

CEO AND CHAIRMAN STATEMENT

At DEXUS, we strive to be a market leader in corporate responsibility and sustainability (“CR&S”) and employ a holistic approach to identify and address the governance, environmental, social and economic aspects of our operations. We are committed to ensuring that CR&S is a constant and visible consideration in all aspects of our business by embedding it into our culture and strategy.

We are pleased to report that the 2008/09 financial year has seen further progress in our CR&S programs. Despite challenging market conditions, we have continued our ongoing commitment to improving the performance of our existing portfolio and delivering sustainable developments. In these uncertain economic times, we believe it is even more critical to ensure we are actively positioning our portfolio for the future, integrating sustainability as part of maintaining the quality of our properties.

Property operations

The office sector offers the greatest opportunities for improving resource efficiency and reducing carbon emissions. This is primarily as a result of higher tenant expectations for sustainable buildings, established benchmarking tools like NABERS Energy and the easier comparability of office buildings. As the largest owner and manager of office properties in Australia we feel it is appropriate that we concentrate our efforts here. In the year to March 2009, we are pleased to report that we reduced our energy consumption by 6%, water consumption by 13% and greenhouse gas emissions by 5% in the office sector.

Thanks to a long-term focus on risk management, a prudent development approach and proactive leasing efforts, our two major office developments have continued on track with substantial tenant pre-commitments secured with major Australian companies who share our vision to deliver the next generation of sustainable office space.

In Sydney, 1 Bligh Street is due to be completed in May 2011 and 123 Albert Street in Brisbane is due for completion in December 2010. Both developments offer world-class sustainable design features and significant tenant amenity.

During the year we also sought to expand our sustainability efforts in retail and we have made real progress in this area with reductions in energy consumption of 21%, water consumption by 31% and greenhouse gas emissions by 23%.

In our industrial portfolios, where much of the operational control lies with our tenants, we have continued to focus on initiatives where we can influence or control sustainability performance such as water efficient landscape management.

Our dedication to sustainability is part of our commitment to maintaining and growing the underlying value of our portfolio, and to continue to be a leader in the property sector.

Benchmarking our performance

We continued to benchmark our CR&S performance and during the year took part in our fourth Carbon Disclosure Project, responded to the Dow Jones Sustainability Index and maintained our listing in the Australia SAM Sustainability Index and the FTSE4Good Index.

In January 2009, we were named in the fifth annual “Global 100 Most Sustainable Corporations” list, announced at the Davos World Economic Forum in Switzerland.

At the time of writing this report we had also achieved further recognition for our efforts with inclusion into the Dow Jones Sustainability World Index (DJSI World) – in September 2009. DJSI World rates the performance of companies globally on economic, environmental and social criteria.

A holistic approach

We continue to align our CR&S programs to efficiently manage our statutory and voluntary reporting obligations aligned with the expectations of key stakeholders, including the community and investors.

During the year we completed a resource consumption database and collated over two years of consumption data for over 100 properties, including all properties within our operational control.

We have implemented a more tailored approach to consider the strategic positioning of every property under our operational control from an economic, environmental and social performance perspective.

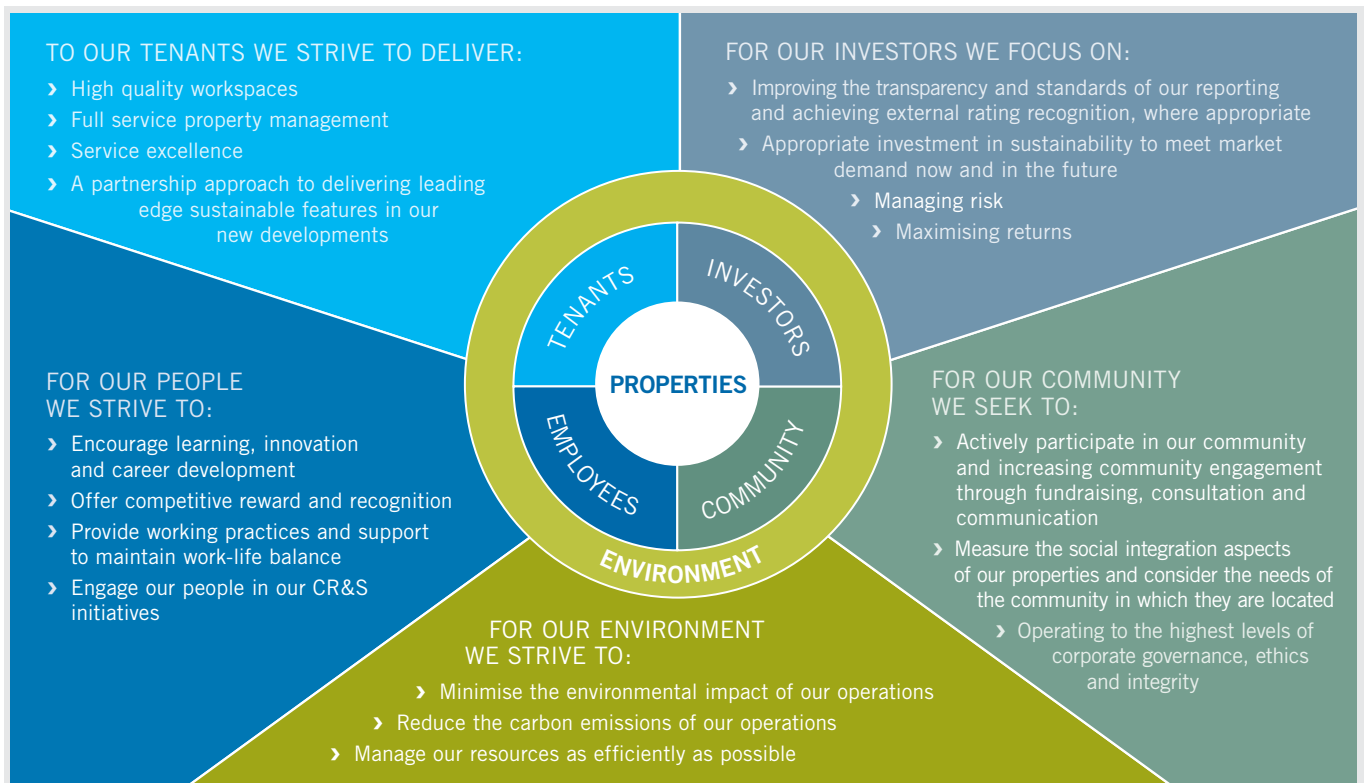
As part of our commitment to continually improving the quality and transparency of our reporting, this year we have expanded our CR&S Report to include a section on governance and enhanced the financial information. This further aligns our report with the Global Reporting Initiative, which we are reporting against for the third year. Each section of the report highlights our management approach and provides detail on our achievements over the past year.

