DEXUS
PROPERTY GROUP

1 December 2009

DEXUS Funds Management Limited
ABN 24 060 920 783
AFSL: 238163

Level 9, 343 George Street
Sydney NSW 2000

PO Box R1822
Royal Exchange NSW 1225

Telephone 61 2 9017 1100
Direct 61 2 9017 1134
Facsimile 61 2 9017 1110

Email: renee.oconnor@dexus.com

The Manager
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

DEXUS Property Group (ASX: DXS) Sydney Office Tour 2009 presentation

DEXUS Funds Management Limited, as responsible entity for DEXUS Property Group (DXS), provides a copy of the 2009 Sydney Office Tour presentation.

For further information, please contact:

Investor Relations:	Daniel Rubinstein	(02) 9017 1336
Media Relations:	Emma Parry	(02) 9017 1133

Yours sincerely

Tanya Cox
Company Secretary

2009

DEXUS Property Group

SYDNEY OFFICE TOUR

1 DECEMBER

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

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Welcome

Victor Hoog Antink
Chief Executive Officer

1 December 2009

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About DEXUS

DEXUS
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Delivering on strategy

OUR VISION

OWN

WORLD-CLASS QUALITY PORTFOLIO
STRATEGIC LOCATIONS IN AUSTRALIA AND SELECT MARKETS
MARKET LEADER IN OFFICE AND INDUSTRIAL

MANAGE

FULLY INTEGRATED PROPERTY MANAGEMENT MODEL
DELIVERING SERVICE EXCELLENCE TO OUR TENANTS AND INVESTORS
MAXIMISING RETURNS

DEVELOP

SELECTIVE DEVELOPMENTS, CREATING VALUE
SUSTAINABLE DESIGN
HIGH QUALITY WORKSPACES

Australia's leading owner, manager, developer of superior quality office and industrial properties

- No. 1 in office and No.3 in industrial in Australia
- Quality portfolio delivering strong results
- Progressed selected non-core asset sales
- Repositioning international portfolio

- Property management model integration
  - Completed in office portfolio
  - Underway in Australian industrial portfolio
- Recognised leadership position in Corporate Responsibility & Sustainability

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- Creating the next generation of quality office and industrial workspaces
- 6 Star office developments: 1 Bligh Street and 123 Albert Street
- Quality industrial development pipeline: Laverton and Greystanes

Agenda

▪ Overview of DEXUS Office sector	Louise Martin
▪ The market	Peter Studley
▪ Portfolio performance – September quarter	Louise Martin
▪ The leasing market	John Swadling
▪ Development	Tony Gulliver
▪ Questions	
▪ Tour of Western Corridor, North Sydney, Chatswood	Chris Fisher Brett Sims

DEXUS Office Sector
Louise Martin

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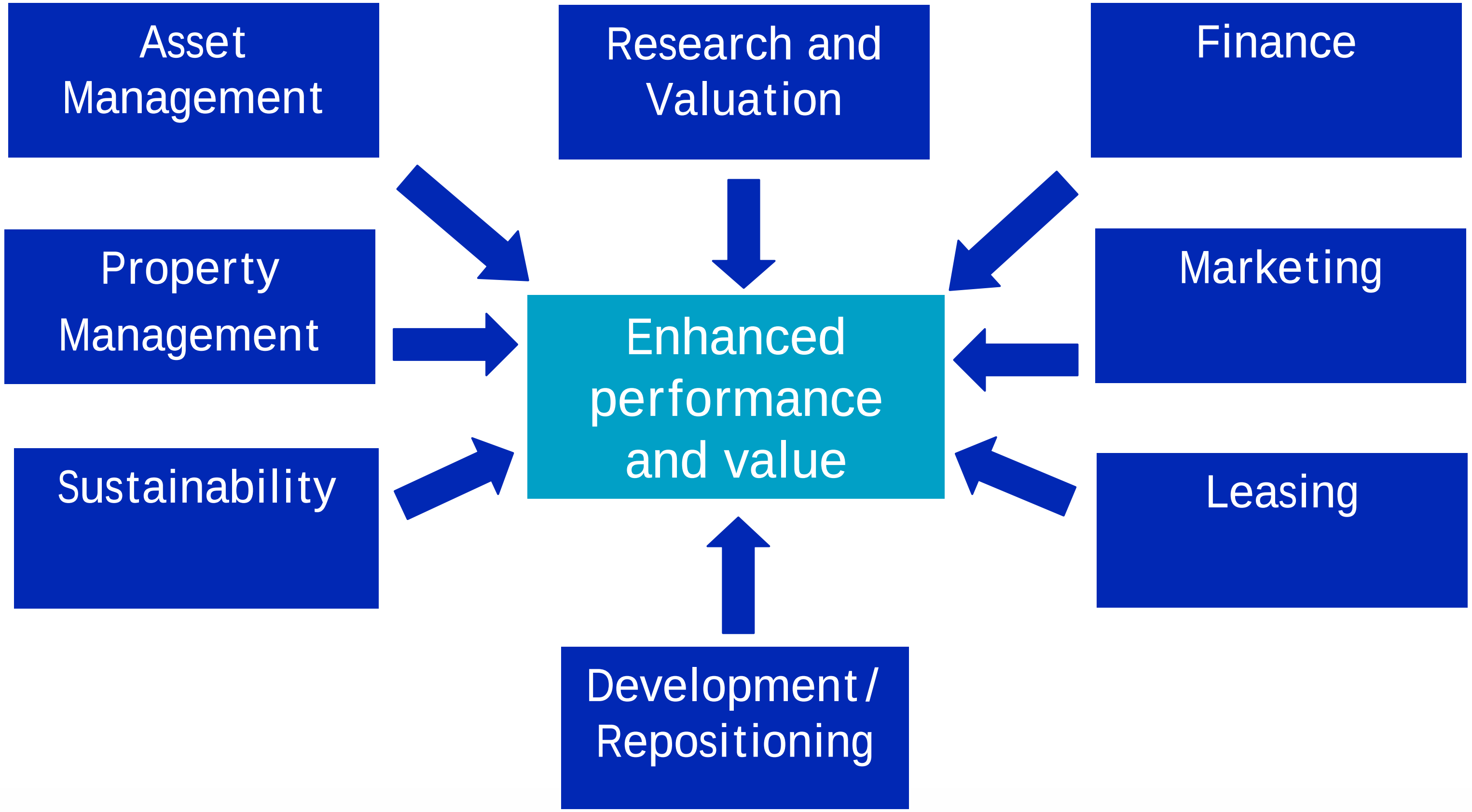
Integrated office model



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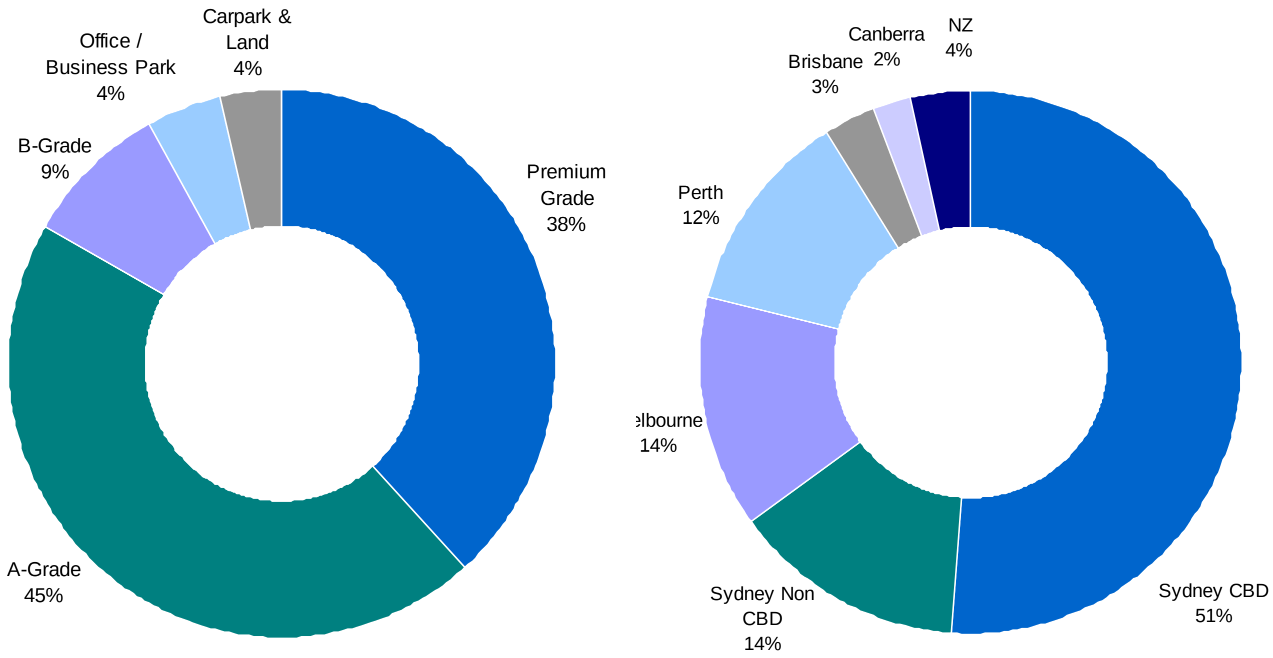
DEXUS office sector – our business

- Investing in prime office properties, business parks and car parks
- DXS, DWPF, STC, AXA
- 46 assets[1]
- $6.0bn value[2]
- 810 tenants
- 860,000 sqm[2]

Asset Diversification



1. Excludes 509 St Kilda & 343 George. Complexes (1 asset): ASQ, GPT, Kent St, Flinders Gate, Southgate, Gateway
2. At ownership

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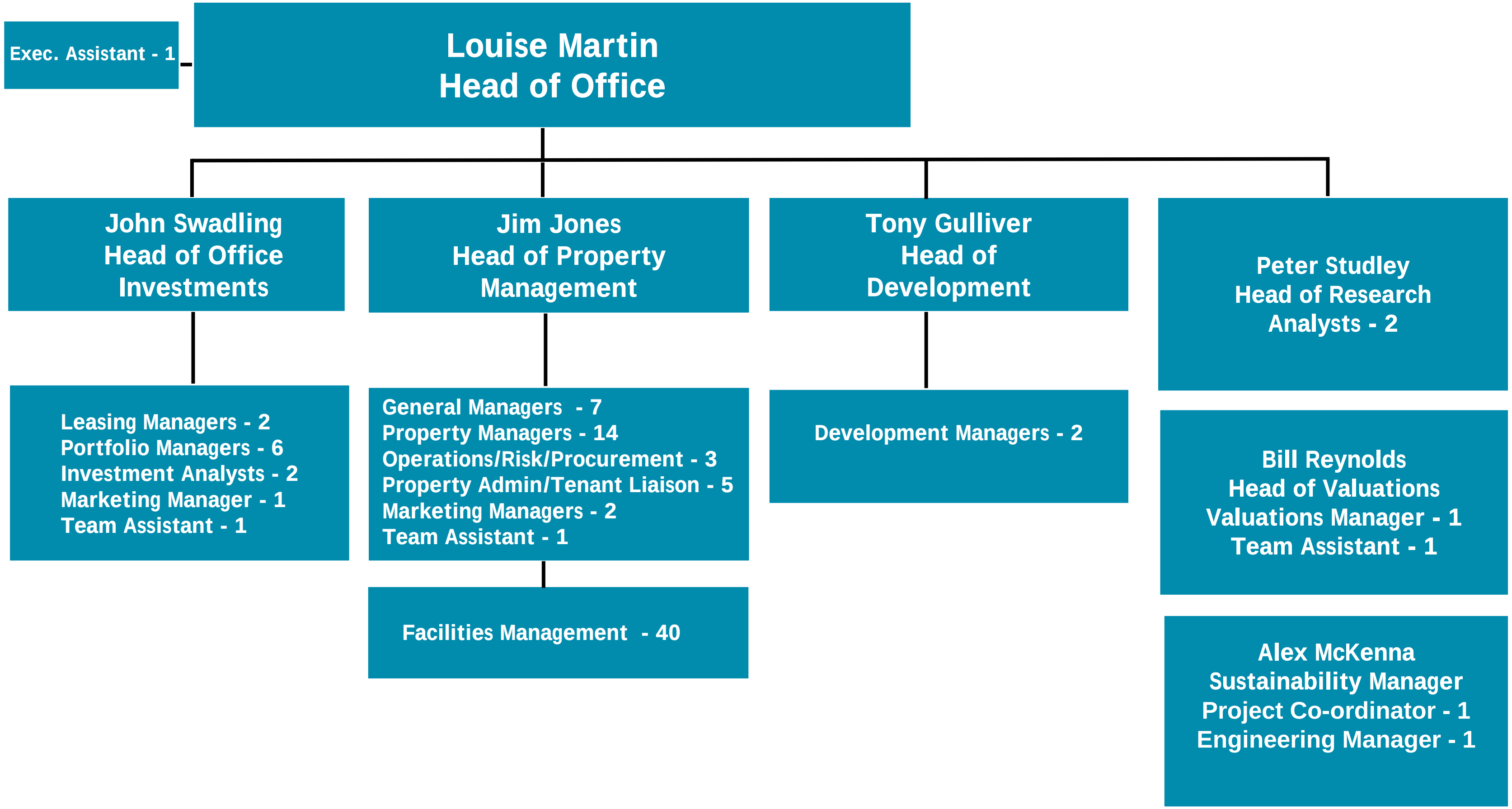
Structure


