

# Dexus (ASX: DXS)

## ASX release



2 October 2018

### Investor roadshow presentation

Dexus provides the attached presentation that is being used as a basis of discussion with institutional investors in Singapore and Hong Kong.

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### About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high quality Australian property portfolio valued at \$27.2 billion. We believe that the strength and quality of our relationships is central to our success, and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$13.3 billion of office and industrial properties. We manage a further \$13.9 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$4.2 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.7 million square metres of office workspace across 53 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 27,000 investors from 20 countries. With more than 30 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. [www.dexus.com](http://www.dexus.com)

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

# Investor roadshow presentation

## Singapore and Hong Kong, 2-4 October 2018



Dexus Funds Management Limited  
 ABN 24 060 920 783  
 AFSL 238163 as responsible entity for Dexus

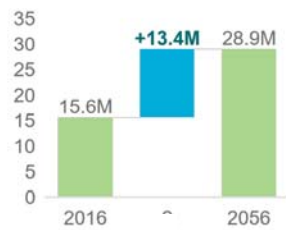
## Dexus

### Two key mega-trends that support Dexus's strategy

#### 1. Growth in cities and urbanisation

- 58% of Australians currently live in Sydney, Melbourne, Brisbane or Perth...but these locations will get 75% of the population growth<sup>1</sup> going forward

Australian cities by 2056

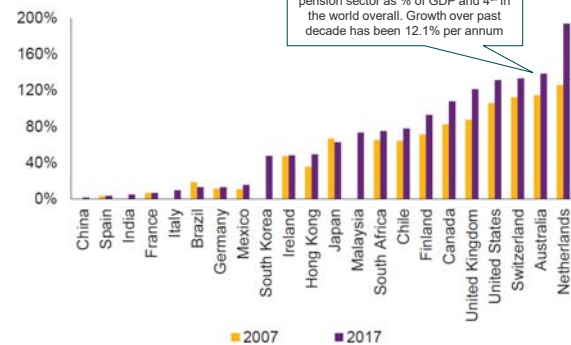


Sydney and Melbourne will grow to cities of 8 million

#### 2. Growth in global pension and superannuation flows

- Global pension funds are expanding rapidly and allocation to real assets and alternatives has increased from 4% to 25% for top P7 countries

Pension funds as % of GDP<sup>2</sup>



Australia has the world's 2<sup>nd</sup> largest pension sector as % of GDP and 4<sup>th</sup> in the world overall. Growth over past decade has been 12.1% per annum

1. Source: Infrastructure Australia.  
 2. Source: Willis Towers Watson, Global pension assets study 2018.  
 2. Investor roadshow presentation

# Dexus

## What sets Dexus apart?

- Quality real estate portfolio across key Australian cities
- Strong performing Funds management business with access to diverse sources of capital
- Customer centric focus
- Pipeline of development opportunities to create value over the long term
- High performing, engaged and diverse workforce



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## Chair overview



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# Strategy

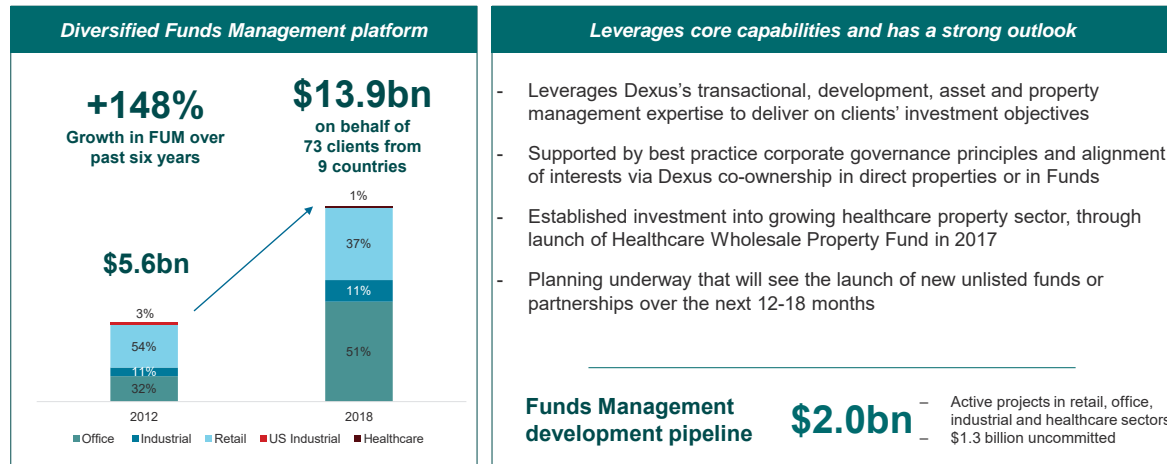
➤ <b>Vision</b>	To be globally recognised as Australia's leading real estate company	
➤ <b>Strategy</b>	To deliver superior risk-adjusted returns for investors from high quality real estate in Australia's major cities	
➤ <b>Strategic objectives</b>	<b>Leadership in office</b>	<b>Funds management partner of choice</b>
	Being the leading owner and manager of Australian office property	Being the wholesale partner of choice in Australian property

## Dexus has ownership or management of 26 Sydney CBD and CBD Fringe assets valued at \$10.7 billion<sup>1</sup>



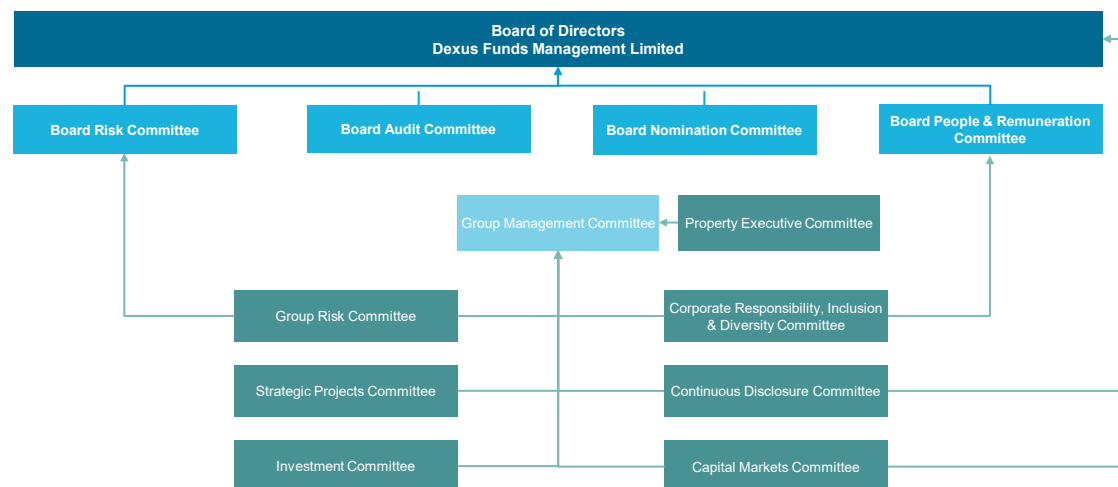
# Funds Management

## Diversified platform leverages core capabilities with strong outlook





# Corporate Governance at Dexus

## Committee structure



# Sustainability focus

## Net zero emissions by 2030

Latest achievements	New energy, new opportunities
<p>Progressed minimum 5 star NABERS Energy rating across <b>89%</b> of the office portfolio towards target of 1,000,000sqm by 2020</p> <p><b>892,000sqm</b> rated 5 stars or above across <b>35</b> properties</p>	<p>Launched goal to achieve <b>net zero</b> position for all carbon emissions across managed property portfolio <b>by 2030</b></p> <p>Pathway involves</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="896 546 1136 766">  <p><b>Improving energy efficiency</b></p> <p>Reduction in energy usage by up to 50% from today</p> </div> <div data-bbox="1144 546 1390 808">  <p><b>Increasing renewables</b></p> <p>Uptake of renewables within properties (on-site) and through leveraging market procurement opportunities off-site</p> </div> </div>
<p>2018 survey results</p> <p><b>First</b> Australia / Office / Listed category for Dexus Office Trust</p> <p>GRESB</p> <p>MEMBER OF <b>Dow Jones Sustainability Indices</b> In Collaboration with RobecoSAM</p> <p><b>10 years</b> of consistent recognition on DJSI World and Top 1% of real estate industry globally for Dexus</p>	