This year we have sought external verification of our 2009 CR&S Report for the first time with a view to undertaking full external assurance next year.

Social – our people and our communities

We successfully launched our first employee volunteering program and we exceeded our 2007/08 contributions to registered charities and not for profit community groups (financial and in-kind) by 61% to \$540,000 – primarily as a result of our new volunteering activity and the increased property space provided free of charge to community groups.

CR&S is integrated into our business model



In December 2008, we completed our third annual employee opinion survey, achieving improved results which we also benchmarked for the first time against Australian and global corporate performance standards.

Looking forward

While we expect the next year will continue to be challenging for the property sector and economy as a whole, DEXUS is well positioned to maintain our position as one of Australia's largest property groups and a market leader in office and industrial.

Our commitment to sustainability is a long-term strategy, and one we believe at DEXUS sets us apart from our peers.

We continue to apply both active portfolio management and prudent capital management strategies to maximise value for our stakeholders and minimise the environmental impact of our operations.

We continue to seek ways to improve our relationship with our community and to instil within our people the importance of operating with the highest levels of ethics, integrity and social responsibility.

We firmly believe that our commitment to corporate responsibility and sustainability will increase the value of our portfolio and position us to meet future tenant and market demands ahead of our peers.

We look forward to reporting back to you on our progress in next year's CR&S Report. For any queries or feedback on our CR&S activities, please email us at crs@dexus.com

Christopher T Beare
Chair

Victor P Hoog Antink
Chief Executive Officer

CR&S

OUR KEY ACHIEVEMENTS

GOVERNANCE

- ▶ Strengthened our commitment to CR&S by instituting Board oversight with the Board Risk Committee overseeing all aspects of CR&S (effective August 2009)
- ▶ Developed an internal audit function accountable to the Board Risk Committee
- ▶ Implemented a Continuous Disclosure Committee comprising executive managers

CORPORATE REPORTING

- ▶ Maintained our commitment to voluntary reporting and performance benchmarking:
 - responding to the Carbon Disclosure Project for the fourth year
 - maintaining our listing in the FTSE4Good Index
 - submitting our first application to the Dow Jones Sustainability Index (inclusion in the DJSI World Index achieved in September 2009)
- ▶ Recognised at the World Economic Forum in Davos as one of the Global 100 most sustainable companies

ENVIRONMENT

- ▶ Completed NABERS Energy and Water ratings for the office portfolio
- ▶ Achieved significant efficiency gains in our office and retail sectors

	Office	Retail
Energy	↓6%	↓21%
Water	↓13%	↓31%
GHG	↓5%	↓23%

- ▶ Established a comprehensive resource consumption database for all properties
- ▶ Continued our sustainable developments at 1 Bligh Street, Sydney and 123 Albert Street, Brisbane



SOCIAL

OUR PEOPLE

- › Benchmarked our Employee Opinion Survey results against Australian and global benchmark standards
- › Completed 360 Degree Reviews for all managers
- › Developed a DEXUS leadership program for managers in conjunction with the Australian School of Business (AGSM)

OUR COMMUNITY

- › Launched a new employee volunteering program, so that each employee can take one day's additional leave to participate in volunteering activity aligned with DEXUS's business strategy and values
- › Increased the measurability of our community engagement programs by rolling out new reporting methods to more effectively track all financial and in-kind contributions to charities and not for profit community groups
- › Exceeded our 2007/08 contributions to registered charities and not for profit community groups (financial and in-kind) by 61% to \$540,000

CR&S

OUR PEOPLE



Members of the DEXUS team at Australia Square, Sydney, NSW