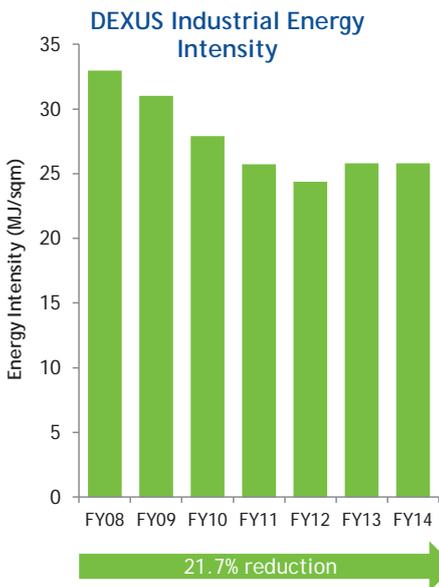
| Industrial tenant | % of income ¹ |
|---------------------------------|--------------------------|
| Wesfarmers Limited | 0.9% |
| AWH Pty Ltd | 0.7% |
| Toll Transport Pty Ltd | 0.6% |
| IBM Australia | 0.6% |
| DHL | 0.5% |
| Visy Industry Packaging Pty Ltd | 0.4% |
| Salmat Business Force Pty Ltd | 0.4% |
| Blackwoods | 0.4% |
| Jemena Pty Ltd | 0.3% |
| Fonterra Co-Operative Group | 0.3% |

Diversity of industrial tenants by income



1. 30 June 2014 fully leased DEXUS portfolio passing income.

PORTFOLIO RESULTS - Industrial resource consumption



Note: Data in charts is unaudited.

PORTFOLIO RESULTS – Completed development pipeline

| Completed | Building area sqm | Project cost A\$m ² | Yield on cost % | Leased % | Completed date |
|---------------------------------------|----------------------|-----------------------------------|--------------------|-------------|-------------------|
| Laverton North, Vic – Spec facility 4 | 11,854 | 9.9 | 8.0 | - | Jul 2013 |
| Laverton North, Vic – Toll 2 | 18,670 | 16.8 | 8.4 | 100 | Jul 2013 |
| Wacol, Qld – Cotton On | 12,246 | 16.2 | 8.3 | 100 | Jul 2013 |
| Greystanes, NSW – Roche | 10,105 | 13.5 | 8.5 | 100 | Dec 2013 |
| Greystanes, NSW – Blackwood | 17,859 | 29.8 | 7.9 | 100 | Dec 2013 |
| Greystanes, NSW – Warehouse 10 | 19,480 | 25.0 | 7.6 | 80 | Apr 2014 |
| Total completed | 90,214 | 111.2 | | | |

1. At 100% ownership.
2. Including land.

PORTFOLIO RESULTS – Uncommitted development pipeline

| Pipeline | Building area sqm | Project est. A\$m ¹ | Est. cost to completion A\$m | Est. yield on est. project cost % |
|---|----------------------|-----------------------------------|------------------------------------|---|
| Office | | | | |
| 180 Flinders Street, Melbourne, VIC | 24,417 | 230 | 148 | 7.4 |
| 12 Creek Street, Brisbane, QLD ² | 4,820 | 19 | 19 | 9.2 |
| 105 Phillip Street, Parramatta, NSW | 20,500 | 120 | 112 | 8.5 |
| Total office | 49,737 | 369 | 279 | 7.9 |
| Industrial | | | | |
| Quarry at Greystanes, NSW ³ | 21,066 | 34 | 21 | 8.5 |
| Quarrywest at Greystanes, NSW ² | 57,500 | 96 | 66 | tba |
| DEXUS Industrial Estate, Laverton North, VIC ^{3,4} | 119,500 | 140 | 115 | 8.2 |
| Total industrial | 198,066 | 270 | 202 | 8.3 |
| Total uncommitted | 247,803 | 545 | 481 | 8.0 |