GRESB is the Global Real Estate Sustainability Benchmark.  
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# Deep pipeline of value enhancement opportunities

## Planning for the future for Dexus and our Funds Management clients

Completed 2011 to 2017



Underway<sup>1</sup>



Future potential concept opportunities



1. Expected completions due in 2019 to 2021.  
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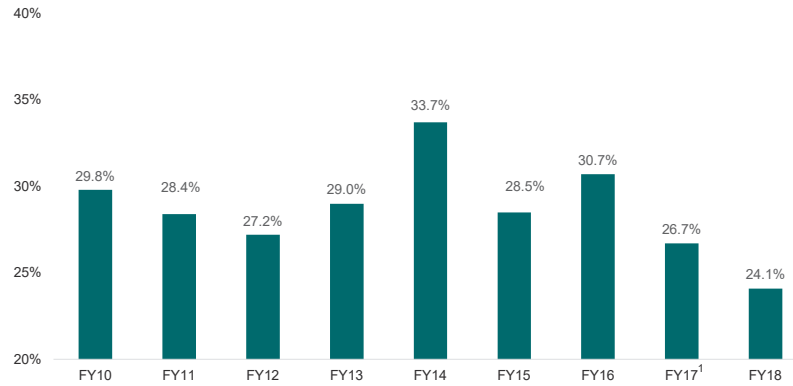


# Maintaining strong capital management approach

## Conservative balance sheet to fund future development pipeline

- 24.1%**  
Gearing
- 4.2%**  
Cost of debt
- 7.0 years**  
Duration of debt

Track record of conservative gearing



1. FY17 pro forma gearing is adjusted for the acquisitions of MLC Centre Sydney, 100 Harris Street Pyrmont, 90 Mills Road Braeside and the sales of 30-68 Taras Avenue, Altona North and 46 Colin Street, West Perth, including the impact of transactions costs. Actual gearing (look-through) is 22.1% at 30 June 2017.  
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# National office market

## Lead indicators are positive

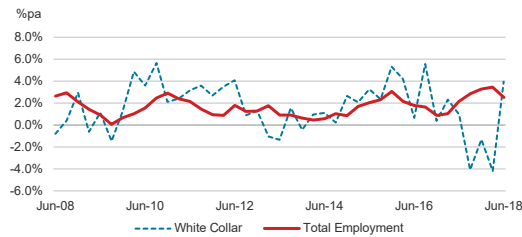


- National enquiries up 10% on FY17 by number<sup>1</sup>
- National enquiries up 13% on FY17 by area<sup>1</sup>
- Average enquiry size is around 1,000sqm
- White collar employment is on the rise
- Business conditions and confidence remain elevated

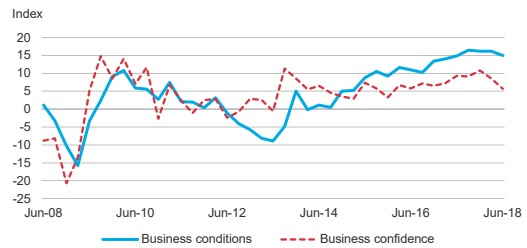
### Dexus group office portfolio exposure

- Key four CBDs
- 39 assets
- \$15.7 billion
- 1.4 million sqm

#### Total employment



#### Business conditions & confidence



1. Colliers August 2018 Office Leasing newsletter.  
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# National office market

## CBD office market to benefit from 'cities' thematic

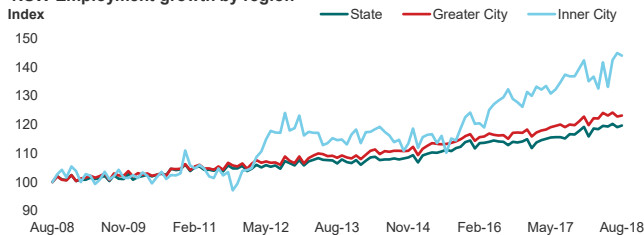
- Employment growth in inner city areas and CBDs is faster than other regions
- CBDs to benefit from new infrastructure investment – creating employment in the near term and resulting in enhanced amenity
- Evidence of tenant migration into the CBDs
- Businesses value CBD locations for attracting and retaining talent
- CBDs foster ideas, collaboration and productivity

### Infrastructure spend by state

State budget commitments – total infrastructure spend next four years<sup>1</sup>



#### NSW Employment growth by region



1. Source: NSW, Victoria, QLD, WA 2018-19 State Budgets.  
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# Sydney CBD office market

## Stronger for longer



- Sydney enquiries up 100% on FY17 by area<sup>1</sup>
- Supported by state economy and continued growth in finance, co-working and technology
- Large businesses coming to market early and looking to expand, driving demand in Sydney CBD

Sydney CBD office market	At 30 June 2018
Total net lettable area	5.04 million sqm
Prime vacancy average	5.2%

### In FY18

#### Largest market deal:

- 50,000sqm (pre-commit: Macquarie Bank at 55 Hunter Street)
- 9,527sqm (pre-Commit: Henry Davis York/Norton Rose Fulbright at Sixty Martin Place)
- 10,820sqm (Pre-Commitment: Allianz at Wynyard Place)

Effective rental growth: +12.5% (JLL)

### FY19-FY23

Projected supply over the medium-term is on par with 10-year average:

- 5-year projected average gross supply: 103,000sqm per year
- 10-year historic average gross supply: 102,000sqm per year



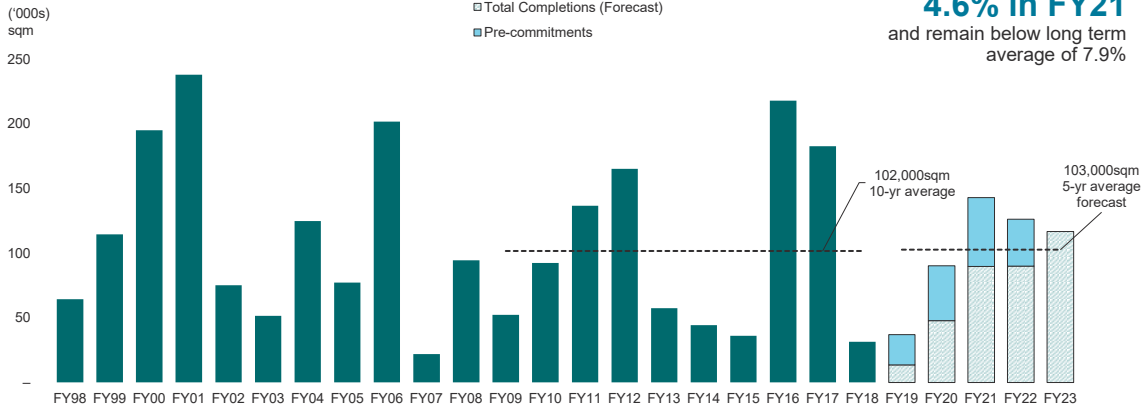
1. Source: Colliers August 2018 Office Leasing newsletter.  
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# Sydney CBD office market

## Past and future supply

Sydney CBD gross supply



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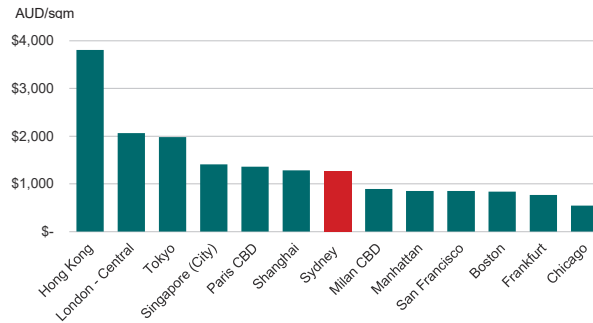


# Sydney CBD office market

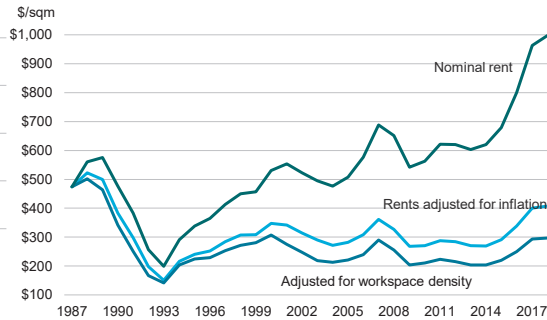
## Rents in perspective

- Sydney not as expensive as many other global office markets
- Companies have steadily increased the density of workers per sqm of office space – so rent paid goes further now than in the past

