

2010

DEXUS Property Group
US Property Tour



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

DEXUS
PROPERTY GROUP

DEXUS US

Jane Lloyd, Managing Director, US Investments



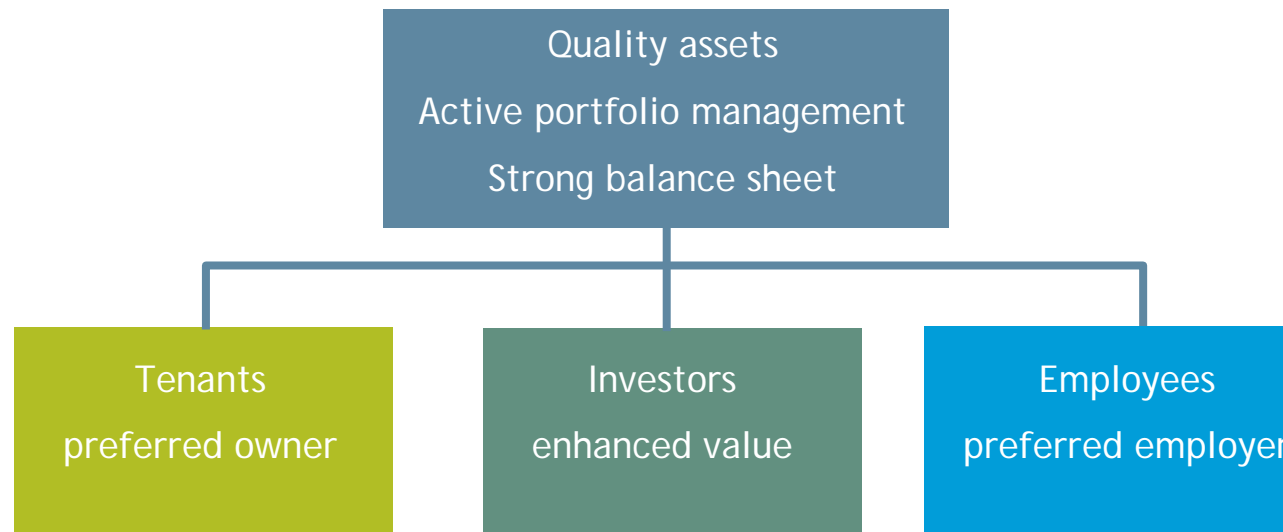
3691 North Perris Boulevard, Perris, CA

DEXUS
PROPERTY GROUP

DEXUS US VISION

- Our goal in the US is to become a market leader in industrial real estate on the west coast within three years by:
 - Repositioning our existing portfolio to create critical mass, and
 - Establishing a full service asset management platform

