

# DEXUS Property Group (ASX: DXS)

ASX release

21 October 2015

## ASX Investor Series presentation

DEXUS Property Group (DEXUS) today releases an overview presentation that will be presented at the 2015 ASX Investor Series being held at Exchange Centre, 20 Bridge Street, Sydney at 12.30pm today.

For further information please contact:

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### 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 \$19.1 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 located predominantly 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 21 countries. With 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](http://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

## ASX INVESTOR SERIES PRESENTATION – 21 OCTOBER 2015



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

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### IMPORTANT INFORMATION

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## DEXUS TODAY



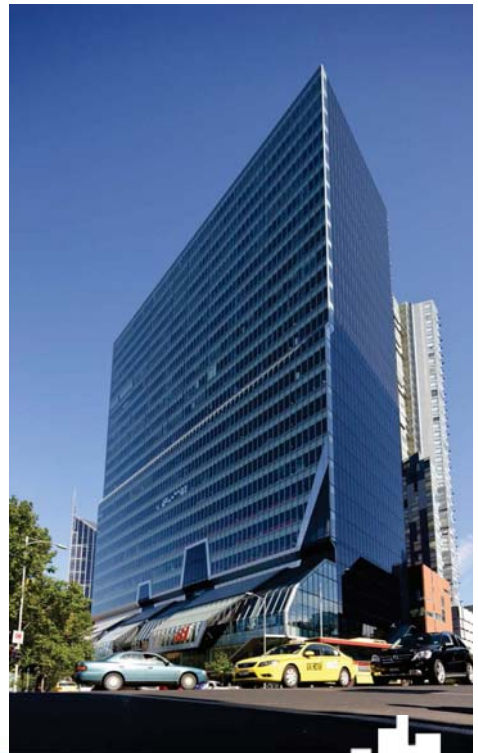
L-R: 1 Blich Street, Australia Square and Grosvenor Place, Sydney NSW.

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## DEXUS TODAY



L-R: 385 Bourke Street, Southgate Complex and OV, 180-222 Lonsdale Street, Melbourne, VIC.

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## DEXUS TODAY



L-R: 123 Albert Street, 480 Queen Street development, 10 Eagle Street and 12 Creek Street, Brisbane, QLD.

## DEXUS TODAY

Australia's largest prime office portfolio

A significant and growing Third Party Funds Management business

A deep pipeline of value enhancement opportunities

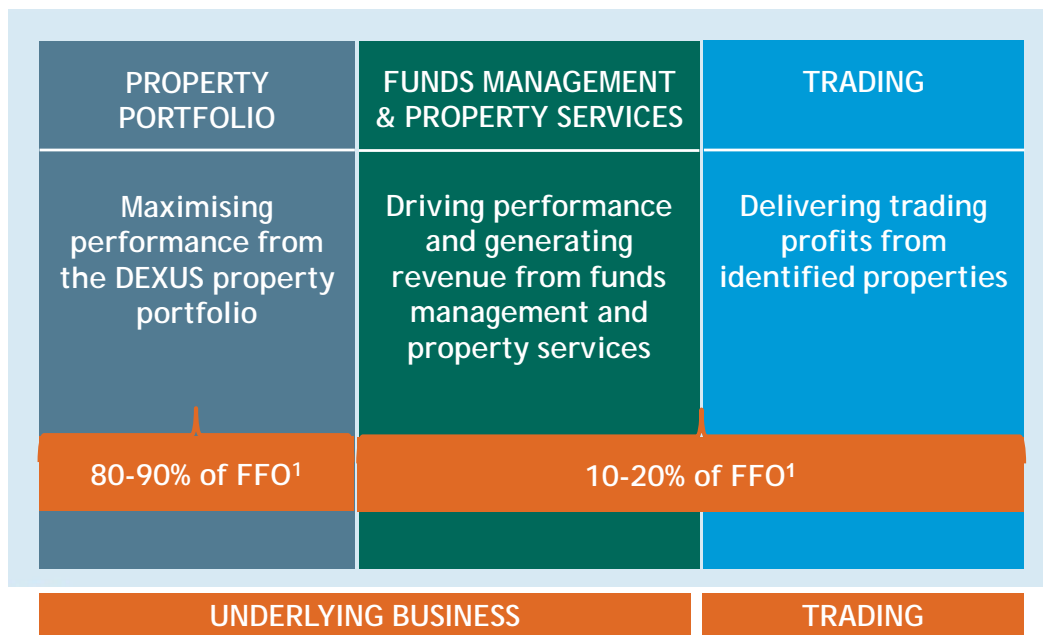
8.6% p.a. growth in distributions and 15.8% p.a. TSR<sup>1</sup> since FY12