Gross prime face rents



Sydney prime gross effective rent



# Melbourne CBD office market

## More upside captured



- Melbourne enquiries up 50% on FY17 by area<sup>1</sup>
- Favourable leasing market over the medium-term underpinned by highest national population growth, infrastructure spend and broad confidence
- Diverse sources of enquiry including co-working and education

### In FY18

#### Largest market deal:

- 65,000sqm (pre-commit: NAB at 405 Bourke Street)
- 21,574sqm (pre-commit: Energy Australia at Two Melbourne Quarter)
- 20,088sqm (pre-commit: NBN at Melbourne Central)

Effective rental growth: +10.7% (JLL)

### FY19-FY23

Over the next 3 years, net supply (149,000sqm) is manageable compared to average net absorption over the past 3 years (136,000sqm)

Projected supply over the medium-term is above 10-year average:

- 5-year projected average gross supply: 126,000sqm per year
- 10-year historic average gross supply: 104,000sqm per year

Melbourne CBD office market	At 30 June 2018
Total net lettable area	4.73 million sqm
Prime vacancy average	4.2%

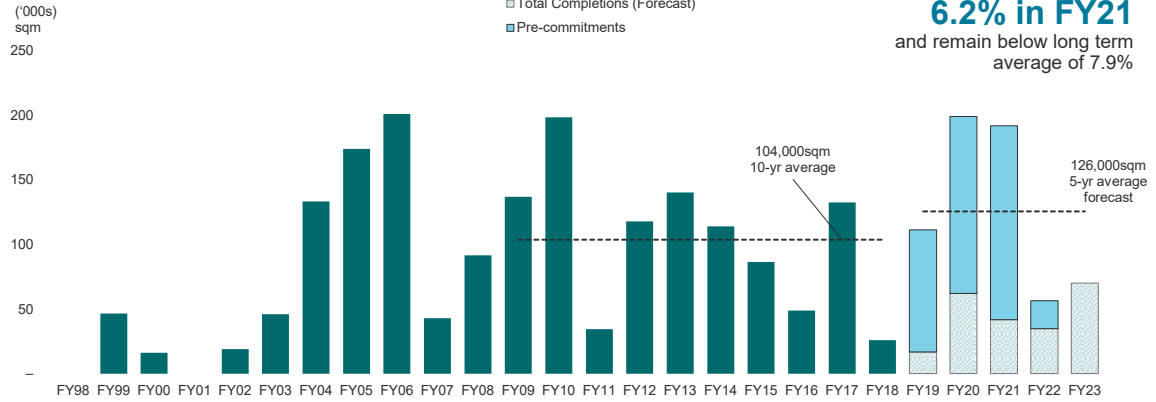


1. Source: Colliers August 2018 Office Leasing newsletter.

# Melbourne CBD office market

## Past and future supply

Melbourne CBD gross supply



Vacancy to fall below  
**4.0% in FY19**  
 before rising to  
**6.2% in FY21**  
 and remain below long term  
 average of 7.9%

# Brisbane CBD office market

## Recovery underway



- Enquiries supported by improving Queensland economy, strong employment growth and major infrastructure projects
- Brisbane market activity focused on larger tenants
- Effective rents to rise as the market moves further into recovery

Brisbane CBD office market	At 30 June 2018
Total net lettable area	2.25 million sqm
Prime vacancy average	9.6%

### In FY18

#### Largest market deal:

- 8,122sqm (occupier move: State Government at 306-310 Ann Street)
- 8,024sqm (occupier move: Allianz at 306-310 Ann Street)
- 7,200sqm (occupier move: WeWork at 192 Ann Street)

Effective rental growth: +0.5% (JLL)

### FY19-FY23

Over the next 3 years, net supply (60,000sqm) is low compared to net absorption over the past 3 years (105,000sqm), allowing vacancy to decline

Projected supply over the medium-term well below 10-year average:

- 5-year projected average gross supply: 31,000sqm per year
- 10-year historic average gross supply: 62,000sqm per year



# Perth CBD office market

## Signs of recovery



- Enquiries at increased levels
- Underpinned by improving economy sentiment and business investment
- Market has bottomed with positive take-up and vacancy declining

Perth CBD office market	At 30 June 2018
Total net lettable area	1.77 million sqm
Prime vacancy average	16.2%

### In FY18

#### Largest market deal:

- 3,790sqm (pre-commit: CBH at 240 St Georges Terrace)
- 3,720sqm (occupier move: undisclosed at 40 The Esplanade)
- 3,494sqm (occupier move: Alinta at Raine Square and Bankwest Place)

Effective rental growth: +1.8% (JLL)

### FY19-FY23

Over the next 3 years, net supply (50,000sqm – fully pre-committed) is manageable compared to net absorption over the past 2 years (65,000sqm), allowing vacancy to decline

Projected supply over the medium-term well below 10-year average:

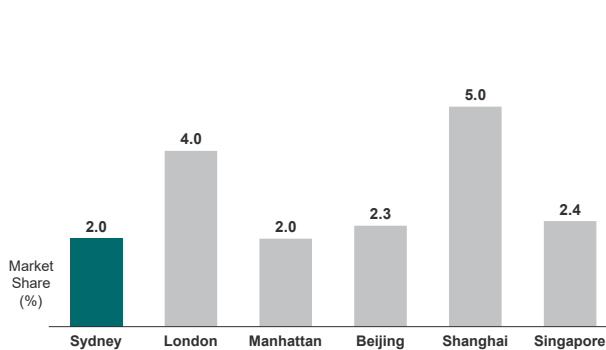
- 5-year projected average gross supply: 20,000sqm per year
- 10-year historic average gross supply: 52,000sqm per year



# Co-working

## Continues to rapidly expand in office markets across the world

Co-working penetration by market  
% of total, by location



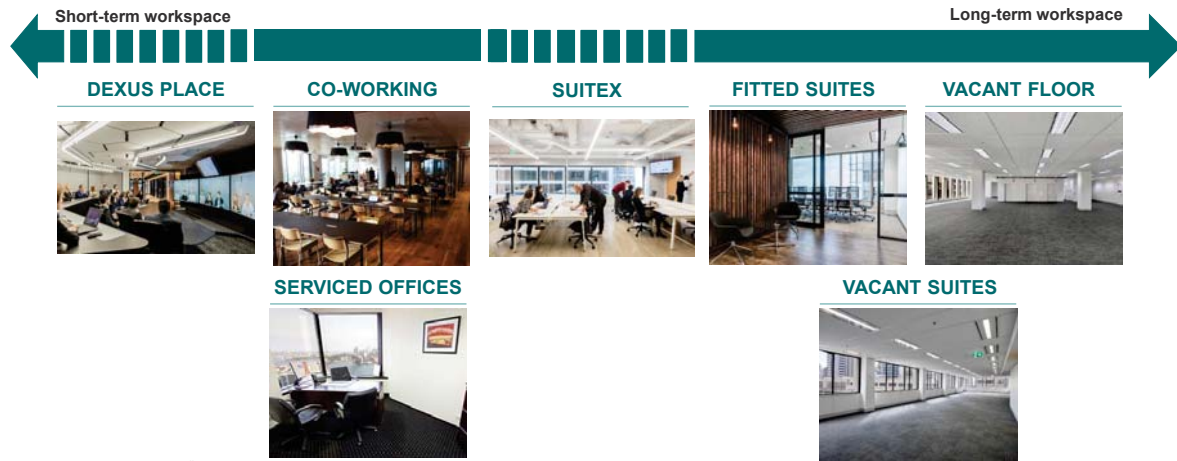
Size of Australian co-working market  
NLA sqm / No of facilities



# Co-working

## The office space spectrum

- Co-working tenants<sup>1</sup> occupy approximately 2% of Dexus's group office portfolio