Our brand proposition



US INDUSTRIAL

The task at hand

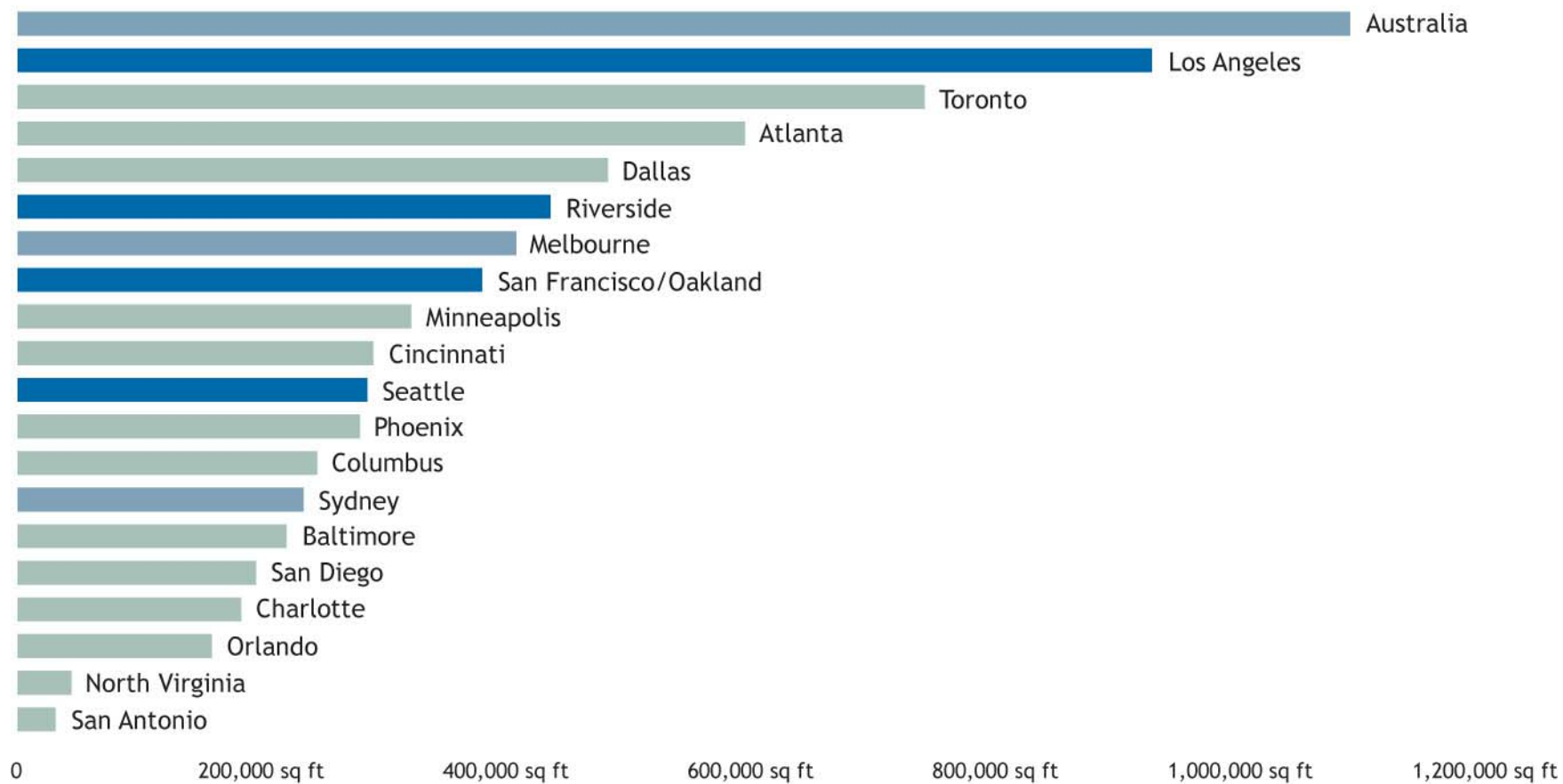
- Establish US team
- Manage existing portfolio - improved operational performance
- Transition management of existing core portfolio
- Reposition portfolio to preferred west coast markets