Exec. Assistant - 1
Louise Martin
Head of Office
John Swadling
Head of Office
Investments
Jim Jones
Head of Property
Management
Tony Gulliver
Head of
Development
Peter Studley
Head of Research
Analysts - 2
Leasing Managers - 2
Portfolio Managers - 6
Investment Analysts - 2
Marketing Manager - 1
Team Assistant - 1
General Managers - 7
Property Managers - 14
Operations/Risk/Procurement - 3
Property Admin/Tenant Liaison - 5
Marketing Managers - 2
Team Assistant - 1
Development Managers - 2
Bill Reynolds
Head of Valuations
Valuations Manager - 1
Team Assistant - 1
Facilities Management - 40
Alex McKenna
Sustainability Manager
Project Co-ordinator - 1
Engineering Manager - 1

The Market
Peter Studley

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Investment climate now less uncertain

Economic growth forecasts

- Many global leading indicators have turned
- Economists getting more optimistic about 2010
- Credit conditions tight but slowly improving
- Weak prognosis for US Japan & Western Europe
- Caution still warranted as stimulus washes through

Source: Deutsche Bank Sept 2009 forecasts to end year

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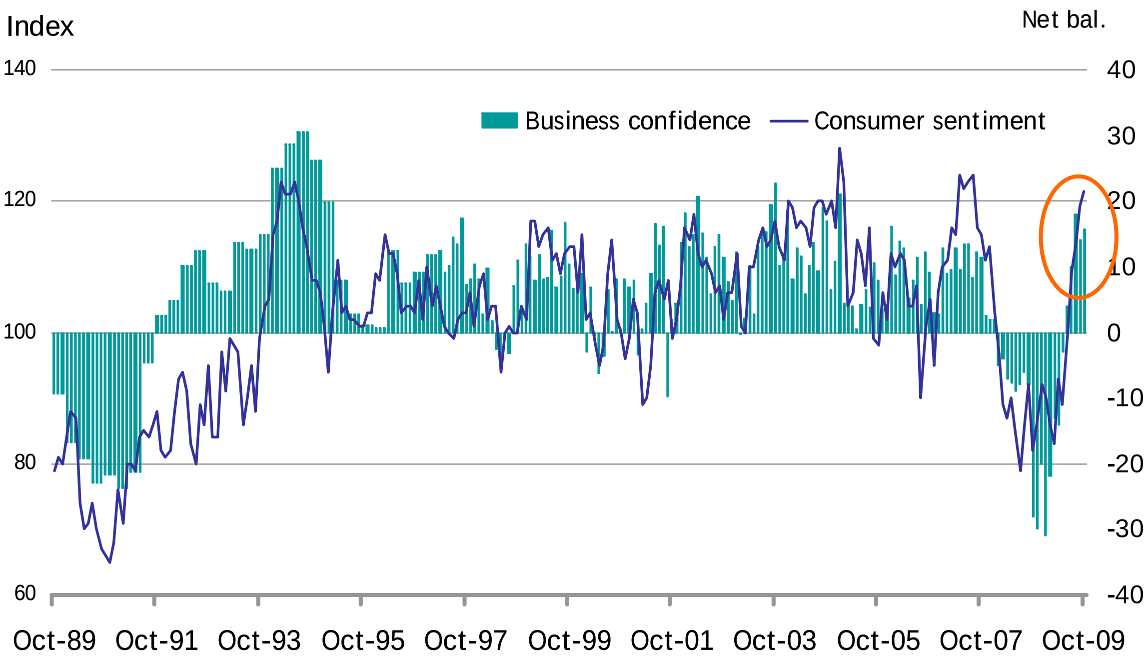
Confidence back

Back to pre-GFC levels ….



- Sharp lift in confidence
- Part stimulus effect…
- …but also well-founded based on house prices, stock market, and modest unemployment levels

Source: Westpac Melbourne, NAB, DEXUS Research

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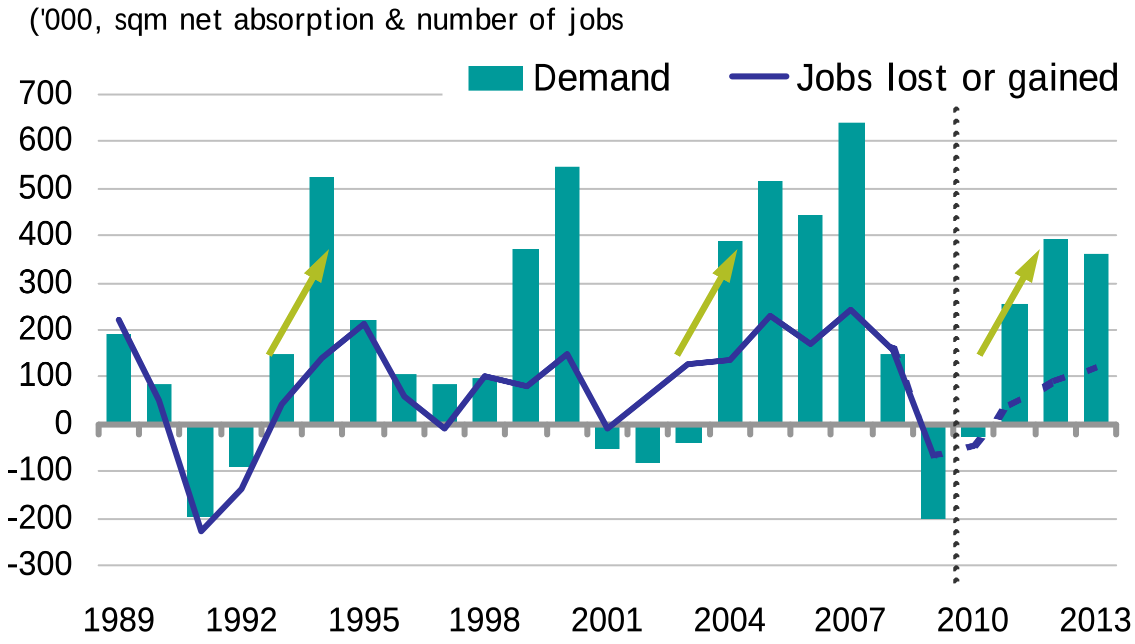
Australian CBD office demand

National net demand & employment growth



2010 - 2013:

- GDP growth up
- Business investment up (from low base)
- Employment up
- Global growth up

Limited by:

- Ongoing cost control
- Tight credit for expansion
- Multinationals

Source: Jones Lang LaSalle, DEXUS Forecasts

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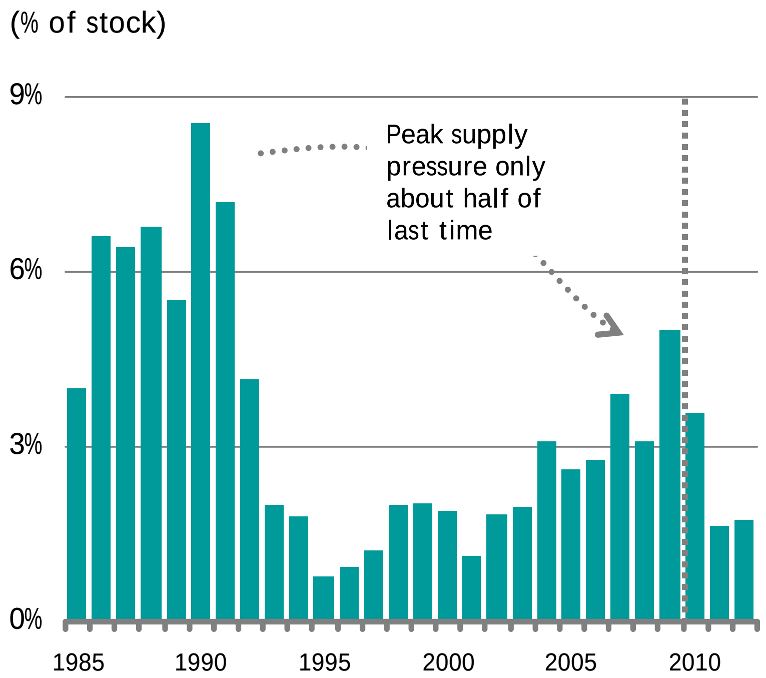
Supply pressure mild in major markets

National completions



Supply pressure points as at Sept 2009

	Under construction (% stock)	Vacancy rate
Sydney CBD	4.5%	8.5%
Nth Sydney	3.4%	11.4%
Macquarie Park	2.2%	13.8%
Melbourne CBD	3.5%	6.6%
Brisbane	8.5%	8.3%
Perth	15.4%	8.3%
Canberra	11.4%	7.8%

Source: Jones Lang LaSalle, DEXUS forecasts

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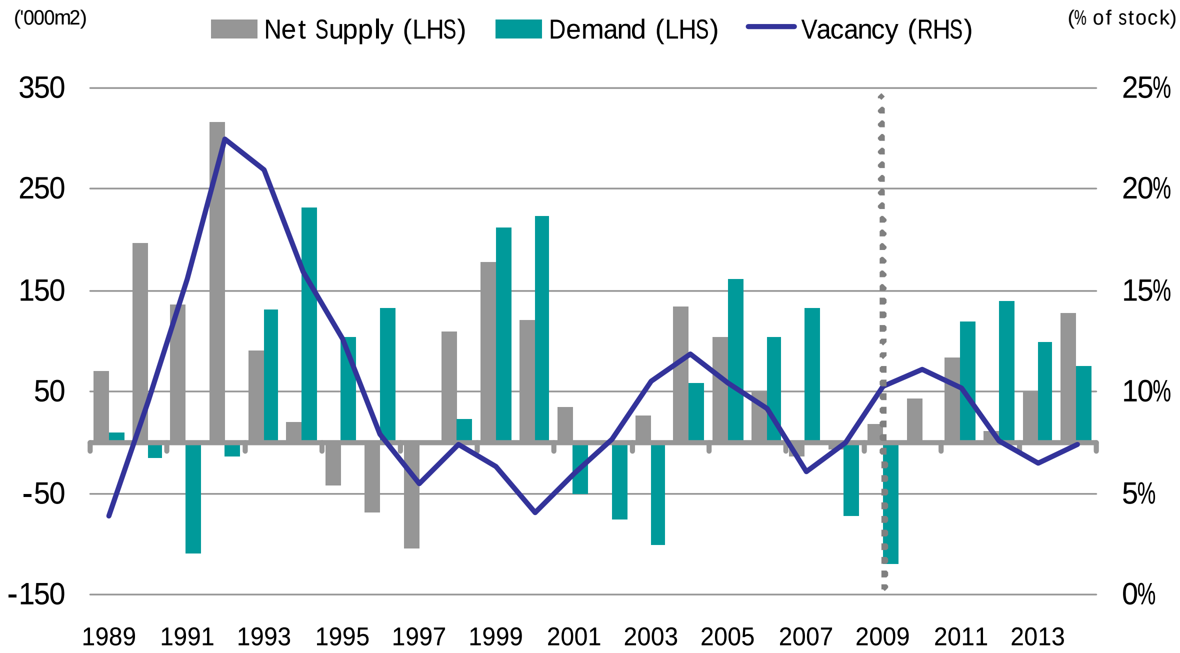
Sydney office market – outlook