1. Includes traditional serviced office and co-working tenants.

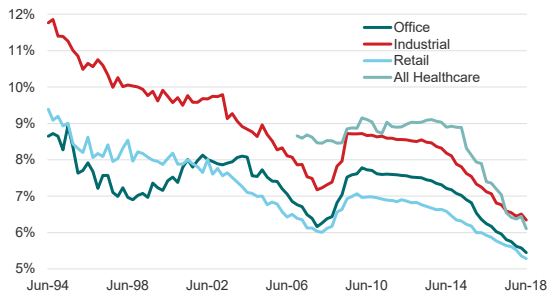
# Capital markets

# Transaction capitalisation rates

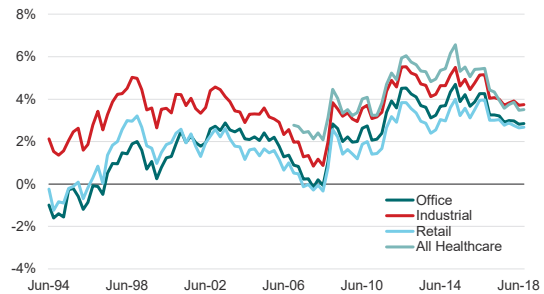
## Healthy spread to bonds remains

- Capitalisation rates continue to compress across all sectors, falling to new historic lows
- Relative pricing to bonds remains attractive with wide spreads still evident

Capitalisation rates by sector



Capitalisation rate spread to Government bonds



Source: MSCI, Dexus Research  
 1. Capitalisation rates represent national averages for each asset class.  
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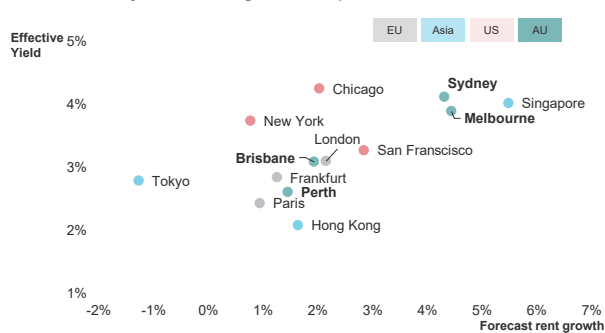


# Pricing in Australia remains attractive

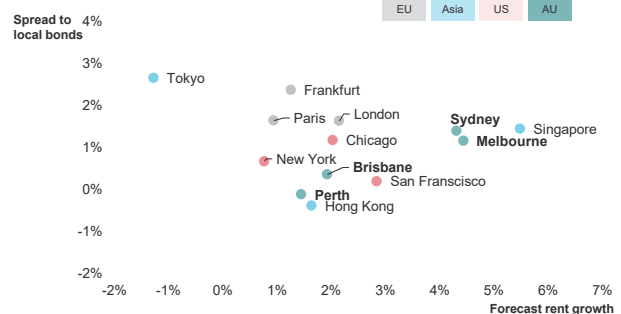
## Healthy spread to bonds

- Relative pricing and rent growth for Australian office markets compare favourably to global cities

Global yield and rent growth comparison



Effective yield spread over local government bond (10yr)



Source: Savills, JLL, Trading Economics, Dexus Research.  
 \*Effective yields are based on A-grade office space.  
 Forecasts are based on JLL data for average prime net face rents from end 2018 to end 2020 and are not Dexus Research forecasts.  
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# Top global transactions

## Sydney remains attractive on a global scale

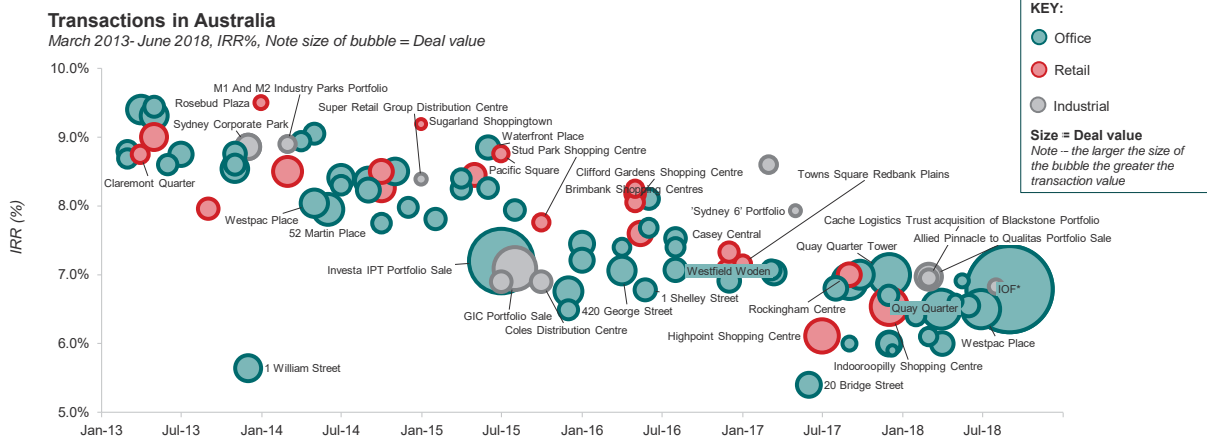
	Paris	Frankfurt	San Francisco	London	Chicago	Sydney	Singapore	Hong Kong	New York	Tokyo
	Coeur Defense	Tower 185	Campus@3333 (Phase 3)	UBS HQ	600 West Chicago Ave	Wynyard Place (50%)	Asia Square Tower 2	The Center (75%)	Chelsea Market	Shiba Park (86%)
Sale date	Oct-17	Dec-17	Nov-17	Jun-18	Feb-18	Sep-17	Nov-17	May-18	Mar-18	Mar-18
Price (\$USD bn)	\$2.1	\$0.9	\$0.6	\$1.3	\$0.5	\$0.8	\$1.5	\$5.1	\$2.4	\$1.2
Cap rate	4.7%	4.4%	5.9%	4.0%	5.2%	4.8%	3.6%	2.4%-2.5%	-	-
Spread to bonds	3.9%	3.9%	2.8%	2.5%	2.1%	2.0%	1.0%	0%	-	-

Source: RCA, Cushman & Wakefield, Trading Economics, Dexis Research.  
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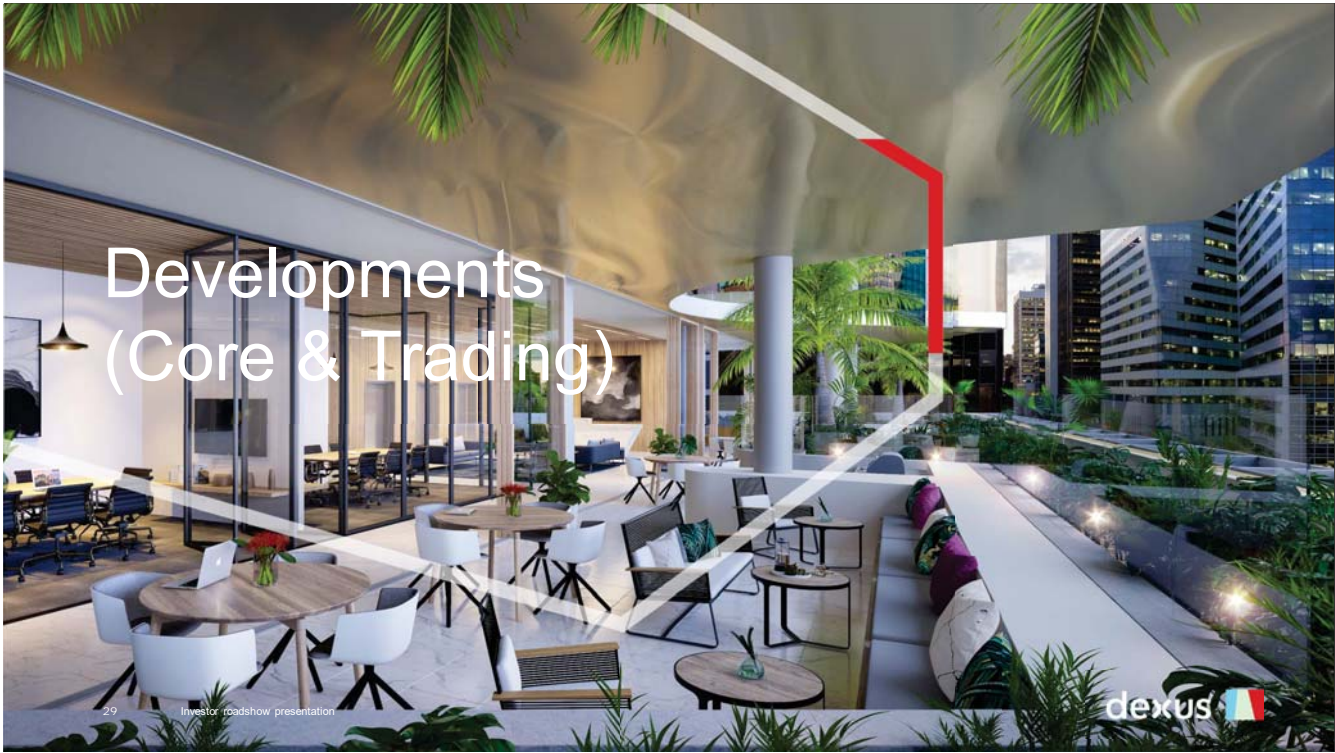
# Transaction Internal Rates of Return