13602 12th Street, Chino, CA

INDUSTRIAL MARKETS

Some perspective on relative size

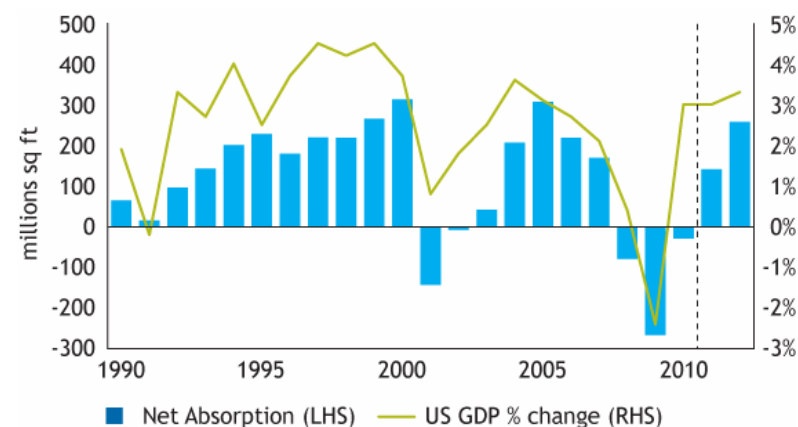


US OPERATING ENVIRONMENT

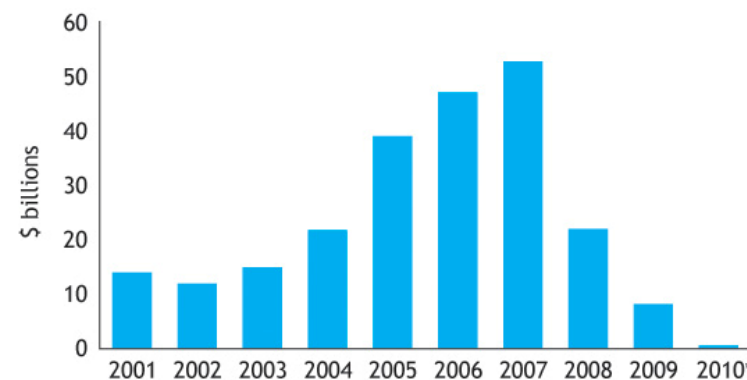
Weak but improving

- US industrial net absorption weak but forecast to improve with economy 2011-13
- US industrial transaction volumes remain low following 2007 peak