Supply, demand & vacancy



- Demand increasing, slowly at first
- Low supply 2010-2013 (1 Bligh St, 420 George St, 163 Castlereagh St)
- Vacancy peaking around 11% in 2010, declining 2011
- Low vacancy rates by 2012

Source: Jones Lang LaSalle, DEXUS forecast

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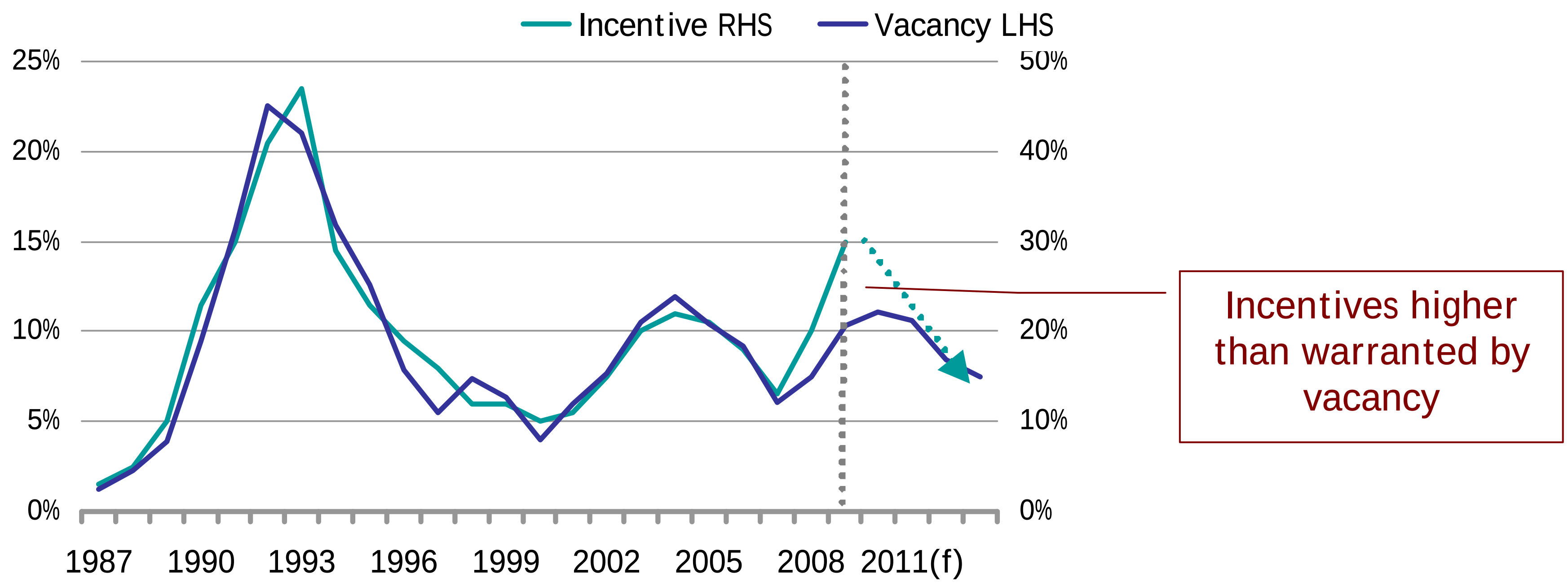
Why & when incentives will tighten

Sydney CBD, vacancy rate & incentive



Source: Jones Lang LaSalle, DEXUS Q309 forecast

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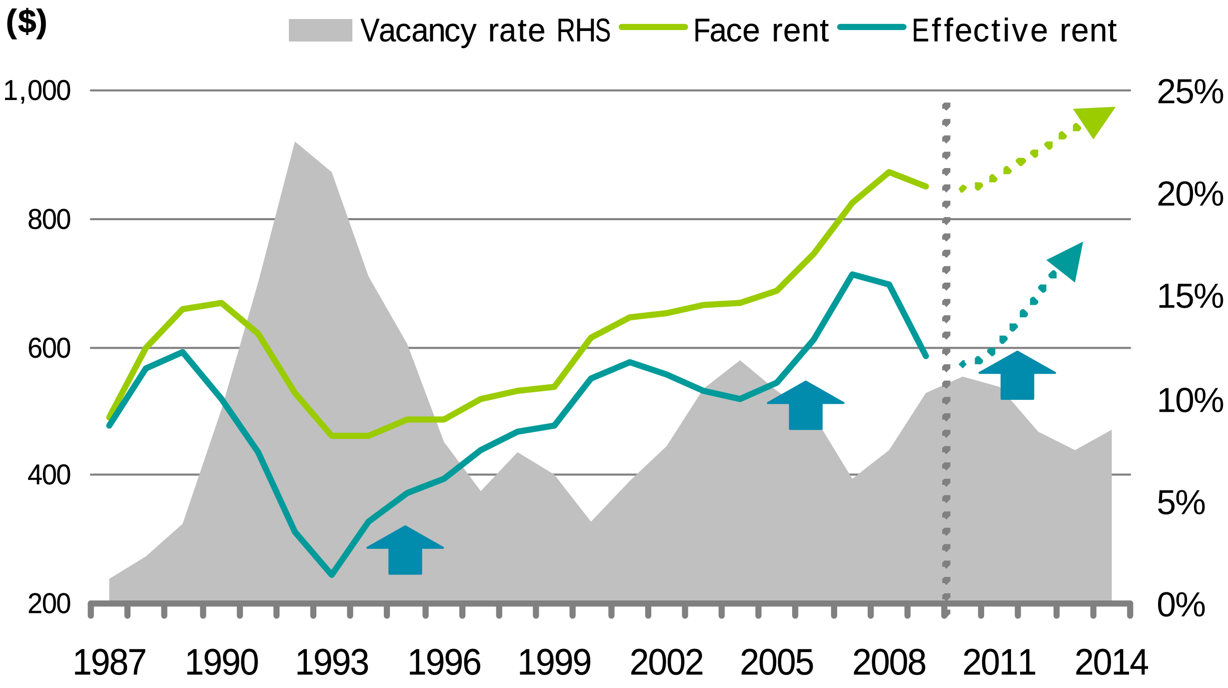
Peaks in vacancy are followed by strong growth

Gross effective & face rents vs vacancy rate (Sydney CBD)



Next 5 years

- Face 3-5% pa
- Effective 5-10%pa

Source: Jones Lang LaSalle, DEXUS Research

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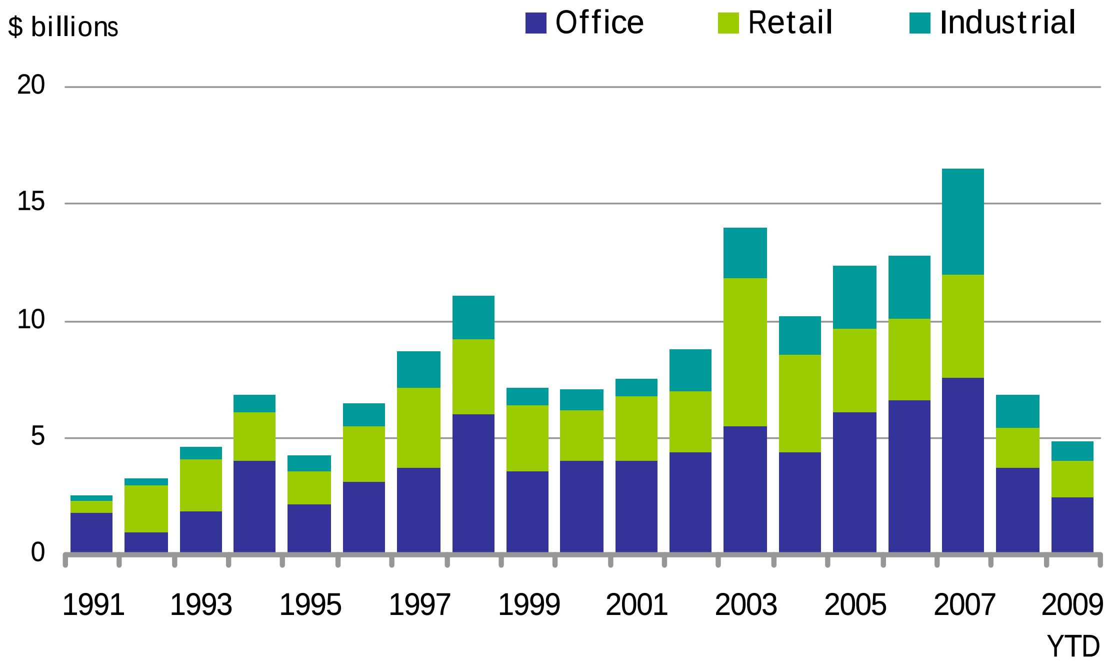
Transaction activity

National sales >$5m



- Volumes less than half pre-GFC levels
- Privates & foreign
- Mainly smaller transactions <$50m
- Signs of some larger transactions occurring
- Cost of capital a major constraint

Source: DEXUS Research, Jones Lang LaSalle as at Sep 2009

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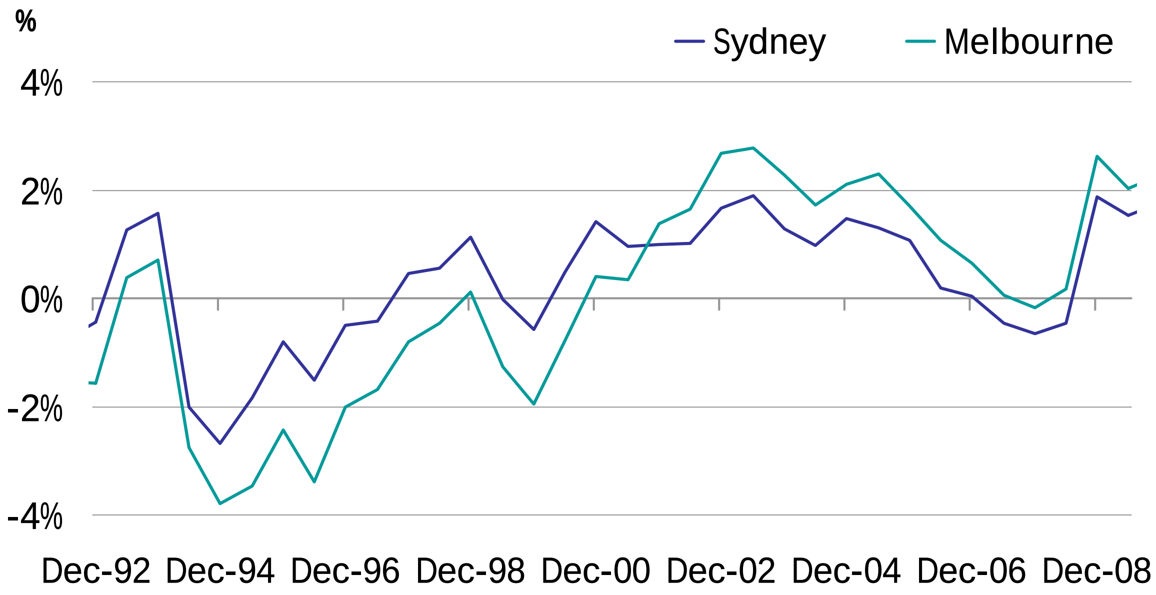
Office values