## Compressed capitalisation rates offset by higher growth expectations



\*Investa Office Fund estimate based on weighted average discount rate and book value as at 30 June 2018.  
Source: Dexis Research, JLL, Various Agents.  
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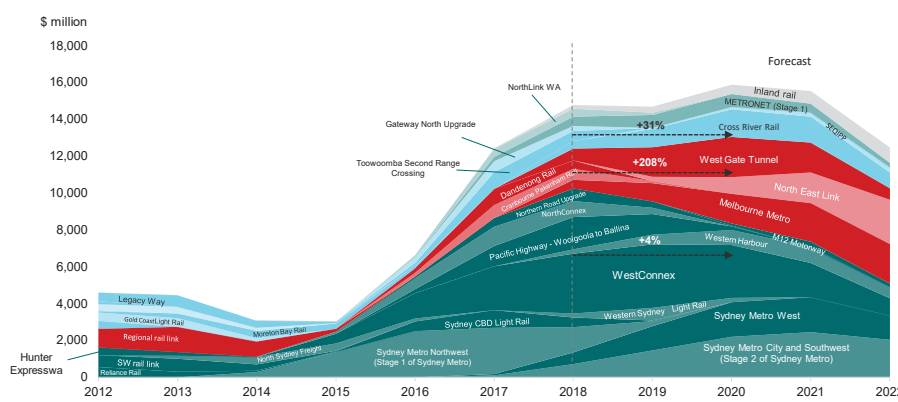
# Developments (Core & Trading)

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## Infrastructure spend Significant levels of infrastructure spend to support growth

Major road and rail projects  
2012-2022, \$mn<sup>1</sup>



% Increase for next 3yrs over past 3yrs

QLD: 31%

VIC: 208%

NSW: 4%

1. Source: Deloitte Access Economics – Investment Monitor.  
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# Infrastructure pipeline supports demand

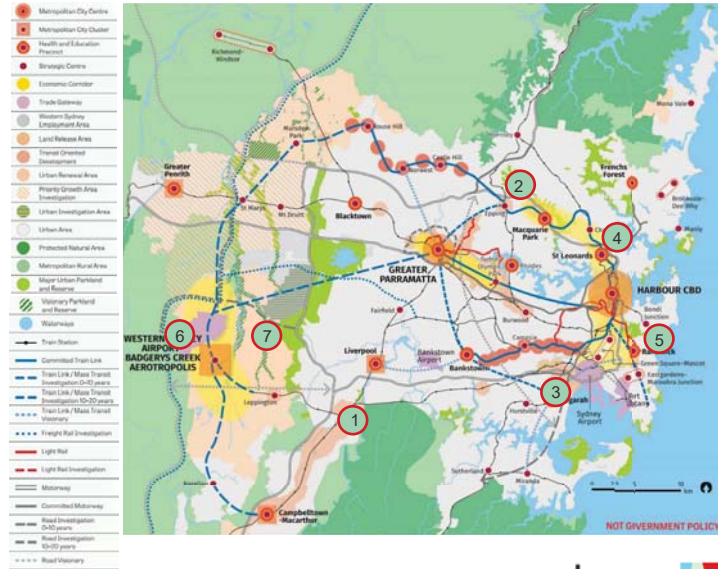
## Record NSW investment

### What's already underway?

- 1. **\$87 billion** to be spent on transport and infrastructure over the next 4 years
- 2. **Moorebank Intermodal**: (2018) \$2 billion project providing road and rail freight services for imports and exports
- 3. **NorthConnex**: (2019) 9km tunnel that will link the M1 Pacific Motorway to the M2
- 4. **WestConnex**: (2019 -2023) \$16 billion project from Western Sydney connecting the CBD and Inner City with the M4 & M5
- 5. **Sydney Metro**: Norwest (2019), Metro City & Southwest (2024) to deliver 31 metro stations. Metro West (2025+) will provide a direct connection between Parramatta and Sydney CBDs.
- 6. **Light Rail**: Sydney CBD & South East (2019), Parramatta Light Rail (2023+)

### Committed projects

- 6. **Badgers Creek Airport** : \$5 billion. First stage due for completion by 2025
- 7. **M12 Motorway**: \$1.2 billion. Completion due 2022



Source: Draft Greater Sydney Structure Plan 2056.

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# Core pipeline extends across mixed uses and locations

## \$4.2 billion group pipeline + circa \$2 billion potential concept opportunities

Exposure across Australian CBDs			Industrial	Retail	Healthcare
Office	City retail	Mixed use			
The Annex, 12 Creek St, Brisbane Dexus and Dexus Wholesale Property Fund	175 Pitt Street, Sydney Dexus and Dexus Office Partner	Waterfront Precinct, Brisbane Dexus and Dexus Wholesale Property Fund	Quarrywest, Greystanes Dexus and Dexus Industrial Partner	Carillon City, Perth DWPF	Calvary Adelaide Hospital HWPF
<b>\$1,860m</b> (\$863m committed)	<b>\$218m</b> (\$108m committed)	<b>\$540m</b> (Uncommitted)	<b>\$942m</b> (\$94m committed)	<b>\$320m</b> (Uncommitted)	<b>\$325m<sup>1</sup></b> (committed)
including: 100 Mount Street, North Sydney 180 Flinders Street, Melbourne 12 Creek Street, Brisbane 11 Talavera Road, Macquarie Pk Waterfront Precinct, Brisbane	including: 175 Pitt Street, Sydney 1 Farrer Place, Sydney 44 Market Street, Sydney 321 Kent Street, Sydney	including: Waterfront Precinct, Brisbane	including: Quarrywest, Greystanes Dexus Industrial Estate, Laverton North Recent land bank acquisitions	including: Knox City Shopping Ctr Carillon City, Perth	including: Calvary Private Hospital

62% of the pipeline

Circa 7.4% of balance sheet FUM is allocated to development<sup>2</sup> at 30 June 2018

1. Calvary Adelaide Hospital estimated completion value.  
2. Includes trading and value-add opportunities.

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# 100 Mount Street, North Sydney

## Committed development project

\$231m project cost<sup>1</sup>
7-8% yield on cost
42,100 square metres
63% leased<sup>2</sup>
Feb-2019 completion

1. Dexus interest in development cost (including cost of land).  
 2. Includes Heads of Agreement signed post 30 June 2018.  
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# 180 Flinders Street, Melbourne

## Committed development project

\$146m project cost
6-7% yield on cost
20,200 square metres
39% leased<sup>1</sup>
Mid 2020 completion

1. Includes Heads of Agreement signed post 30 June 2018.  
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# Waterfront Precinct Masterplan, Brisbane

## Uncommitted development project



1. Dexus share of development cost.  
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# 140 George Street, Parramatta

## Uncommitted development project<sup>1</sup>






1. Dexus Office Partnership asset (50% DXS).  
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# Industrial landbank acquisitions

## Uncommitted development pipeline restocked

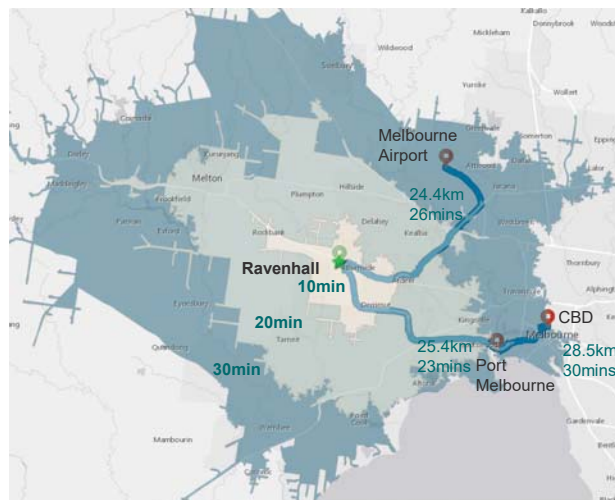
Replenished group industrial pipeline in core locations through \$188 million of acquisitions, with an end value of circa \$700 million<sup>1</sup>