1. Including land.
2. DEXUS share.
3. At 100% ownership
4. Project estimated cost includes cost of land sales.

TRANSACTIONS – Another active year

| DEXUS divestments ¹ | Sale price \$m | Cap rate | Settlement date |
|-------------------------------------|------------------|----------|-----------------|
| Wustermark, Germany | 8.9 ² | n/a | 13 Aug 13 |
| 40 Talavera Rd, Macquarie Park | 28.2 | 10.0% | 23 Aug 13 |
| 14 Moore Street, Canberra | 23.0 | 10.0% | 4 Jun 14 |
| 10-16 South Street, Rydalmere | 43.25 | 8.6% | 28 Feb 14 |
| 2 Minna Close, Belrose | 19.5 | 10.6% | 30 Jun 14 |
| 30-32 Bessemer Street, Blacktown | 16.6 | 8.9% | 30 May 14 |
| 85 Egerton Street, Silverwater | 6.1 | n/a | 25 Jun 14 |
| 25 Donkin Street, Brisbane | 25.65 | 8.0% | 30 Jun 14 |
| 57-101 Balham Road, Archerfield | 24.5 | 9.5% | 12 Mar 14 |
| 163-183 Viking Drive, Wacol | 37.9 | n/a | 12 Mar 14 |
| Industrial divestments ³ | 11.6 | 8.0% | various |
| Total | 245.3 | | |

| DWPF acquisitions | Purchase price \$m | Cap rate | Settlement date |
|-------------------------------|--------------------|----------|-----------------|
| 441 Nudgee Rd, Hendra | 27.4 | 8.5% | 28 Oct 13 |
| 1439 Lytton Road, Hemmant | 39.6 | 8.25% | 27 Nov 13 |
| Beenleigh Marketplace | 88.4 | 7.5% | 16 Dec 13 |
| 42-60 Albert Street, Brisbane | 161.3 | 8.5% | 31 Jan 14 |
| Total | 316.7 | | |

| DWPF divestments | Sale price \$m | Cap rate | Settlement date |
|--------------------------------|----------------|----------|-----------------|
| 104 Vanessa Street, Kingsgrove | 12.6 | n/a | 30 May 14 |
| Total | 12.6 | | |

1. Excludes the sale of five CPA properties.
2. Sale price was €6.1 million.
3. Includes the sale of a 50% interest in one property to AIP on a fund-through basis.



AM60, 42-60 Albert Street, Brisbane QLD



1439 Lytton Street, Hemmant QLD



441 Nudgee Road, Hendra QLD

MARKET OUTLOOK – FY15 Australian Office & Industrial market trends

Australian office markets

Australian industrial markets

Tenant demand



Lead indicators point to improving demand in FY15



To improve in FY15 in line with confidence & growth in spending

Supply



National supply levels below average



Supply to remain around average levels

Vacancy rates



Prime vacancy rates to remain relatively stable at mildly above average levels



Prime vacancy to remain low on a historical basis

Buyer demand



To remain strong for quality properties



To remain strong, especially for prime

Cap rates



Tightening across most markets



Tightening across most markets

Asset values



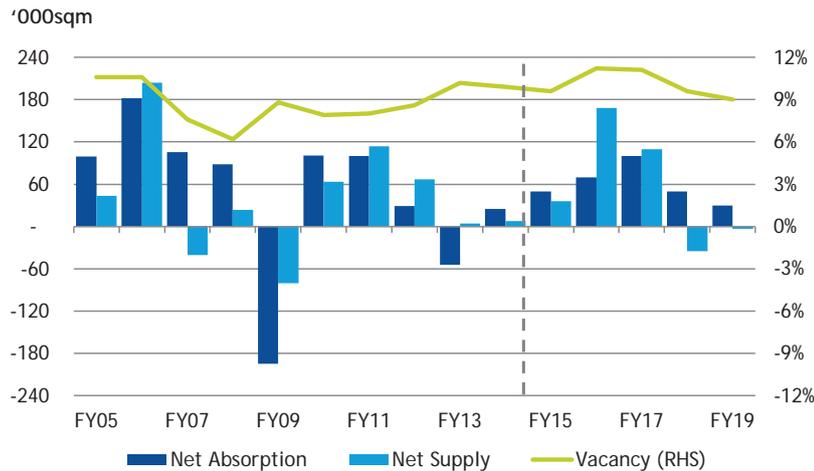
Prime grade properties expected to increase due to tighter cap rates