Prime office yield spreads over bonds



- Values have fallen by between 21% (Melbourne) and 37% (Brisbane)
- Situation expected to improve in 2010 due to:
  - Positive yield spreads
  - Improving credit markets
  - Higher growth expectations
  - Greater buyer competition

Source: DEXUS Research, IRESS, IPD, Jones Lang LaSalle

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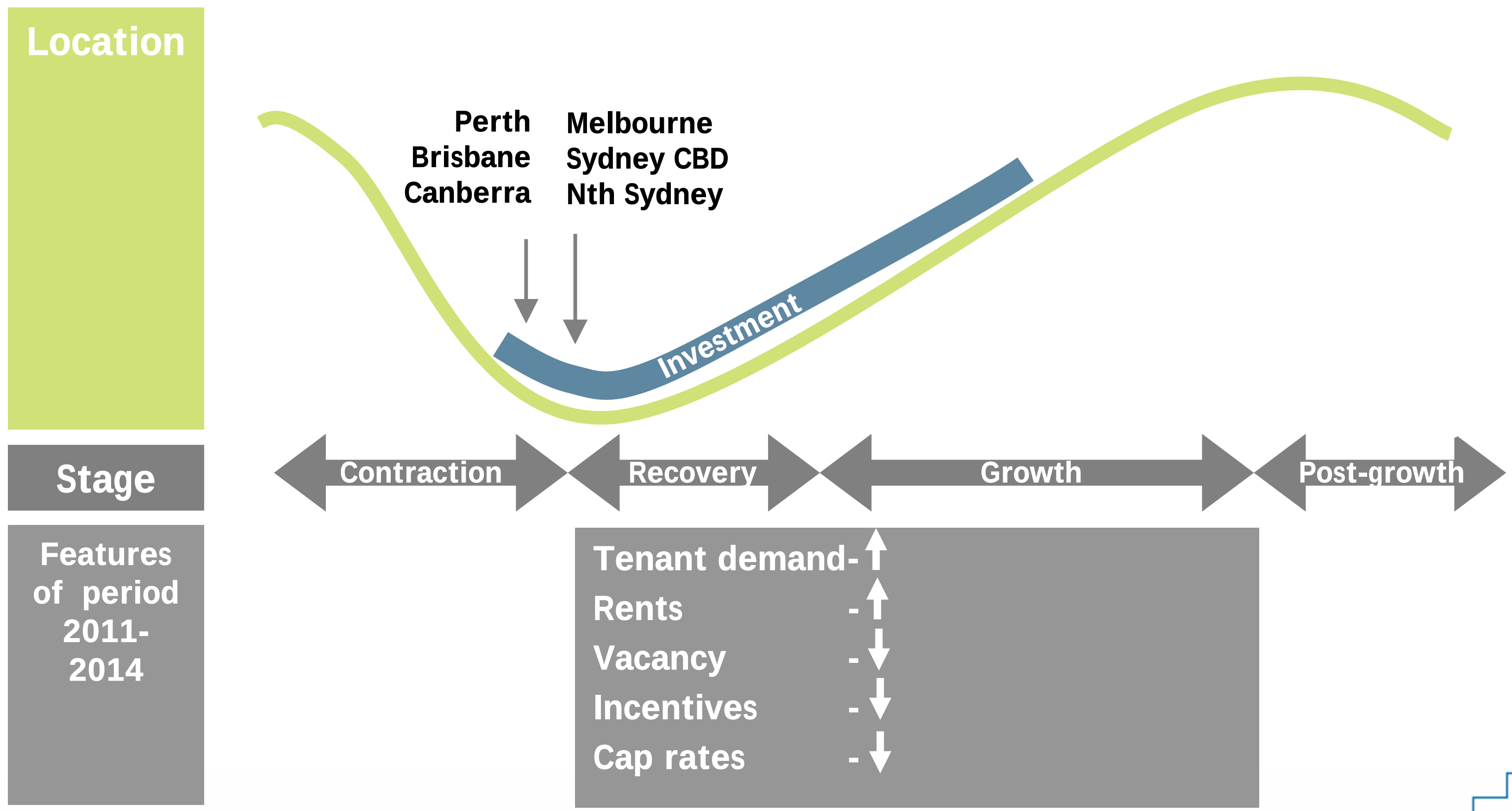
Office cycle close to bottom



Source: DEXUS Research

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Portfolio Performance - September Quarter
Louise Martin

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Stable performance

	Jun 30 2009	Sept 30 2009
Occupancy	97.6%	96.5%
WALE (income)	5.4	5.4
WALE (area)	4.8	4.8
Expiries (FY10 by income)	10%	5%
Leasing Activity[1] (excluding dev)	103 transactions 36,500 area 6.6 % rental growth 7.2% average incentive	34 transactions 18,061 sqm 11.5% rental growth on passing 17.8% average incentive
Retention on expiries	75%	64%

1. As at 30 November, terms had been agreed on 55 transactions over 37,507 sqm with 8.7% rental growth on passing and a 23.5% average incentive.

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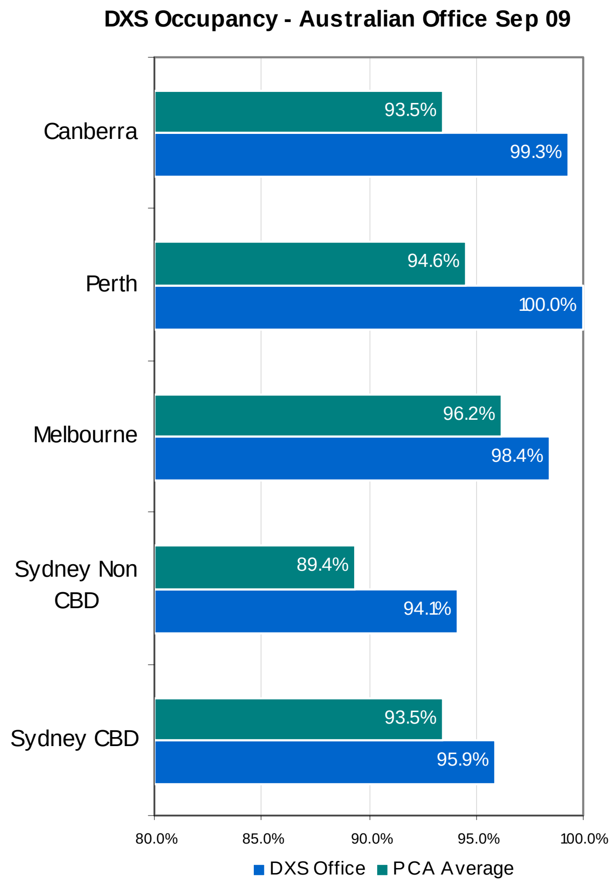
Occupancy above average

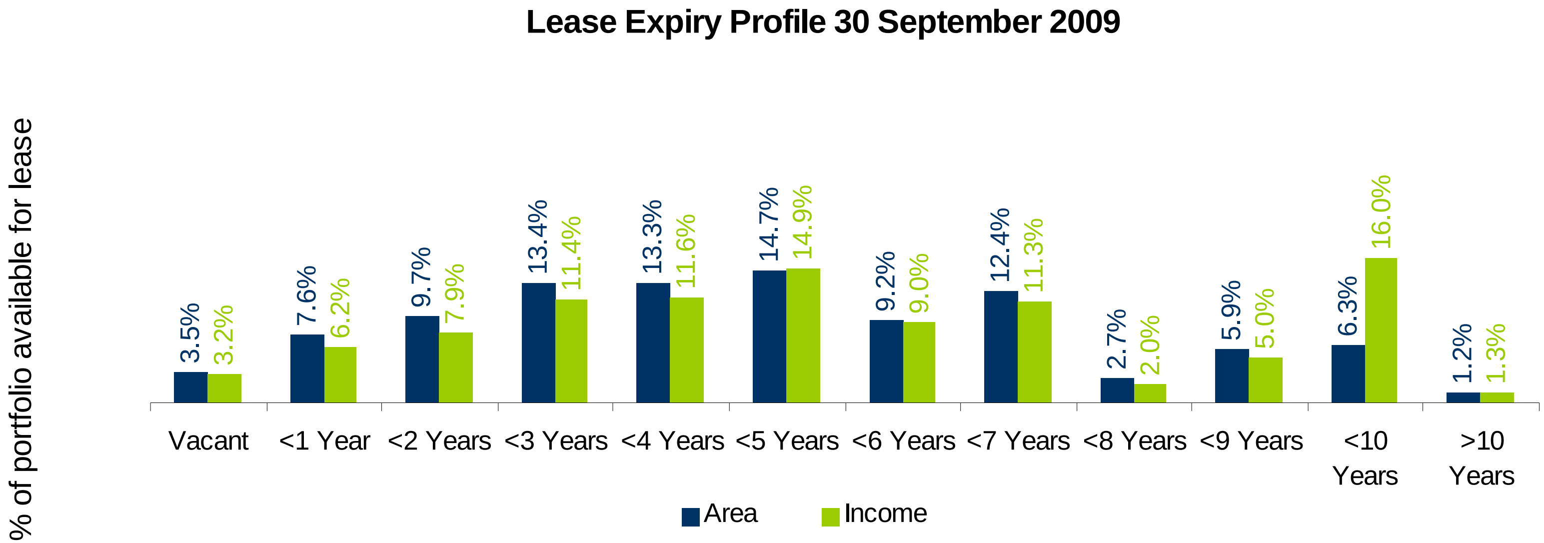
- Occupancy rates above PCA average in all Australian markets[1]
- 16 of 26 assets with occupancy greater than 98% (13 fully occupied)
- Occupancy to Sept 09 fell 1.1% to 96.5%[2], primarily due to a few key tenancies:
  - Relocation due to government decision - Police (130 George St and 45 Clarence St), Alzheimer's Association (40 Talavera Rd)
  - Relocation due to corporate consolidation – CBA at 44 Market St



1. PCA Australian Office Market Report Jul 09.
2. This reflects 18,760 sqm of vacancy at ownership level

Weighted average lease expiry – smooth profile

- WALE as at 30 September 2009 is 5.4 years by income and 4.8 years by area. This is unchanged from 30 June 2009
- Expiry profile is quite smooth with no large spikes over the next 7 years