US Industrial absorption and US GDP



US Industrial transactions



Source: RCA, RREEF, DEXUS Research

* To Q1/10

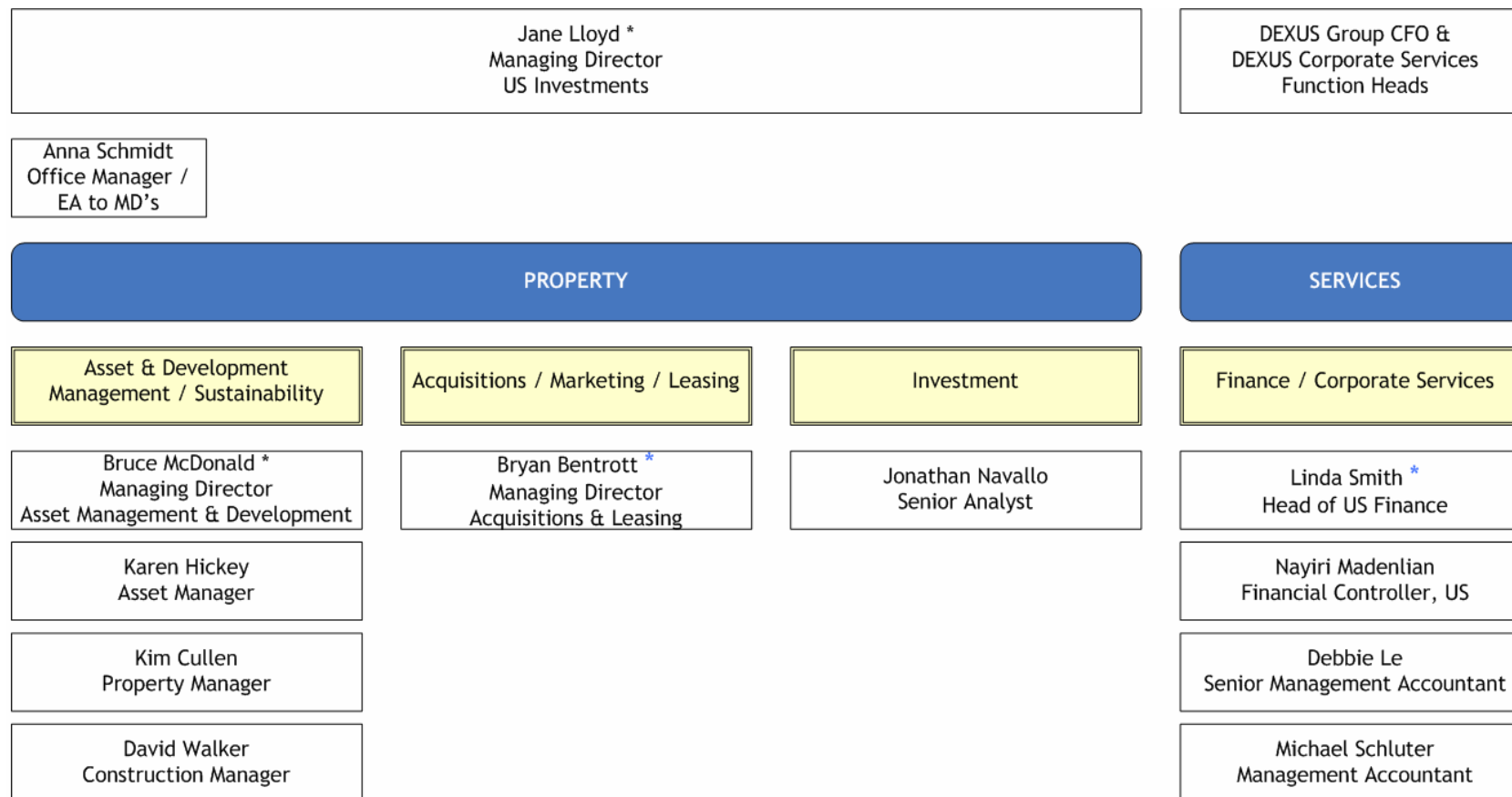
1. EXISTING PORTFOLIO MANAGEMENT

- What do we want?
 - Stabilized portfolio
 - Consistent performance
 - Long-term sustainable earnings growth
- How do we measure?
 - Rental growth, retention and receivables
 - Benchmarking
- What are we doing?
 - Building DEXUS team
 - Regular visits to assets
 - Weekly calls
 - Focus on high risk areas



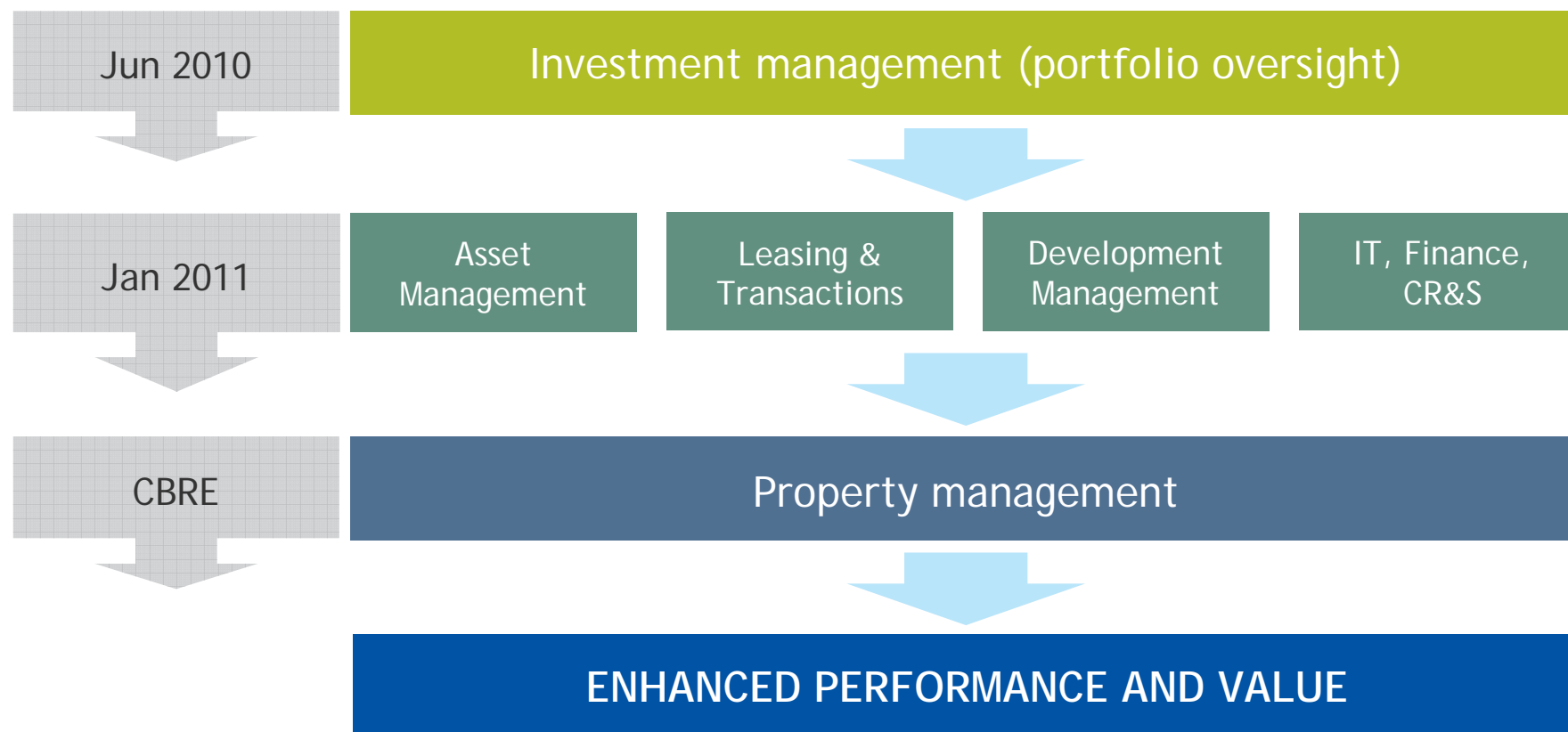
9371 Buffalo Avenue Rancho Cucamonga, CA