Underpinned by a strong balance sheet



1. Compound annual total security holder return over the three years to 30 June 2015.

## DEXUS TODAY – Key earnings drivers



1. Represents target contribution to FFO before Finance costs and Group Corporate costs. FFO means Funds from Operations. As previously announced, DEXUS adopted FFO as defined by the PCA White Paper "Voluntary Best Practice Guidelines for disclosing Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO)" for its reporting from 1 July 2014.

## PROPERTY PORTFOLIO – DEXUS office - 82% of balance sheet assets

\$7.8bn Prime office portfolio	>85% Prime grade portfolio composition
95.3% Occupancy (by income)	6.71% Average capitalisation rate



## PROPERTY PORTFOLIO – DEXUS industrial – 18% of balance sheet assets

**\$1.7bn**

Prime industrial portfolio

**92.4%**

Occupancy (by income)

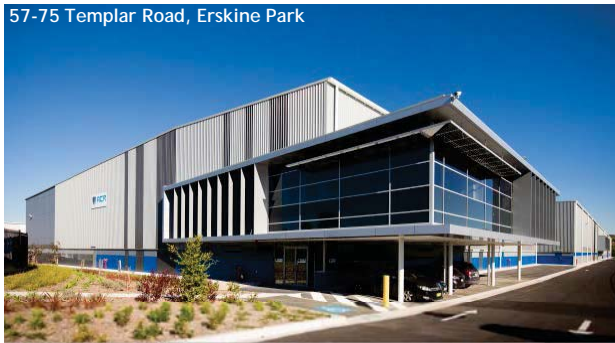
**7.77%**

Average capitalisation rate

Lakes Business Park, Lord Street, Botany



57-75 Templar Road, Erskine Park



Quarry at Greystanes, 1 Basalt Road, Greystanes