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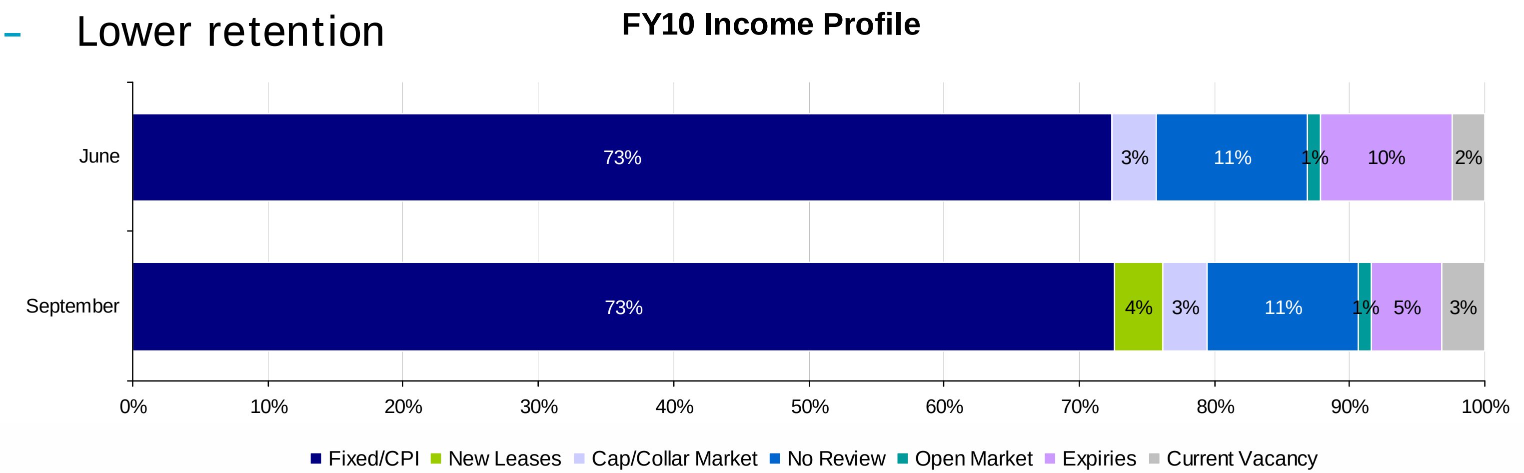
Secure office income

- FY10 Expiries reduced from 10% to 5%
- Positive rental growth in leasing and structured leases to Sept 09
  - 91% of leases locked away
  - Average increase on fixed or CPI leases is 4.0%
  - Average increase on new leases and renewals is 11.5%
- Offsetting this has been:
  - Long term vacancy
  - Extended let up periods
  - Lower retention



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Valuations

- Portfolio last valued at 30 June 2009
- Including developments, DXS office valued at $4.0bn, down from $4.6bn as at 30 June 2008
- Weighted average cap rate as at June 2009 is 7.7%
- 0.25% Movement in cap rate equals 3.5% of value
- Cap rates appear to be stabilising. Value influenced by underlying drivers in certain assets (letup times, incentives etc) being less favourable.

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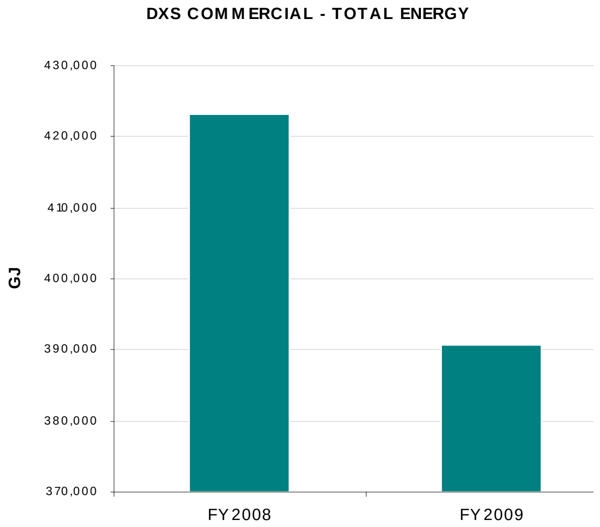
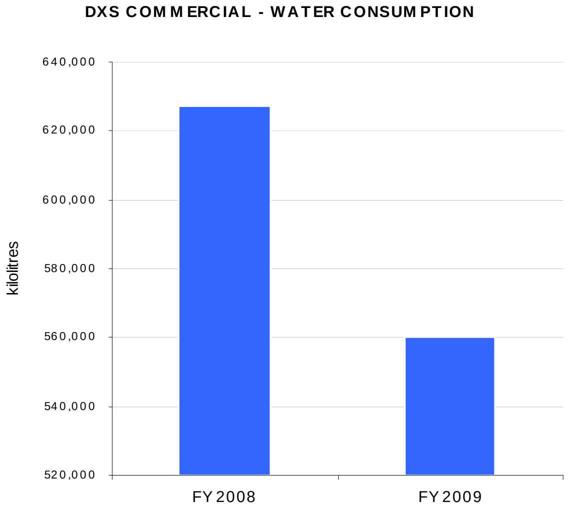
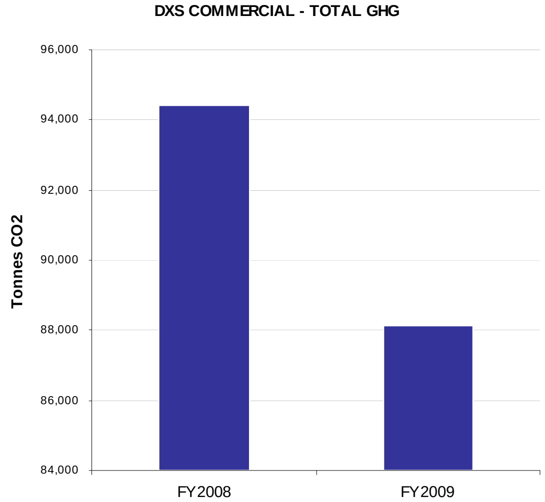
Sustainability

- Progress for the year to June 2009
  - Energy consumption down 8%
  - Greenhouse Gas emissions down 7%
  - Water usage down 11%
- NABERS rating completed – average 3 Star portfolio: current market best practice







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The Leasing Market
John Swadling

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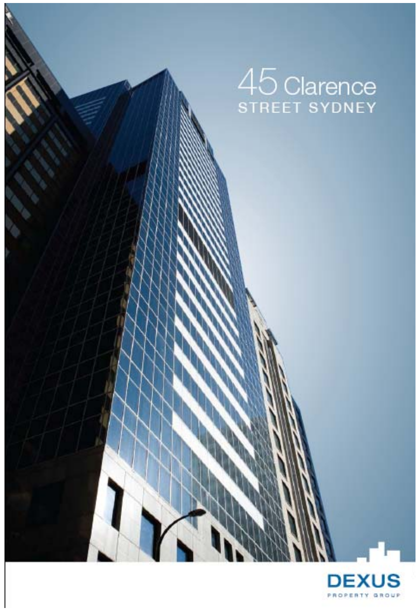
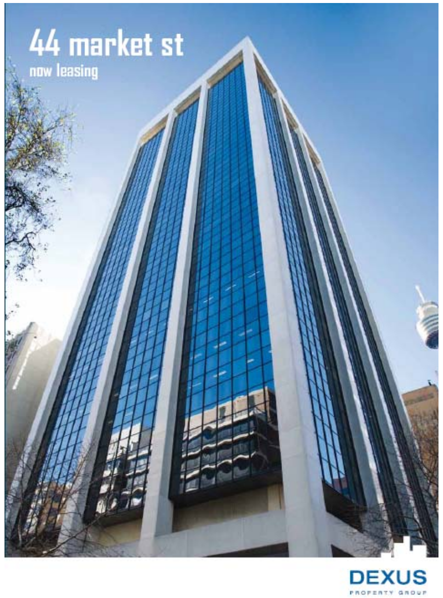
Active leasing approach

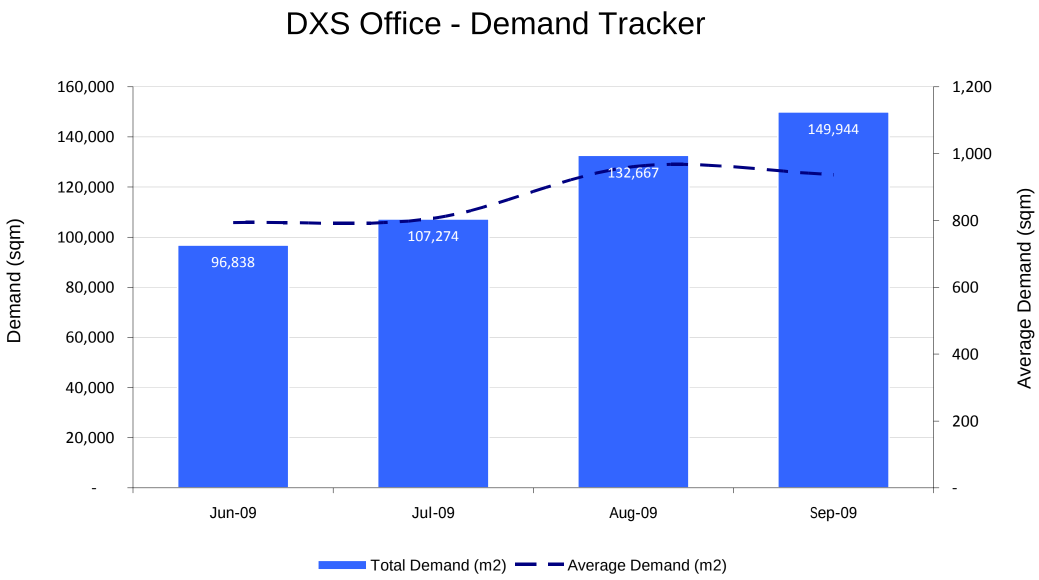
- Appointed agents on all vacancies
- Fortnightly minuted meetings to review all enquiry, issue proposals and negotiate leases
- All CBD demand tracked, collated and analysed
- External agencies reviewed monthly





Demand increasing

- The number of enquiries for Sydney CBD office properties is up 15% since June 09, from 122 to 160 enquiries
- Total demand (sqm) for enquiries increased from 96,000 to 150,000 between June and Sept 09
- While enquiry is increasing there is still lag effect in flow through to deals



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Sublease is decreasing

- CBRE Sydney CBD sublease barometer (Sep 09) shows total sublease space at 86,690 sqm (1.5-2% of stock)
- Marketed sublease space in DXS portfolio as at September 09 was approx 10,400 sqm or 1.9% of NLA. Has fallen in recent months from 13,300 sqm

Lease activity gaining momentum

- 18,061[1] sqm leased over 34 deals in the September quarter, major leases include:
  - 383 Kent St, Sydney – 3,154 m^2 to InterSystems for 10 years
  - Governor Macquarie Tower, Sydney – 2,468.9 m^2 to Piper Alderman for 8 years
  - The Zenith, Chatswood – 1,081.3 m^2 to GP Information for 5 years
- Terms have been agreed on a further 19,000 square metres
- 5 Heads of Agreement over 383 Kent Street, 45 Clarence Street, The Zenith and 11 Talavera Road
- Avg rent increase for FY10 likely between 5 – 10%
- Average incentive for FY10 likely to be in the low 20%

1. At ownership. 24,735 sqm at 100%.

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Proactive leasing focus

- Agreeing price for tenant make goods
- Incorporating into Lessor's upgrades of T5 lights, carpets, ceiling tiles etc.
- Undertaking speculative fit outs where needed
- Reviewing agency performance
- Actively engaged with all FY10 and FY11 expires

Action on current vacancy

Asset	Area (sqm)	Status
44 Market Street, Sydney	4,153	Refurbishment underway – Levels 7, 8, 10 available for fitout Q1, 2010
The Zenith, Chatswood	3,371	**Terms agreed on 2,000sqm.** Balance – Levels 1 & 8 available and under negotiation.
130 George Street, Parramatta	2,968	Refurbishment underway, completion by 15 Jan (floors 1 & 9). Negotiating on one floor.
45 Clarence Street, Sydney	2,493	**Terms agreed.**
Southgate IBM Tower, Southbank	1,305	Marketing underway of Level 18 (fully refurbished)

Action on FY10 expiries

Asset	Area (sqm)	Status
Southgate, IBM Tower, Southbank	4,398	Levels 1, 2 & 3 now available and being refurbished for Q1, 2010.
40-50 Talavera Road, Macquarie Park	2,503	Floors to be fully refurbished and in dialogue with potential tenant.
383 Kent Street, Sydney	3,399	Terms Agreed
30 The Bond, Sydney	2,011	Level 1, whole fully fitted out floor
11 Talavera Road, Macquarie Park	3,500	Marketing Underway