2. ESTABLISHMENT OF US TEAM



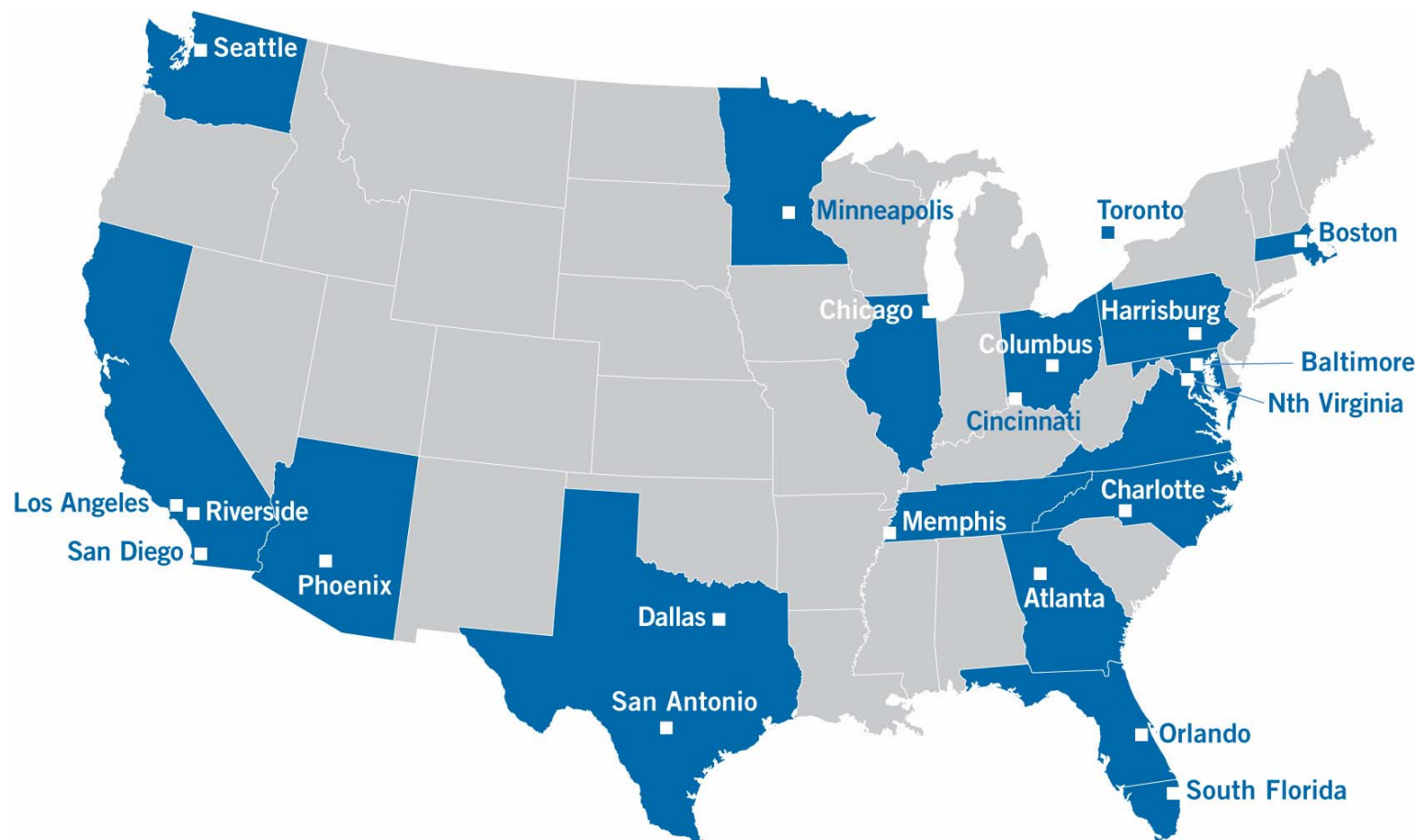
* Member of DEXUS US Management Committee