11-167 Palm Springs Road, Ravenhall, VIC	54 Ferndell Street, South Granville, NSW	425-479 Freeman Road, Richlands, QLD
		
<p><b>Circa \$480 million over 5-7 years</b></p> <ul style="list-style-type: none"> <li>- 127-hectare site in core West Melbourne industrial precinct</li> <li>- DXS 50%, DWPF 50%</li> <li>- Up to 380,000sqm prime commercial and industrial development planned over 5-7 years</li> </ul>	<p><b>Circa \$140 million over 2 years</b></p> <ul style="list-style-type: none"> <li>- 10-hectare brownfield opportunity in a tightly held industrial market with constrained land supply</li> <li>- DXS 100%</li> <li>- 54,000sqm across four buildings with varying tenancy sizes</li> </ul>	<p><b>Circa \$80 million over 2-3 years</b></p> <ul style="list-style-type: none"> <li>- 9-hectare brownfield opportunity is located in close proximity to DWPF's Drive Industrial Estate</li> <li>- DXS 100%</li> <li>- 52,000sqm with a flexible design to suit varying tenancy sizes</li> </ul>
<p>Over the past eight years, Dexus has demonstrated its ability to develop and lease 730,000 square metres of industrial projects in Sydney, Melbourne and Brisbane.</p>		

1. Three acquisitions announced post 30 June 2018 being 11-167 Palm Springs, Ravenhall, VIC, 425-479 Freeman Road, Richlands, QLD and 54 Ferndell Street, South Granville, NSW.

## Ravenhall - over 1.2 million people within 30 minute trucking time

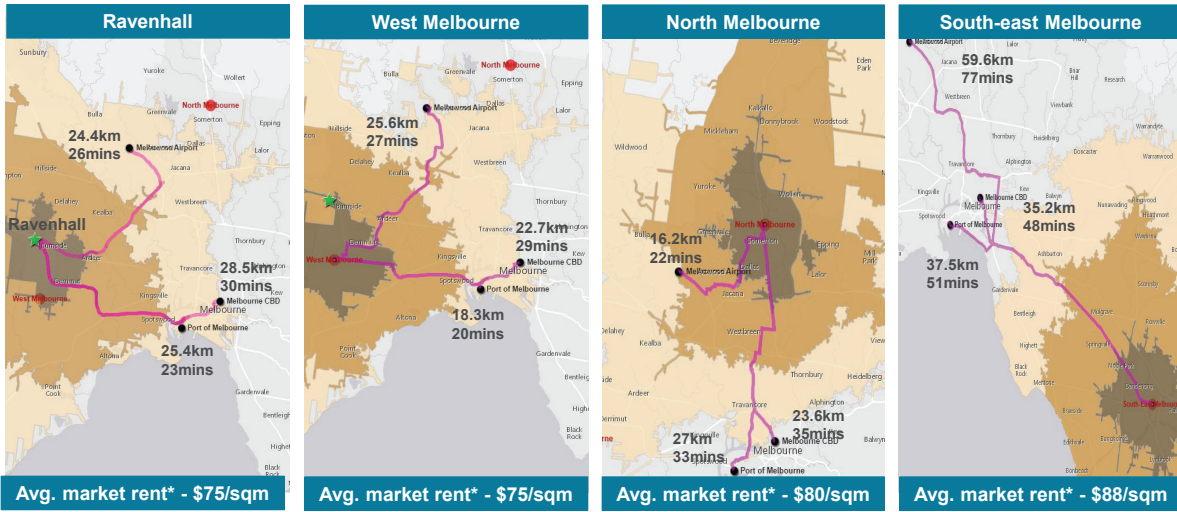
### 30 minutes or less to Port of Melbourne, CBD and Melbourne Airport



Source: Esri - ArcGIS, Dexus Research.

# Ravenhall - favourable compared to other precincts

## Site is comparable to West Melbourne but with improved highway access



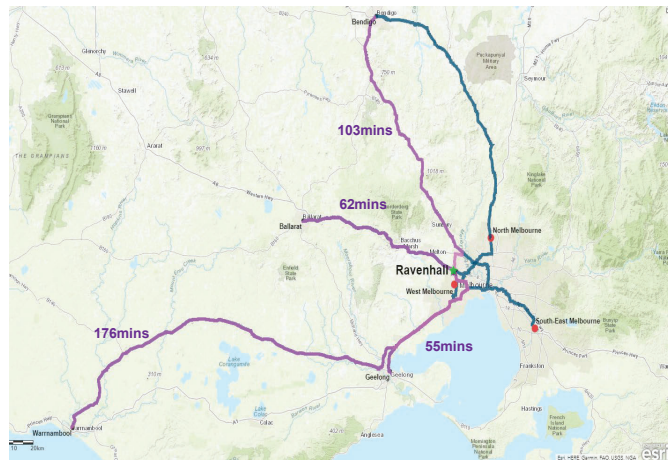
Source: Esri - ArcGIS, JLL, Dexus Research.  
 \*Market rents based on average prime existing nominal net rents for Q2-18 sourced from JLL.  
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# Ravenhall - closer to regional Victoria than other precincts

## With quickest access to regional locations to the north and west

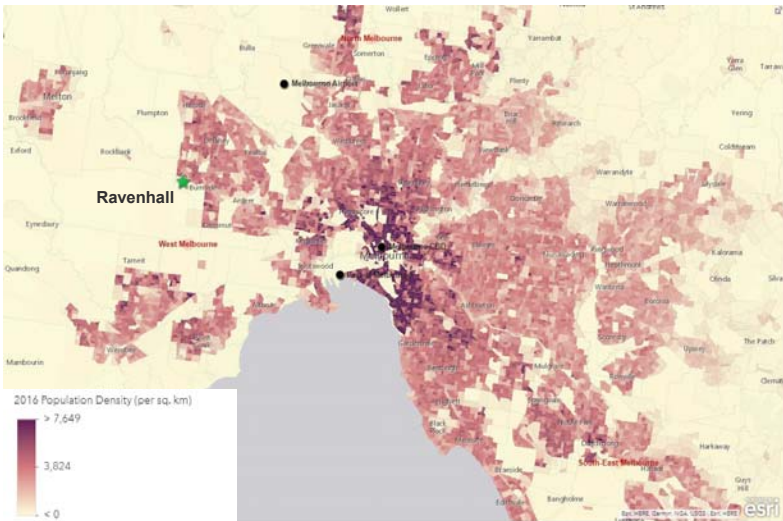
Origin / Destination	Ballarat	Bendigo	Geelong	Warrnambool
Ravenhall	62min 90km	103min 141km	55min 74km	176min 264km
West Melb.	+5mins +6kms	+8mins +11kms	-3mins -14kms	-4mins -13kms
North Melb.	+26mins +29kms	+3mins -6kms	+18mins +19kms	+17mins +19kms
South-east Melb.	+45mins +57kms	+33mins +48kms	+29mins +32kms	+28mins +33kms



Source: Esri - ArcGIS, Dexus Research.  
 40 Investor roadshow presentation



# Ravenhall - adjacent to large residential catchment

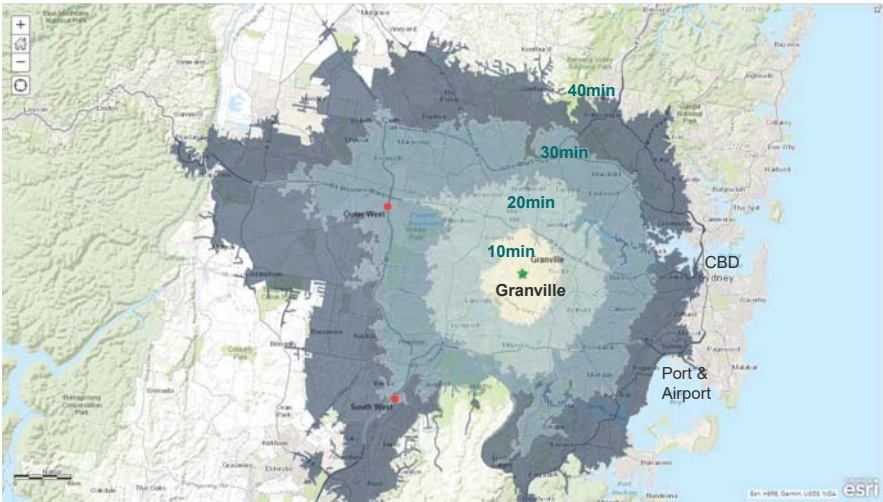


Source: Esri - ArcGIS, ABS, Dexus Research.