Development leasing – enquiries ↑

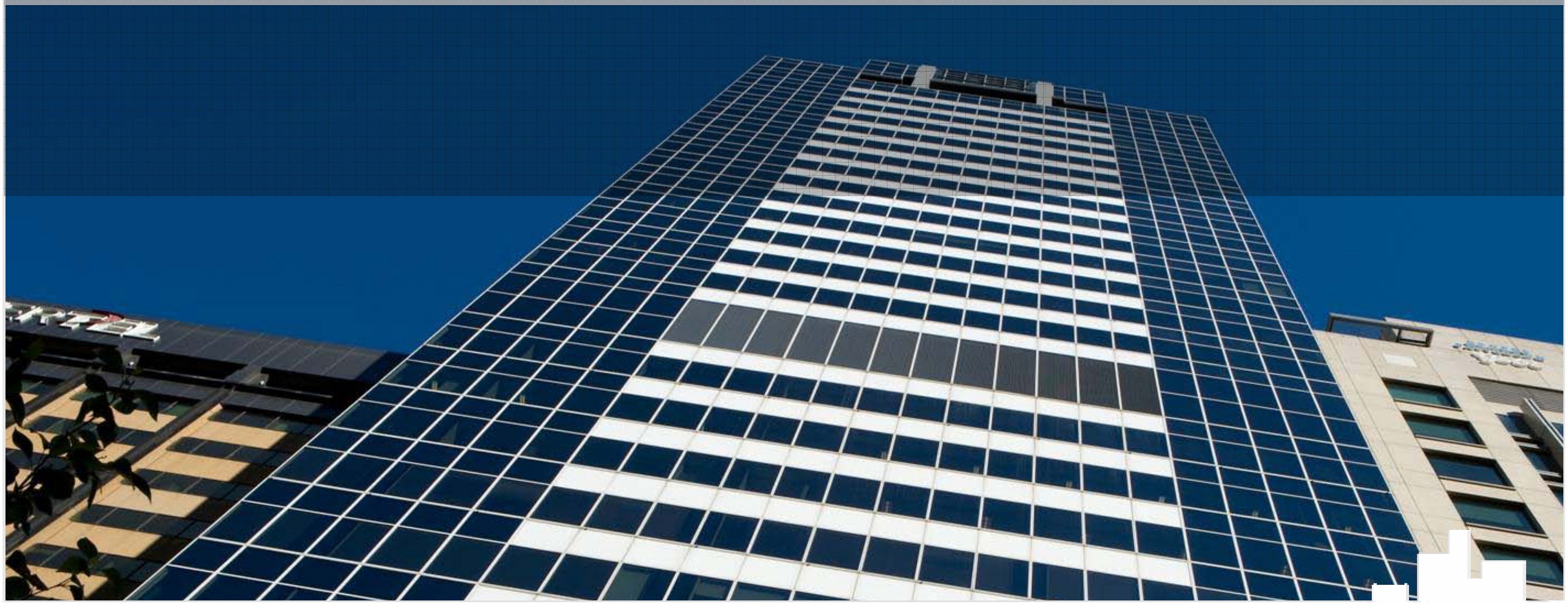
123 Albert Street, Brisbane – 6 Star Green Star, 5 Star NABERS

- 68% leased (RIO Tinto)
- Available Levels 4 – 12 (13,500 sqm) – 32%
- 1,500 sqm floor plates
- Agents well underway with all marketing collateral
- Leasing proposals issued and negotiations underway
- Diverse range of tenants eg. Legal, Accounting, Government & Finance
- No competing product 9 months either side of PC

1 Bligh Street, Sydney – 6 Star Green Star, 5 Star NABERS

- 55% leased (Clayton Utz)
- Levels 18 – 28 available for lease (17,400sqm) – 45%
- Typical floor plate – 1,630 sqm
- All premium multi-floor target tenants identified with marketing well underway
- Marketing to single floor users begins Q1 2010

Development
Tony Gulliver



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1 Bligh St

1 BLIGH

SYDNEY

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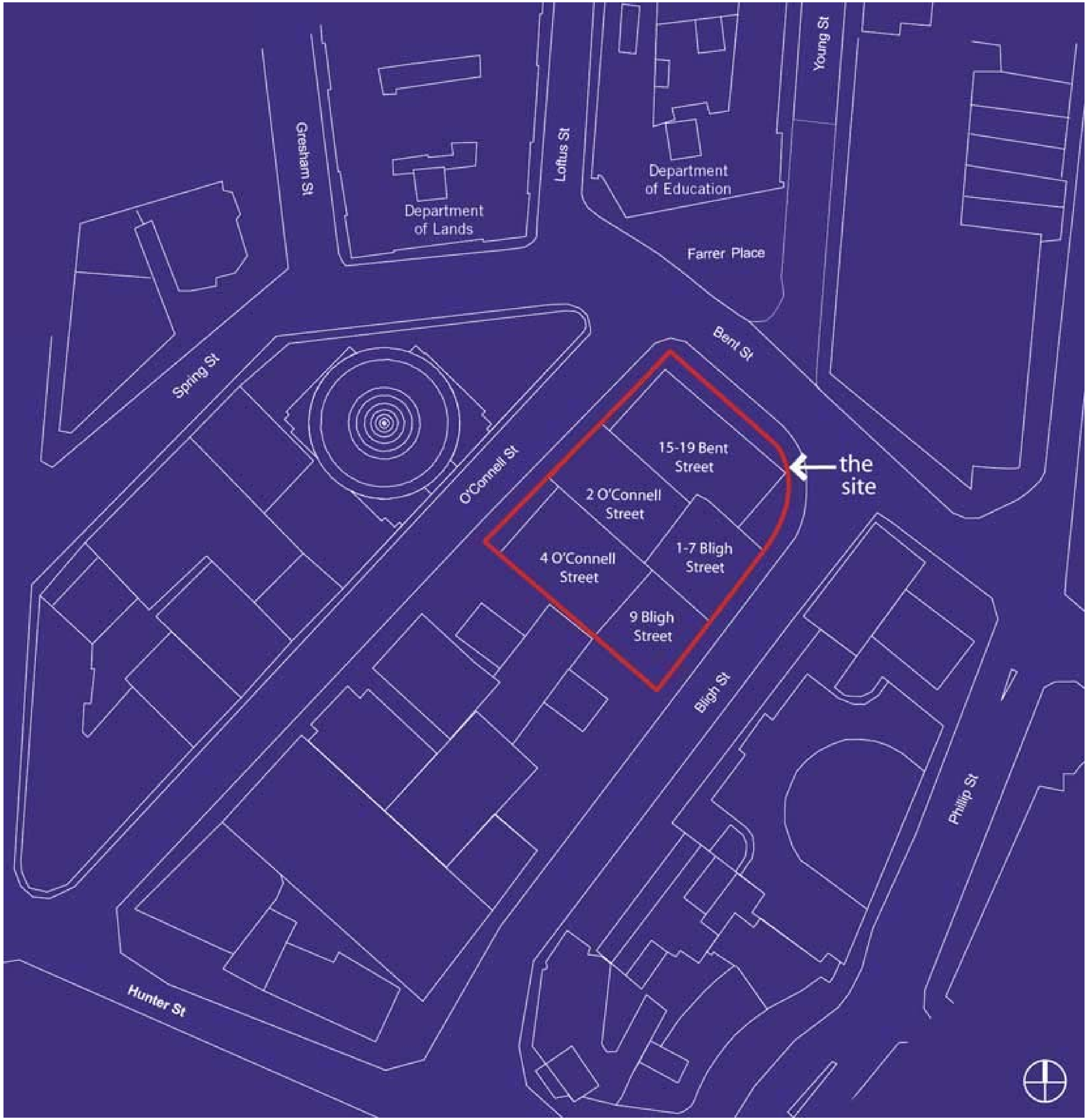
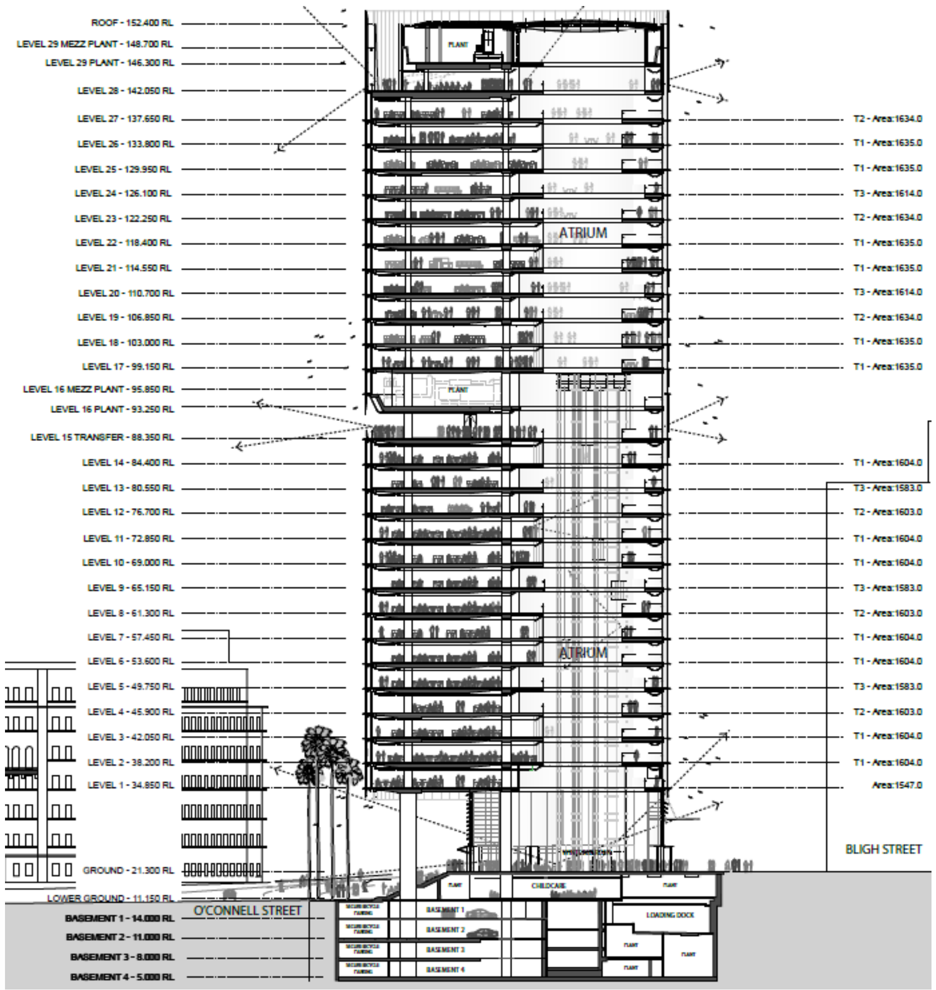
AMP
AMP
AXA AUSTRALIA


Gresham St
Loftus St
Young St
Department of Lands
Department of Education
Farrer Place
Spring St
Bent St
O'Connell St
15-19 Bent Street
2 O'Connell Street
4 O'Connell Street
1-7 Bligh Street
9 Bligh Street
the site
Bligh St
Phillip St
Hunter St