3. TRANSITION PORTFOLIO AND ASSET MANAGEMENT



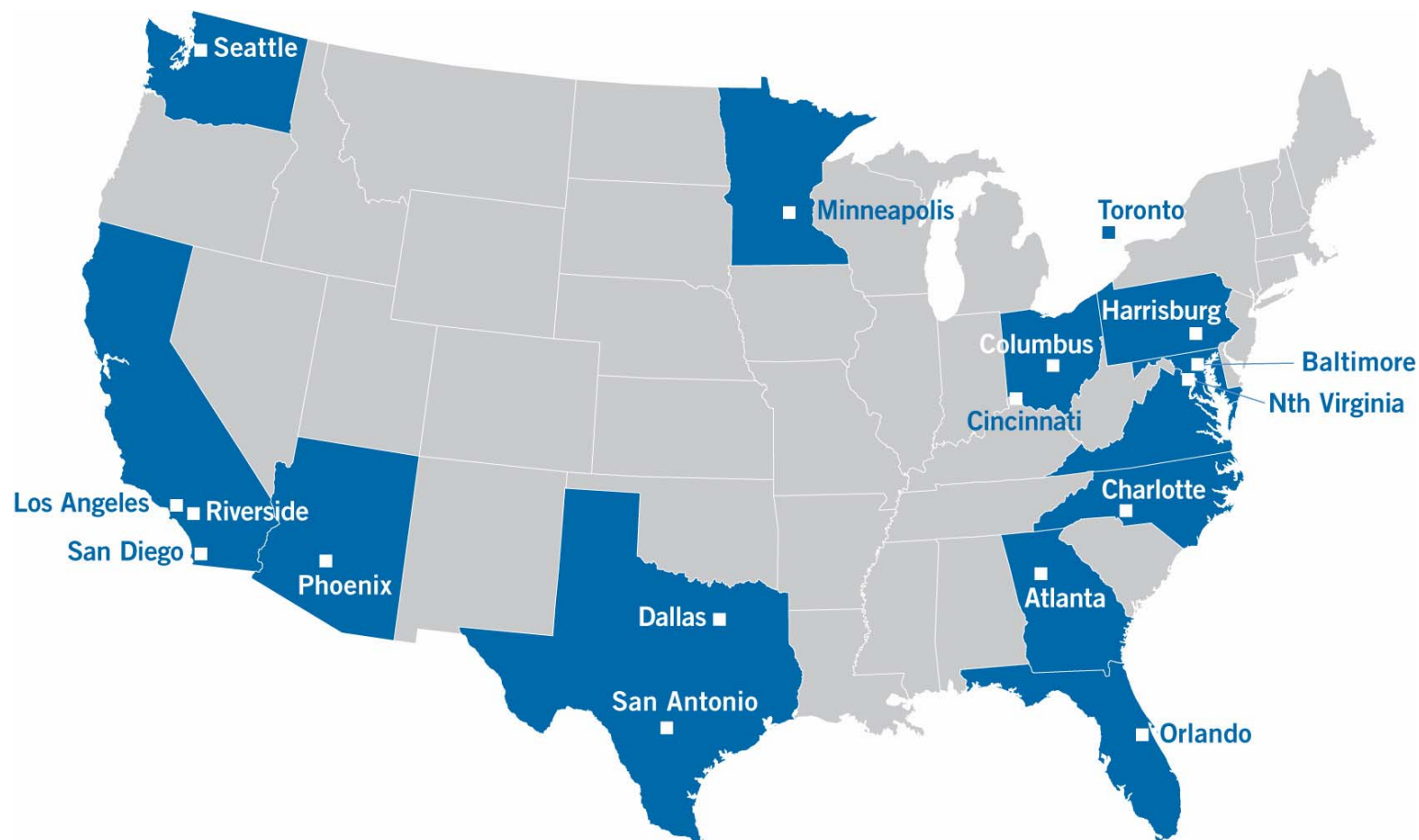
4. TRANSITION PORTFOLIO TO PREFERRED WEST COAST MARKETS