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# Granville - around 3.2 million people within 40 minute trucking time Over 70% of total Sydney metropolitan population



Source: Esri - ArcGIS, Dexus Research.

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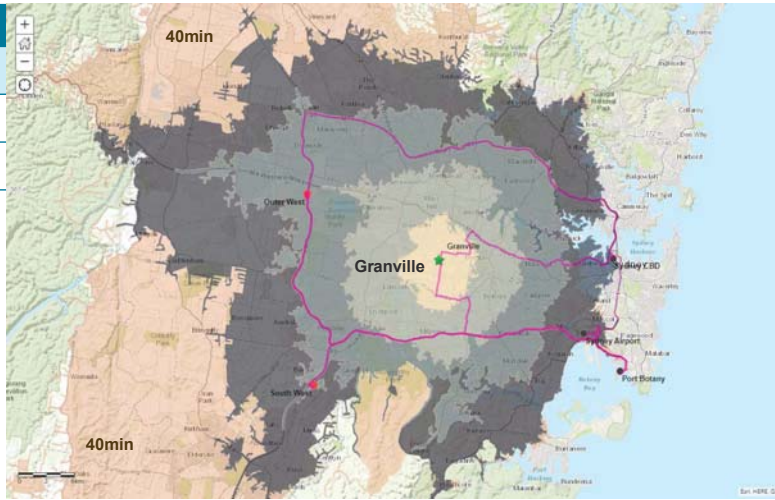


# Granville - favourable compared to other Sydney precincts

42-45 minutes required from western sites to serve an equal amount of people

Origin / Destination	Sydney CBD	Port Botany	Sydney Airport
Granville	39min 25km	44min 32km	46min 30km
Outer West Sydney	+6mins +30kms	+5mins +22kms	+4mins +22kms
South West Sydney	+11mins +22kms	-2mins +10kms	0mins +9kms

	Population within 40min
Granville	3.21mil
Outer West Sydney	3.06mil
South West Sydney	2.73mil



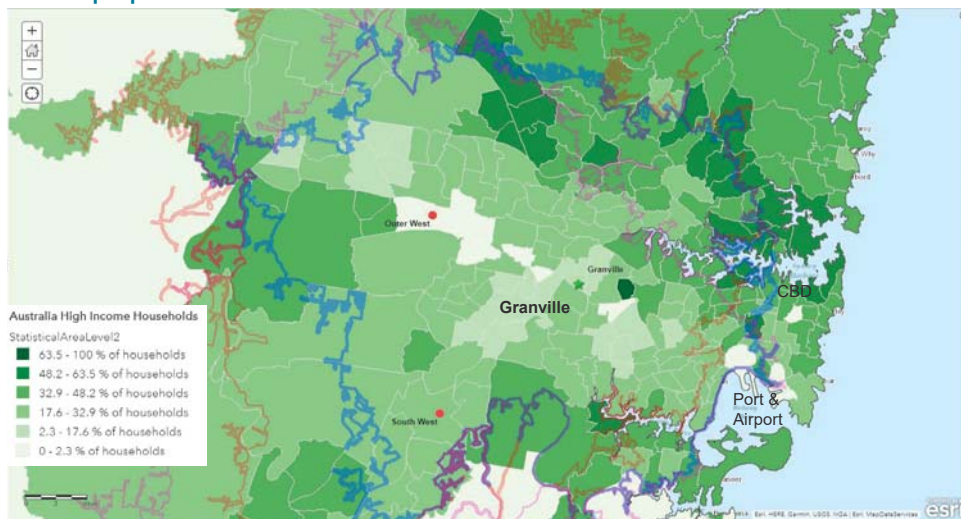
Source: Esri - ArcGIS, Dexus Research.

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# Granville

More affluent population located within 40 minute catchment



Source: Esri - ArcGIS, Dexus Research.

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## Trading opportunity 201 Elizabeth Street, Sydney



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## Trading opportunity 12 Frederick Street, St Leonards (Stage 1)

- North Shore Health Hub - specialist healthcare facility
- Innovative design solution including elevated bridge link to adjoining North Shore Private Hospital
- Pre-commitments with leading Australian healthcare providers including Ramsay Healthcare, Genesis Cancer Care and North Shore Radiology
- Land rezoned and detailed planning applications approved
- Construction commencing Q4 2018 with completion forecast for Q2 2020



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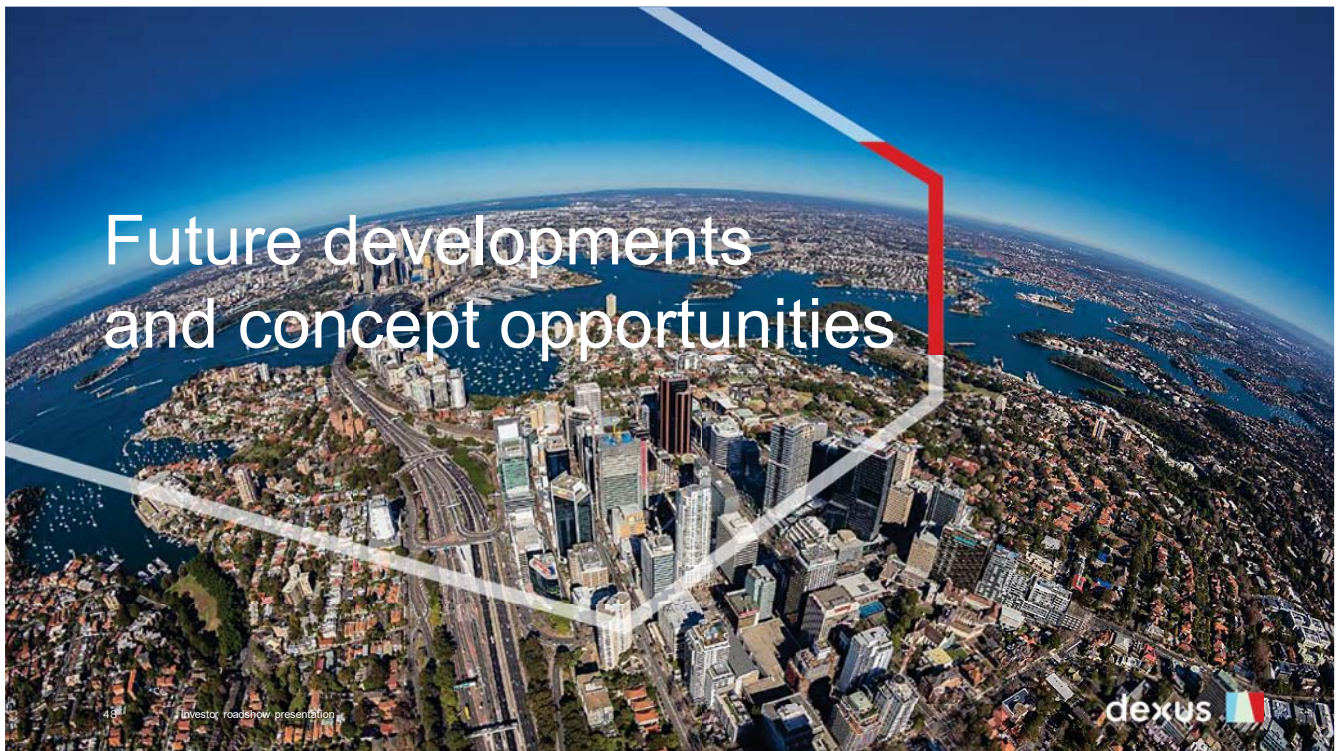


## Trading opportunity 12 Frederick Street, St Leonards (Stage 2)

- St Leonards Health and Education Precinct (Stage 2) - combining world-class research facilities with supporting uses
- Dexus-owned and controlled site co-located with the Royal North Shore Hospital, a major NSW public hospital and North Shore Private Hospital
- 85,000sqm Gross Floor Area (subject to rezoning approval)
- Potential uses include healthcare, office, hotel, research/education, key worker housing and retail
- Potential phased delivery to 2025