MP


AMP

Section through the building



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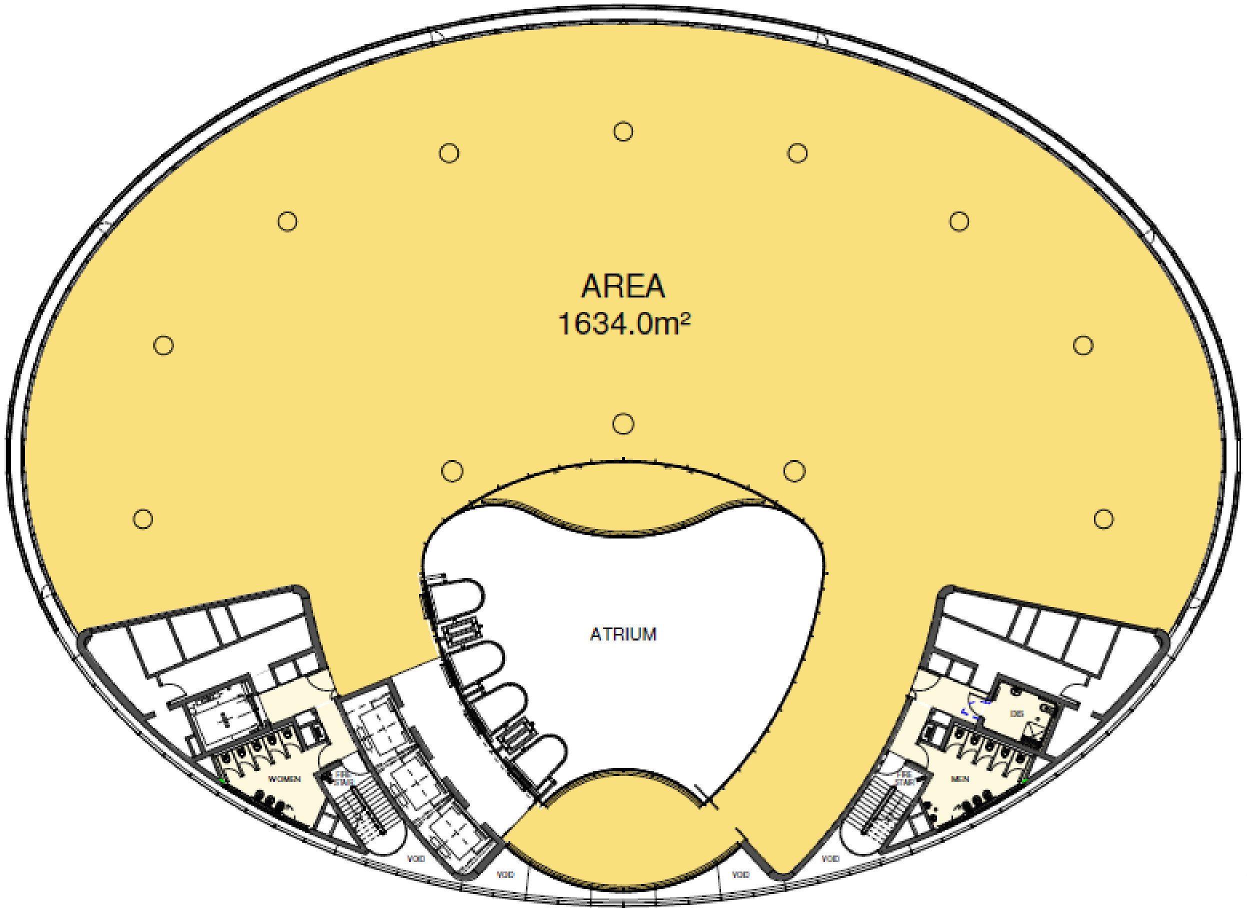
Typical high rise



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Double skin facade details

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

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

3D View Detail - Typical Facade Profile

Key feasibility criteria - summary

- Entire low-rise pre-committed: 55% of total net lettable area
- Average low rise rent achieved: approx $1000 / m2 net face
- High rise area 18,800 m2: to be leased by mid 2011
- Estimated yield on total cost: 7.1 %
- DXS 33.3% of total cost: $210 million

123 ALBERT STREET

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Design fundamentals

- Office NLA 38,600m^2
- Twin offset cores with 1500m2 open floor plates
- 380 carparks
- 7 retail offers
- Premium Grade – Property Council of Australia rating matrix
- 6 Star Green Star – world's best practice (certification received Dec 09)
- 5 Star NABERS – highest energy and water sustainability rating

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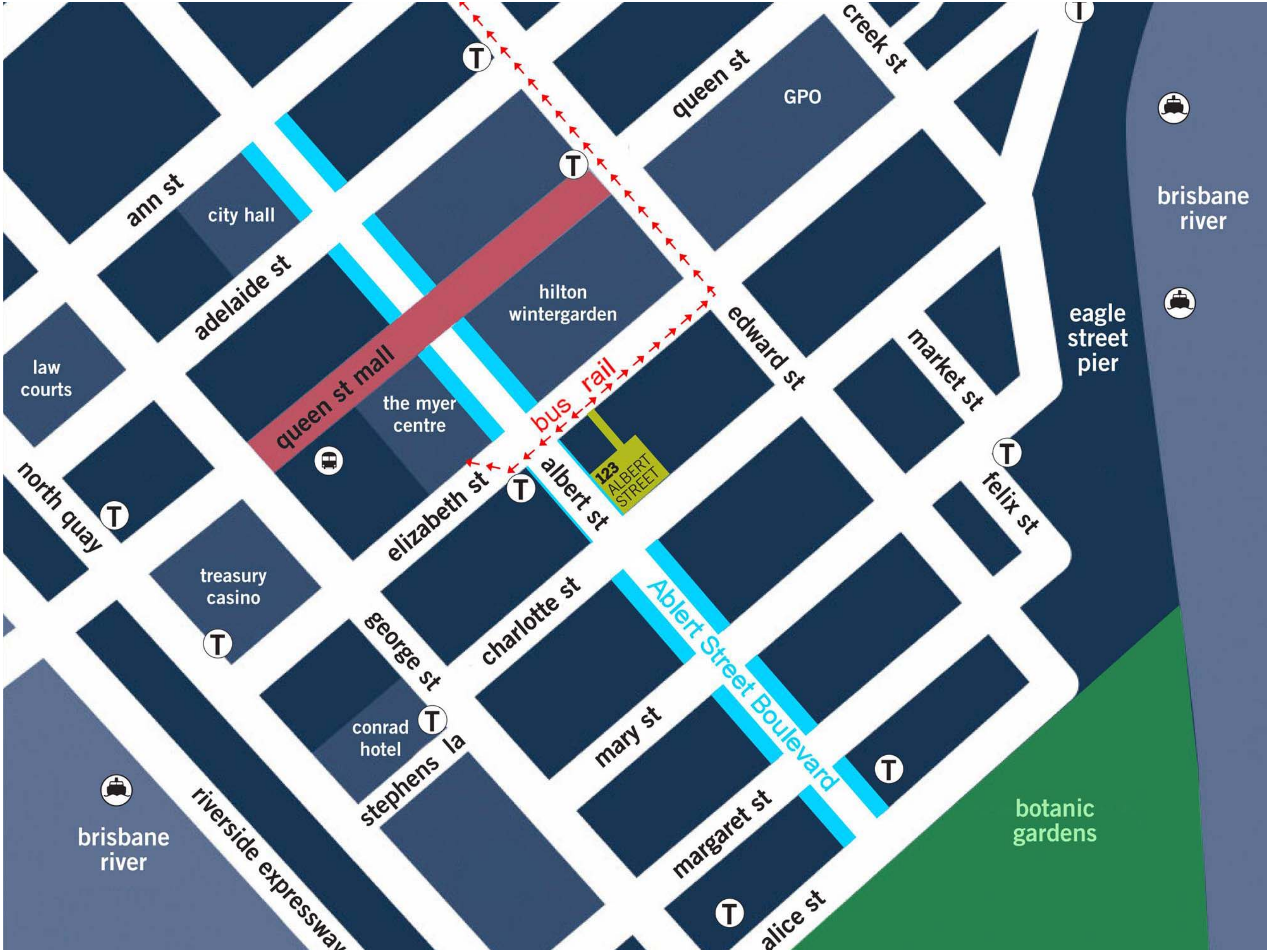
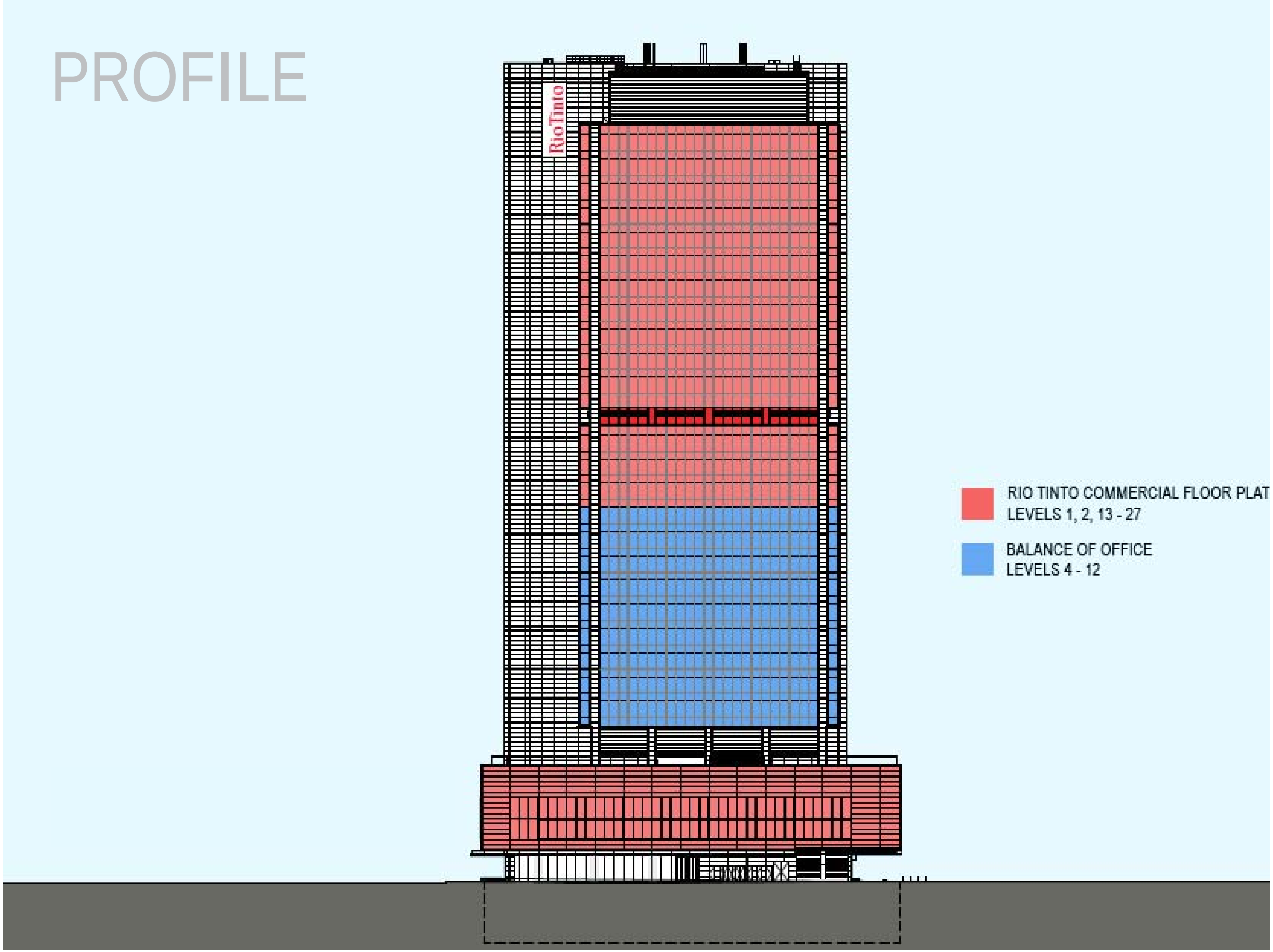
123 ALBERT ST
Palettes



ann st
city hall
adelaide st
queen st
GPO
creek st
hilton wintergarden
queen st mall
the myer centre
law courts
bus
rail
123 ALBERT STREET
edward st
market st
eagle street pier
brisbane river
north quay
elizabeth st
albert st
felix st
treasury casino
charlotte st
george st
Ablert Street Boulevard
conrad hotel
stephens la
mary st
margaret st
alice st
botanic gardens
brisbane river
riverside expressway