Portfolio - April 2009



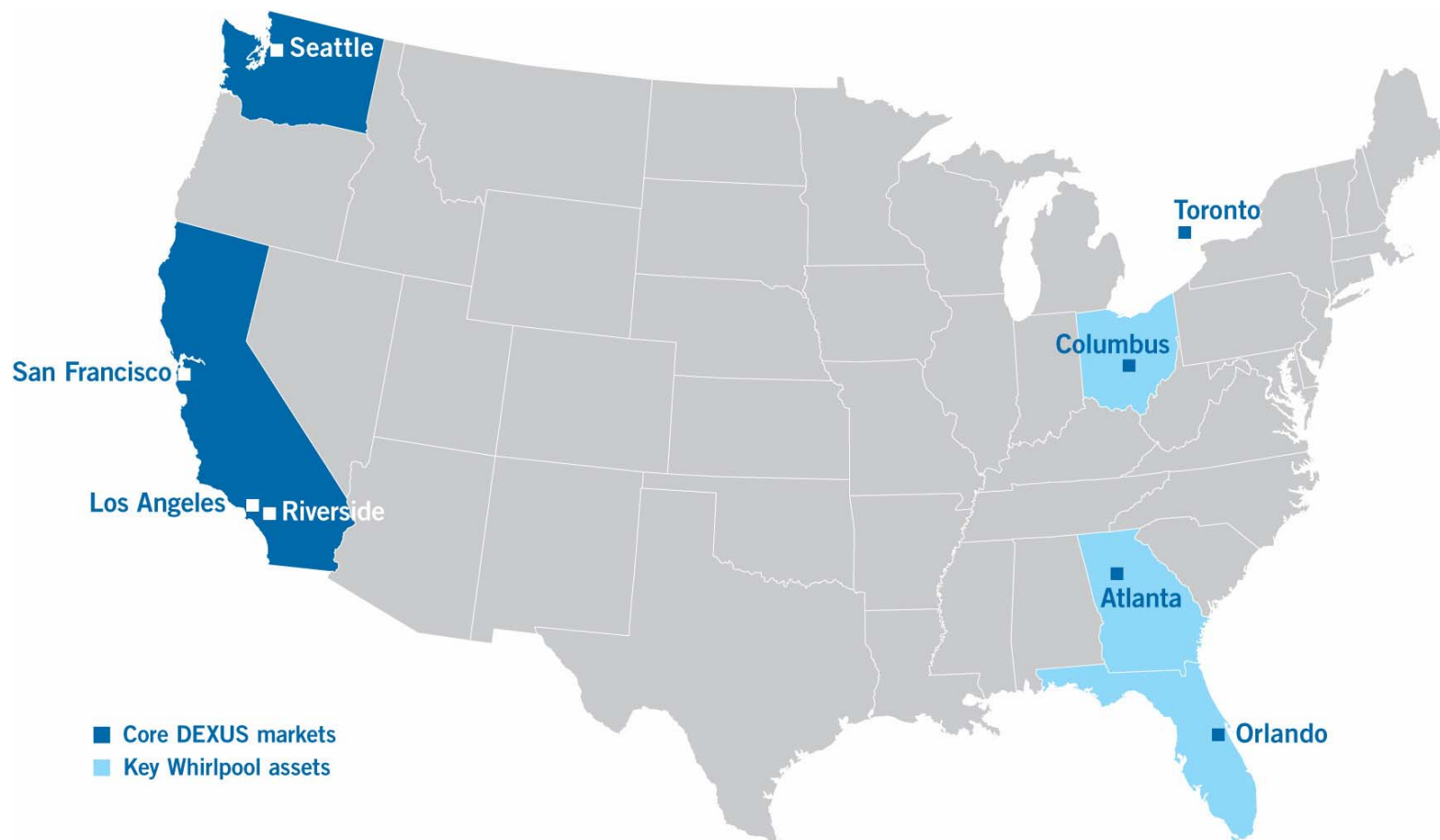
4. TRANSITION PORTFOLIO TO PREFERRED WEST COAST MARKETS