Prime grade properties expected to increase due to tighter cap rates

MARKET OUTLOOK – Sydney CBD office

Sydney CBD office market



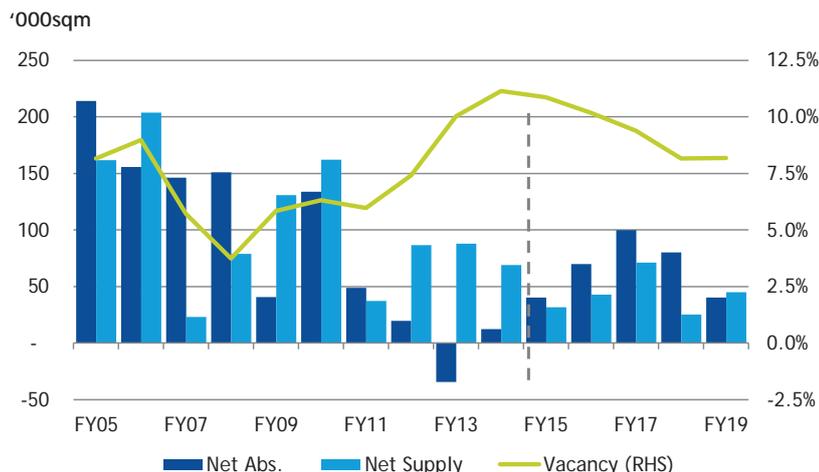
| Sydney CBD office market | | At 30 June 2014 |
|--|--|------------------|
| Total net lettable area | | 4.97 million sqm |
| Prime vacancy average | | 12.6% |
| DEXUS Sydney CBD exposure¹ | | |
| Net lettable area | | 341,168sqm |
| Number of properties | | 17 |
| % of portfolio by value | | 49.2% |
| Occupancy by area | | 95.1% |
| Occupancy by income | | 94.9% |
| Weighted average lease expiry | | 4.8 years |

- Demand expected to improve in FY15-17
- Vacancy to remain elevated due to new supply
- 'Flight to quality' will drive demand for high quality space
- Withdrawals of older stock should help stabilise market

1. Including CPA properties.
Source: JLL Research actual & DEXUS Research forecast.

MARKET OUTLOOK – Melbourne CBD office

Melbourne CBD office market



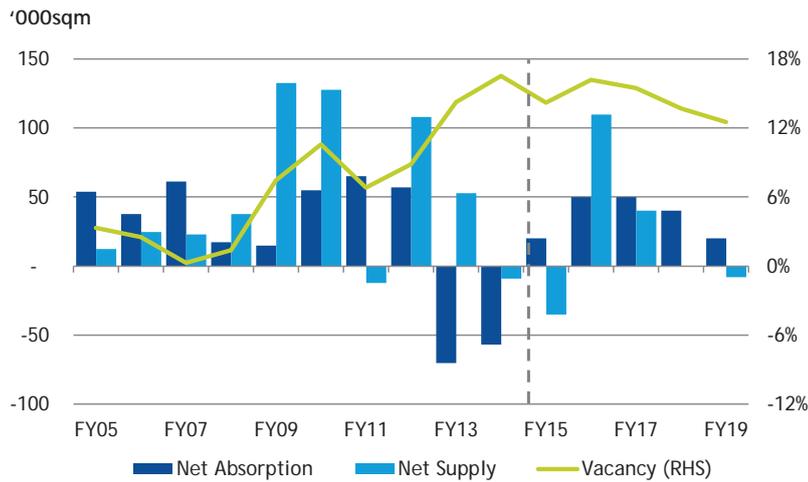
| Melbourne CBD office market | | At 30 June 2014 |
|---|--|------------------|
| Total net lettable area | | 4.48 million sqm |
| Prime vacancy average | | 10.2% |
| DEXUS Melbourne CBD exposure¹ | | |
| Net lettable area | | 177,713sqm |
| Number of properties | | 9 |
| % of portfolio by value | | 14.3% |
| Occupancy by area | | 88.9% |
| Occupancy by income | | 91.6% |
| Weighted average lease expiry | | 4.5 years |

- Improving demand and below average supply expected to lead to a fall in vacancy in medium term
- Trend of tenants moving from suburbs to CBD continues
- Long term growth prospects improved by shift in development focus to core CBD