## PROPERTY PORTFOLIO – Office development

5 Martin Place, Sydney

29% forecast project IRR

7.3% yield on cost



Kings Square, Perth

15% forecast project IRR

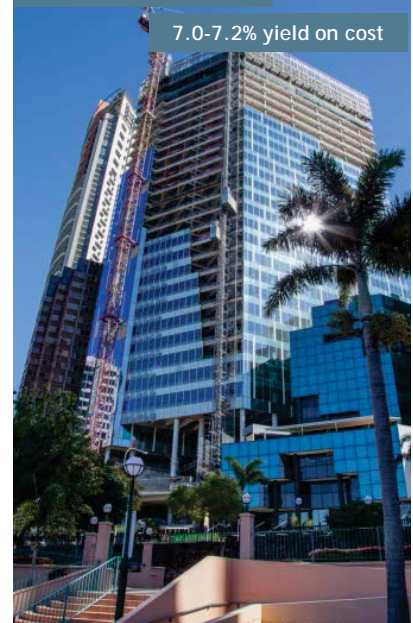
8.2% yield on cost



480 Queen Street, Brisbane

17% forecast project IRR

7.0-7.2% yield on cost



## PROPERTY PORTFOLIO – Industrial development



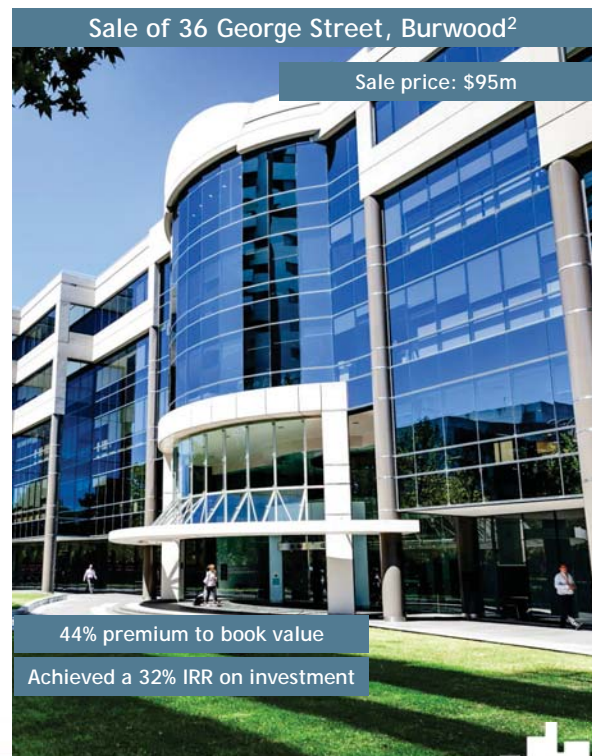
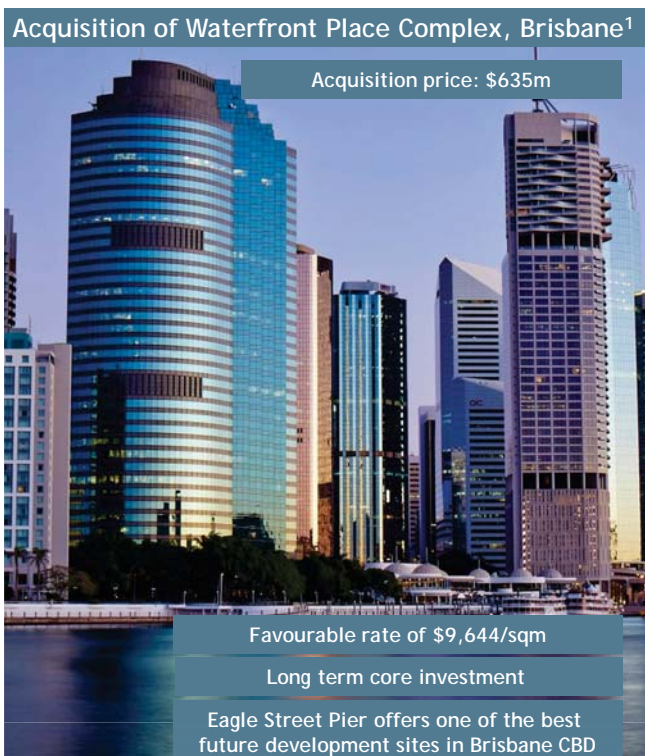
1. Jointly owned by DEXUS and Australian Industrial Partner.
2. Jointly owned by DEXUS and DEXUS Industrial Partner.

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## PROPERTY PORTFOLIO – Recent transactions



1. Jointly owned 50/50 by DEXUS and DEXUS Wholesale Property Fund.
2. DEXUS Office Partnership, in which DEXUS has a 50% interest, announced on 29 September 2015 that it had entered into an agreement to sell the property.

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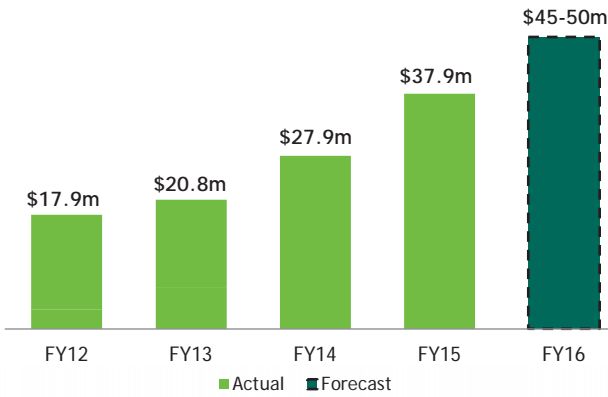
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## THIRD PARTY FUNDS MANAGEMENT – Platform set up for organic growth