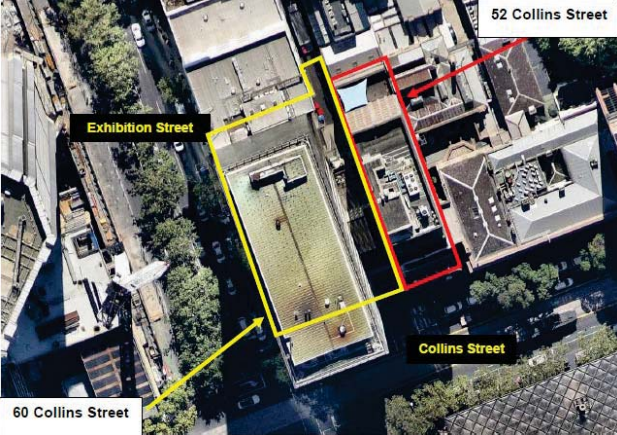
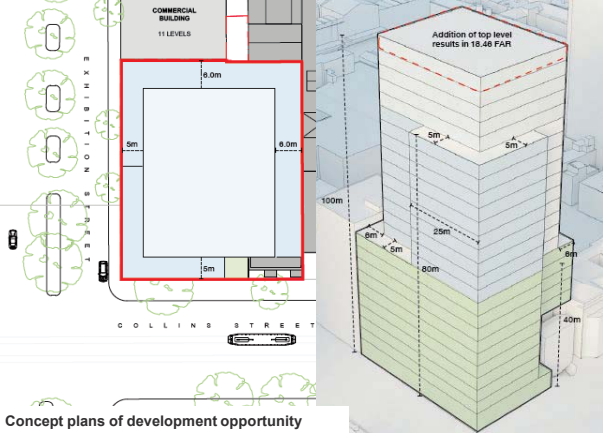
## Future developments and concept opportunities



# 60 and 52 Collins Street, Melbourne

Acquisitions provide a presence in tightly held 'Paris end' of the Melbourne CBD

Acquired for \$230m<sup>1</sup>      35,000 square metre prime grade development opportunity

Concept plans of development opportunity

1. Excluding acquisition costs. Settlement of 60 Collins Street expected to occur by end of October 2018. Settlement of 52 Collins Street expected to occur in July 2019.  
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# 60 and 52 Collins Street, Melbourne (street scape)

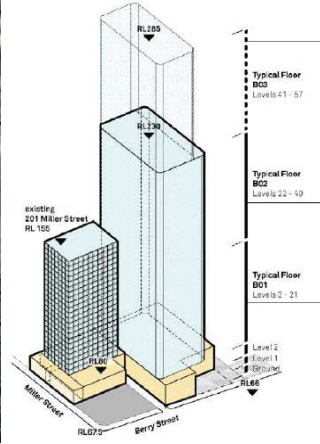
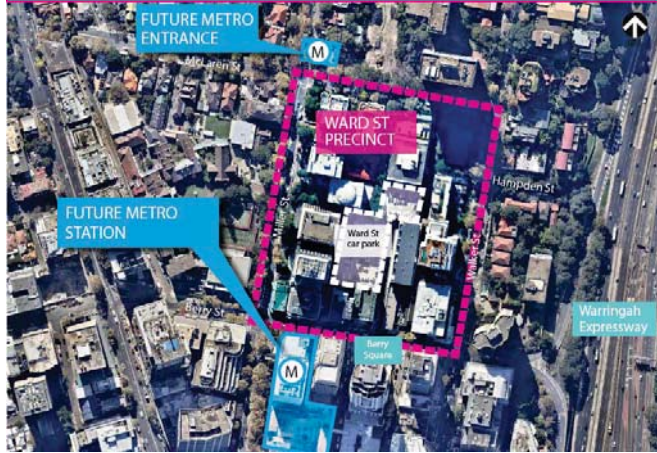
Acquisitions provide a presence in tightly held 'Paris end' of the Melbourne CBD



# Ward Street precinct, North Sydney

## Uncommitted development project

Dexus Office Partnership 201 Miller Street, 56 and 66 Berry Street, 22 Ward Street



Proposed GFA for Site B is up to a maximum of 96,424sqm

- 201 Miller Street - 100%\*
- 56 Berry Street - 100%\*
- 66 Berry Street - 30%\* strata unit ownership

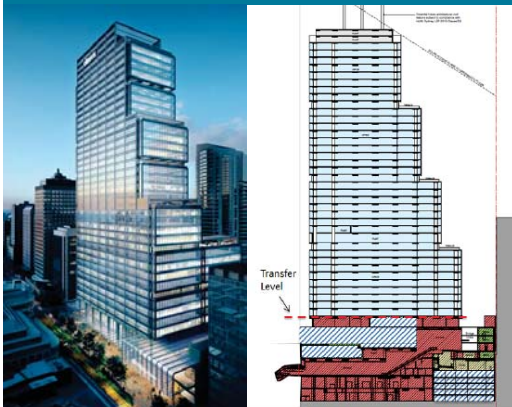
1. Dexus Office Partnership ownership interest.  
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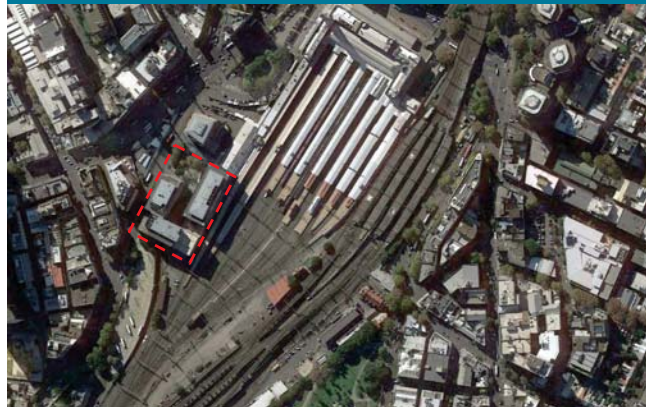
# Potential concept opportunities

## Shortlisted or exclusive position

Victoria Cross, North Sydney - office/retail



Central, Sydney - office/ residential



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# Potential concept opportunities

## Longer term opportunities controlled by Dexus

### Axxess Corporate Park - Victoria



### Norwest – NSW 3 Brookhollow Avenue, Baulkham Hills



38km north west of Sydney CBD  
39 mins to Martin Place (by Metro)  
19 mins to Macquarie Park (by Metro)

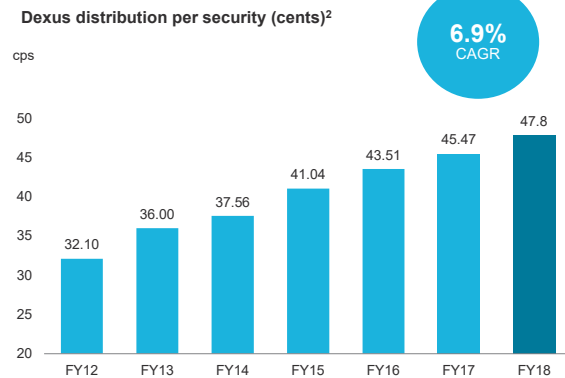
# Summary



# Summary

## Strategy set up to deliver distribution growth through the cycle

- Strong foundations and well positioned for continued success in a rapidly changing business environment
- Highly engaged workforce continuing to deliver results
- Balance sheet strength provides capacity for current and future development projects
- Market guidance<sup>1</sup> for the 12 months ending 30 June 2019 for distribution per security growth of circa 5%



1. Barring unforeseen circumstances, guidance is supported by the following assumptions: Impacts of announced divestments and acquisitions; FFO per security growth of circa 3%, underlying FFO per security growth of circa 3% underpinned by Dexus office portfolio like-for-like growth of 4-5%, Dexus industrial portfolio like-for-like income growth of 2.5-3.5%, management operations FFO and cost of debt in line with FY18; trading profits of \$35-40 million net of tax, maintenance capex, cash incentives, leasing costs and rent free incentives of \$155-165 million; and excluding any further transactions.

2. Adjusted for the one-for-six security consolidation completed in FY15. Compound annual growth rate (CAGR) is calculated over six years

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