1. Including CPA properties.
Source: JLL Research actual & DEXUS Research forecast.

MARKET OUTLOOK – Brisbane CBD office

Brisbane CBD office market



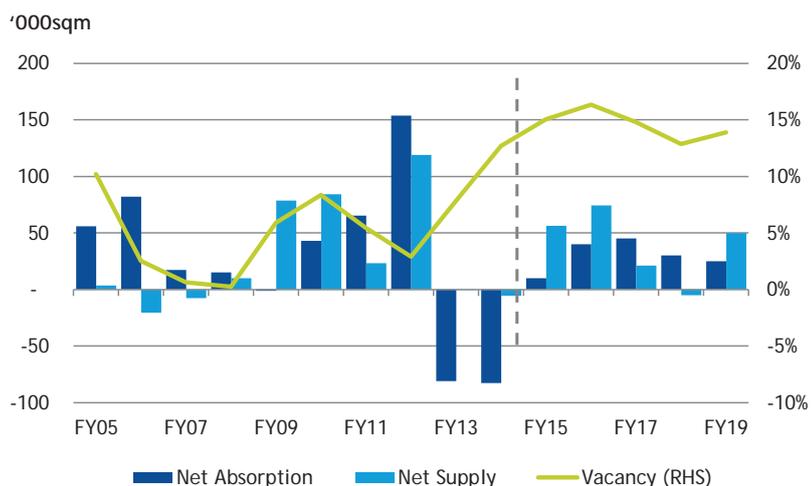
| Brisbane CBD office market | | At 30 June 2014 |
|--|--|------------------|
| Total net lettable area | | 2.18 million sqm |
| Prime vacancy average | | 11.8% |
| DEXUS Brisbane CBD exposure¹ | | |
| Net lettable area | | 83,518sqm |
| Number of properties | | 5 |
| % of portfolio by value | | 11.4% |
| Occupancy by area | | 96.5% |
| Occupancy by income | | 94.1% |
| Weighted average lease expiry | | 5.7 years |

- Government and mining sector consolidation is tapering
- Solid demand prospects as QLD economy grows
- Withdrawals will be a key factor reducing net supply
- Two tier market as tenants migrate to high quality space

1. Including CPA properties.
Source: JLL Research actual & DEXUS Research forecast.

MARKET OUTLOOK – Perth CBD office

Perth CBD office market



| Perth CBD office market | | At 30 June 2014 |
|---|--|------------------|
| Total net lettable area | | 1.61 million sqm |
| Prime vacancy average | | 12.0% |
| DEXUS Perth CBD exposure¹ | | |
| Net lettable area | | 57,246sqm |
| Number of properties | | 4 |
| % of portfolio by value | | 9.0% |
| Occupancy by area | | 99.8% |
| Occupancy by income | | 98.1% |
| Weighted average lease expiry | | 4.3 years |

- Cyclical slowdown as the mining sector transitions from investment phase to production
- Vacancy likely to rise due to new supply
- Perth's longer term prospects will be underpinned by rising exports and solid population growth

1. Including CPA properties.
Source: JLL Research actual & DEXUS Research forecast.

EXCHANGE RATES AND SECURITIES USED IN STATUTORY ACCOUNTS

| | | 30 June 2014 | 30 June 2013 | 31 Dec 2012 |
|---|-----|--------------|--------------|-------------|
| Closing rates for Statement of Financial Position | NZD | 1.0761 | 1.1871 | 1.2608 |
| Average rates for Statement of Comprehensive Income | NZD | 1.1061 | 1.2492 | 1.2729 |

| | | 12 months to 30 June 2014 | 12 months to 30 June 2013 |
|--|--|------------------------------|------------------------------|
| Average weighted number of securities ¹ | | 4,921,546,144 | 4,714,292,865 |
| Closing number of securities | | 5,433,110,810 | 4,701,957,390 |

1. Used to calculate FFO per security.

GLOSSARY

| | |
|---------------------------------------|--|
| Distribution payout policy: | FY14 policy was to distribute between 70-80% of Funds From Operations (FFO), in line with free cash flow. |
| Funds From Operations (FFO): | FFO is often used as a measure of real estate operating performance after finance costs and taxes. DEXUS's FFO comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark to market impacts, fair value movements of interest bearing liabilities, amortisation of certain tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, rental guarantees, coupon income and distribution income net of funding costs. |
| PCA FFO: | Calculated in accordance with guidelines provided by the Property Council of Australia (PCA). Under DEXUS's application of PCA FFO for FY15, this measure represents FFO defined adjusted to include rent free amortisation. |
| 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. |
| Gearing (look through): | Represents Gearing defined above adjusted to include debt in equity accounted investments. |
| Non-cash items: | Includes property revaluations, impairment of goodwill, derivative MTM, gain/loss on sale and deferred tax. |
| Portfolio value: | Unless otherwise stated, portfolio value is represented by investment properties, inventories and investments accounted for using the equity method, and excludes cash and other assets. |
| Responsible Entity fees: | In this presentation 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 business is a wholly owned consolidated entity. |
| Securities on issue: | FFO per security is based on the average weighted units on issue prior to the Theoretical Ex-Rights Price (TERP) adjustment. In accordance with AASB133 the weighted average number of securities for earnings (EPS) purposes is adjusted by a factor equal to the security price immediately prior to issue divided by the TERP. |
| Weighted Average Lease Expiry (WALE): | A measure in years of the average term to expiry of in-place rent. Includes vacancies. |

IMPORTANT INFORMATION

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