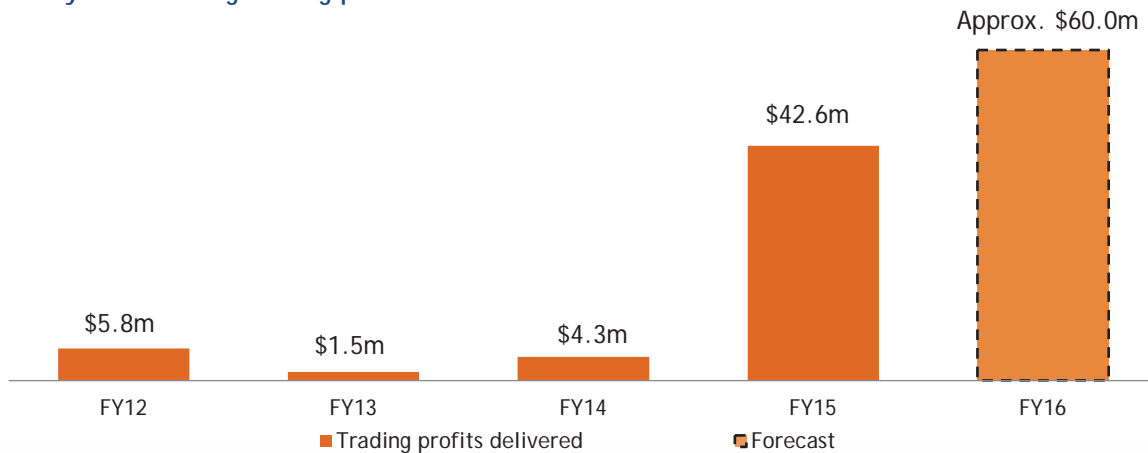
### Management operations profit



## TRADING

- 'Trading' is the activity of developing/repositioning assets with a view to selling for profit
- Since 2010, DEXUS has had a trading strategy and included trading profits in FFO
- Already settled on properties that comprise FY16 trading profits to deliver approximately \$60 million (post tax)

### History of delivering trading profits

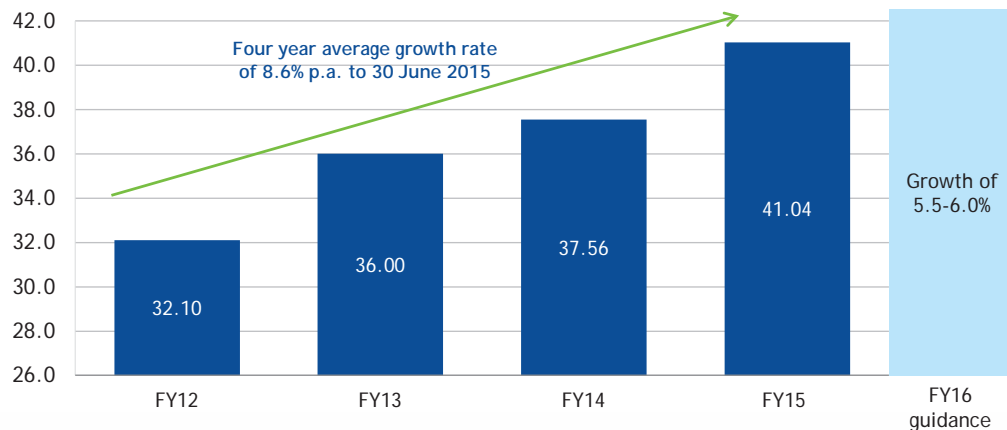




## SUMMARY

- Solid operating business set up to deliver growth through the cycle
- Delivering consistent performance
- Third party funds management business is set up for strong organic growth
- FY16 guidance<sup>1</sup> for growth in distribution per security of 5.5-6.0% from FY15

### Distribution growth - cents per security



1. Barring unforeseen circumstances guidance is supported by the following assumptions: flat like-for-like income across the DEXUS combined portfolio, weighted average cost of debt of circa 4.9%, trading profits of approximately \$60m net of tax, Management Operations FFO of \$45-50m (including third party development management fees), approximately \$150m net proceeds from non-core property divestments during FY16, excluding any buy-back of DEXUS securities, and excluding any further transactions.

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