Portfolio - current



4. TRANSITION PORTFOLIO TO PREFERRED WEST COAST MARKETS

Portfolio - following repositioning



TARGET ASSET CRITERIA

- What type of assets do we want?

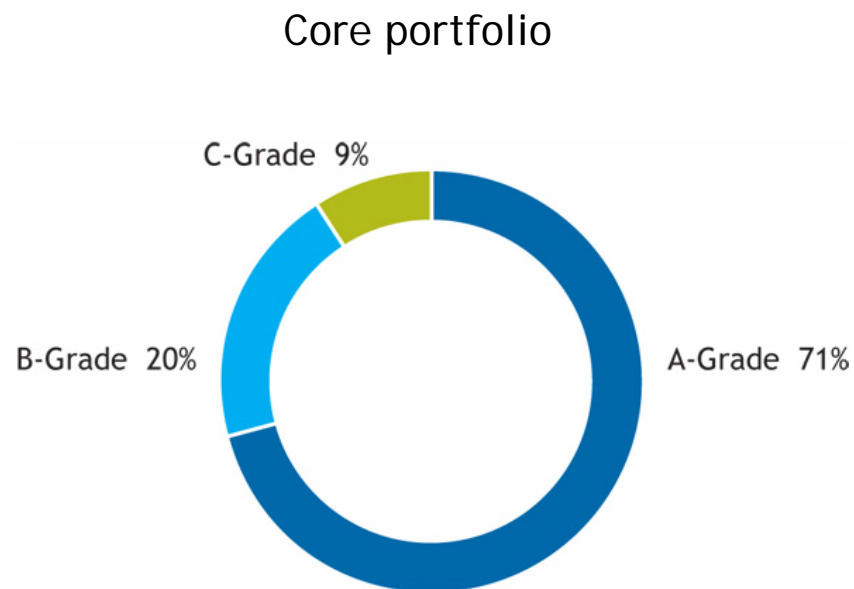
- A-Grade and quality B-Grade
- Institutional grade (high spec)
- Assets that can become A-Grade

- Criteria

- Preferred west coast markets
- Location - transport nodes
- Specification
- Disciplined approach

- Why?

- Operational efficiencies
- Investor requirements
- Setting market expectations



Source: Cushman & Wakefield Dec 2009 valuations

US INVESTMENTS

Where we are and where we want to be

MARKETS	2010	2012/13
Markets	17 markets	Preferred west coast markets
People	12 people 3 parties with multiple interests	20-25 people One organization One culture One brand
Tenant relationships	Portfolio managed by 2 x third party providers	Core portfolio managed by DEXUS
Capital and value proposition	Diversification, recycling	Repositioned to west coast Strong management platform
Quality	A-Grade - 52% B-Grade - 37% C-Grade - 6% D-Grade - 5%	A-Grade - 80% B-Grade - 15% C-Grade - 5% D-Grade - 0%
Sustainability	5 LEED certified	Core portfolio rated Program implemented
Brand	Multiple brands DEXUS/RREEF/CBRE	One brand DEXUS

KEY PERFORMANCE INDICATORS

- Short-term
 - Third party providers
 - More aggressive deals
 - Stronger enforcement/expectation on benchmarks
- Assemble team
 - Selection
 - DEXUS approach: service excellence
- Assume asset management responsibility
- Implement integrated management
- Future opportunities
 - 3rd party funds management and development

3590 De Forest Circle, Mira Loma, CA



QUESTIONS



4190 Santa Ana Street, Ontario, CA

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