PROFILE



RioTinto
RIO TINTO COMMERCIAL FLOOR PLAT
LEVELS 1, 2, 13 - 27
BALANCE OF OFFICE
LEVELS 4 - 12

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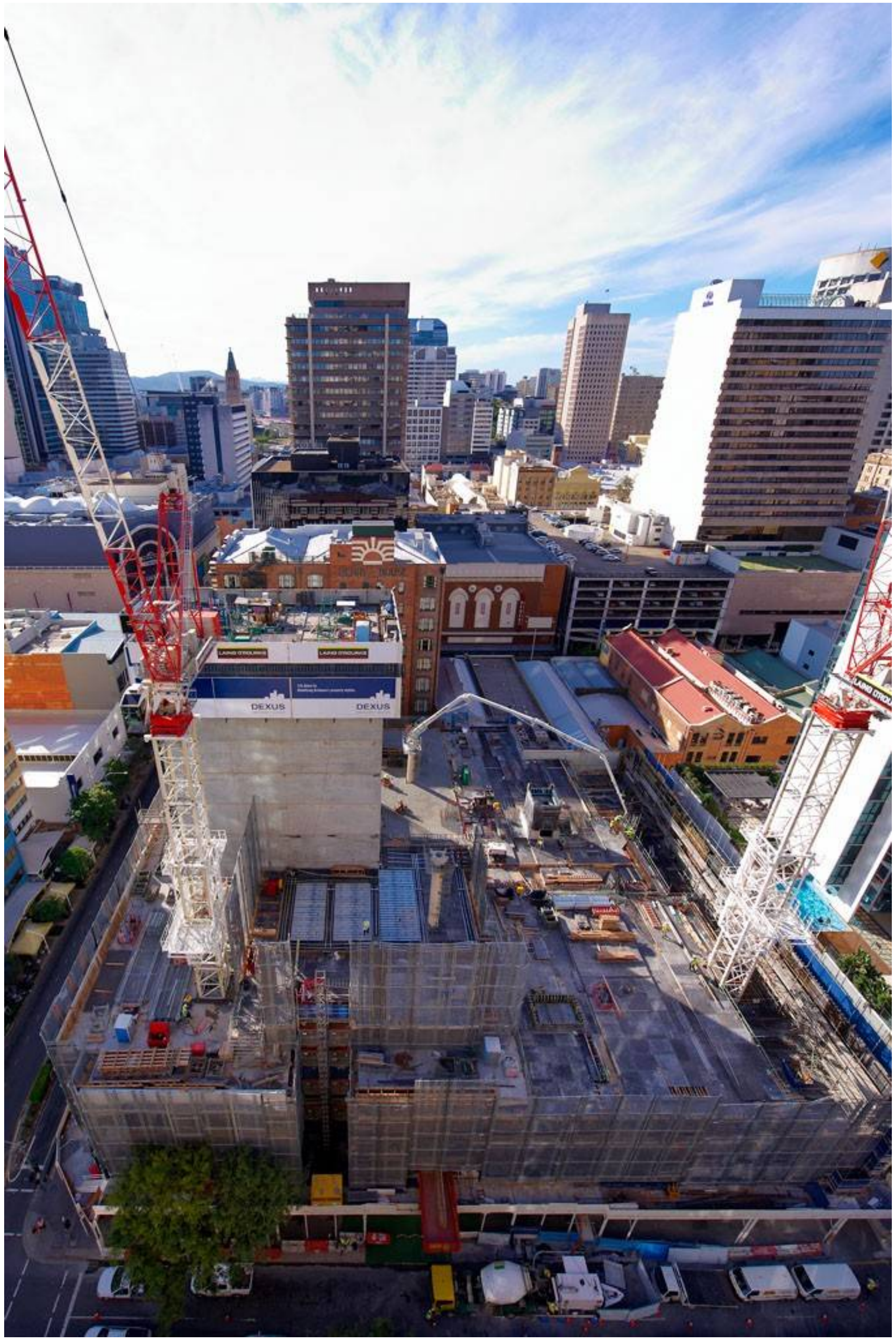
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Key feasibility criteria - summary

- 25,500m2 pre-committed: 68% of total net lettable area
- Average anchor tenant rent achieved: approx $537/m2 net
- Area available 13,100 m2: to be leased by mid 2011
- Estimated yield on total cost: 6.9 %
- Total cost: $349 million

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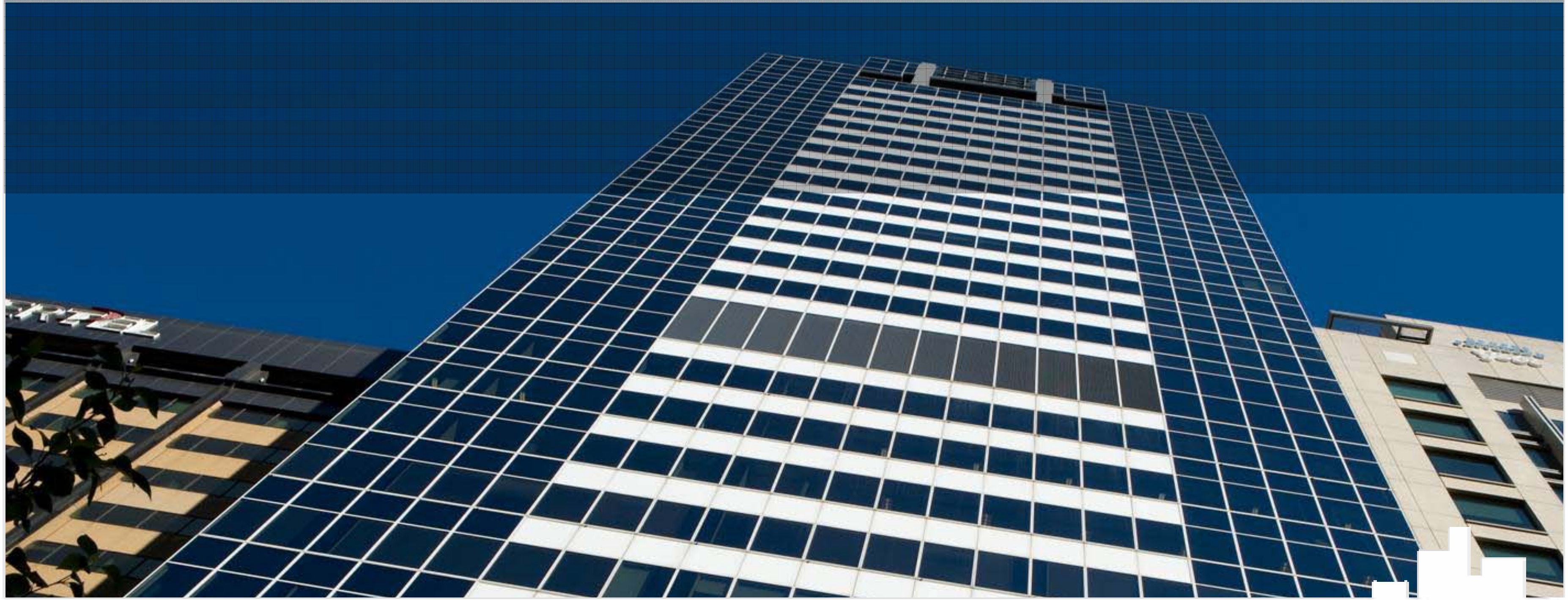
Focus FY10
Louise Martin



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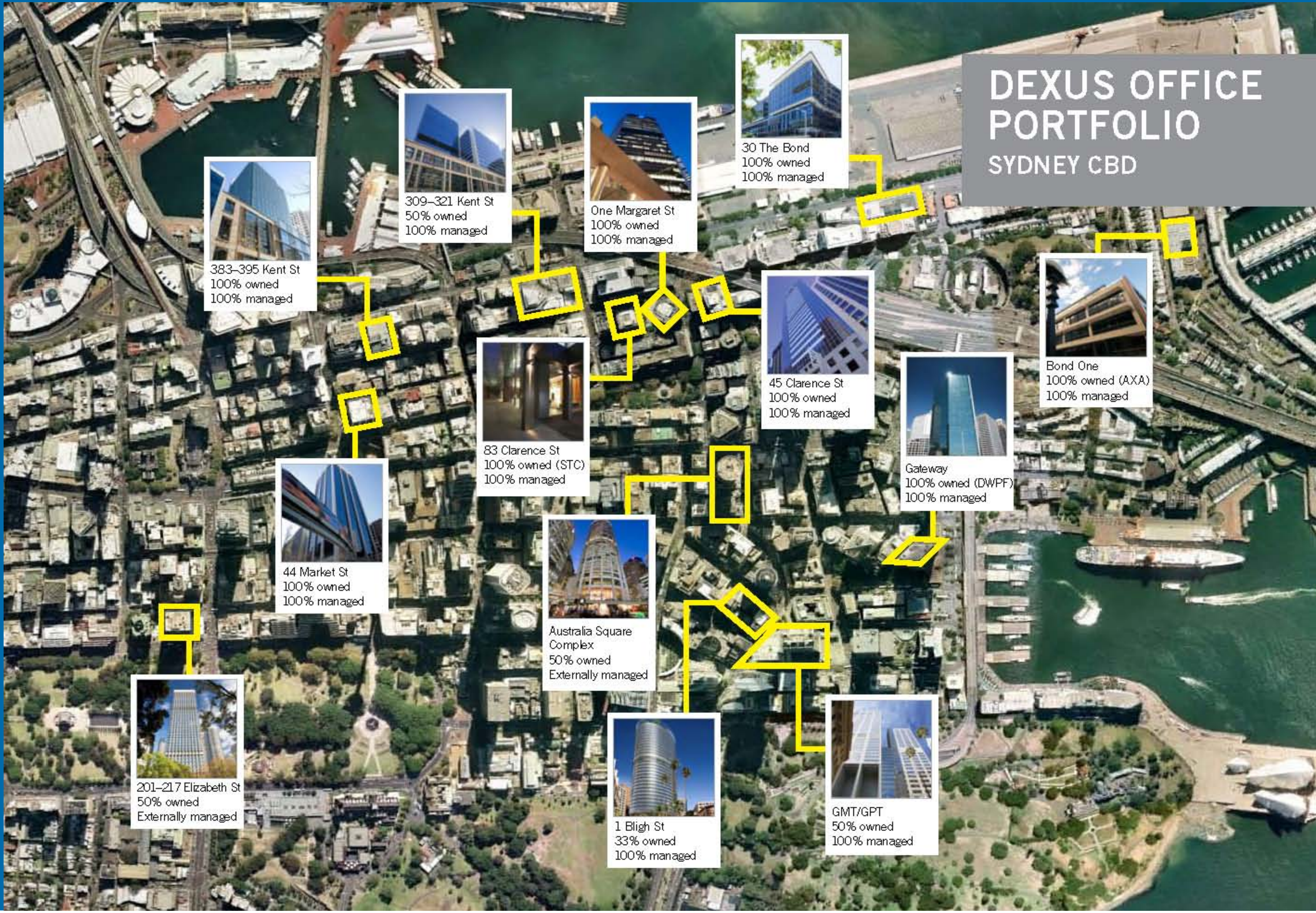
Questions



DEXUS OFFICE PORTFOLIO
SYDNEY CBD
383–395 Kent St
100% owned
100% managed
309–321 Kent St
50% owned
100% managed
One Margaret St
100% owned
100% managed
30 The Bond
100% owned
100% managed
45 Clarence St
100% owned
100% managed
Bond One
100% owned (AXA)
100% managed
83 Clarence St
100% owned (STC)
100% managed
Gateway
100% owned (DWPF)
100% managed
44 Market St
100% owned
100% managed
Australia Square Complex
50% owned
Externally managed
201–217 Elizabeth St
50% owned
Externally managed
1 Bligh St
33% owned
100% managed
GMT/GPT
50% owned
100% managed