

Strong Foundations. Positive Momentum.

We have established strong foundations that have enabled us to consistently deliver on our strategy, and positive momentum across the business is enhancing our position for the future.

10 years
being listed
as Dexus

It has been 10 years since we fully internalised our management structure and started on the journey towards becoming one of Australia's leading property groups, today known as Dexus. See our journey on page 3.

2018 ANNUAL REPORTING SUITE

Dexus presents its 2018 Annual Reporting Suite for the year ended 30 June 2018.

2018 Annual Report

Provides a consolidated summary of Dexus's performance, Dexus's Consolidated Financial Report, Operating and Financial Review, and Corporate Responsibility & Sustainability (CR&S) performance.

2018 Financial Statements

Comprises the Financial Statements for Dexus Industrial Trust, Dexus Office Trust and Dexus Operations Trust. This report should be read in conjunction with the 2018 Annual Report.

2018 Sustainability Performance Pack

Provides data and detailed information supporting the results outlined in the 2018 Annual Report available in the online 2018 Annual Reporting Suite at www.dexus.com

2018 Annual Results Presentation

Provides an overview of Dexus's operational and financial performance available in the online 2018 Annual Reporting Suite at www.dexus.com

2018 Property Synopsis

Provides an overview of the Dexus property portfolio, available in the online 2018 Annual Reporting Suite at www.dexus.com

The 2018 Annual Reporting Suite is available in hard copy by email request to ir@dexus.com or by calling +61 1800 819 675.



[www.dexus2018.
reportonline.
com.au](http://www.dexus2018.reportonline.com.au)



Highlights



Growth in distribution
and AFFO per security

5.1%



Realised trading profits net of tax

\$36.6m



Property portfolio
valuation uplift

\$1.2bn



Progressed minimum 5 star
NABERS Energy rating across

89%

of the office portfolio towards
target of 1,000,000sqm by 2020



Return on contributed equity

7.6%



Office portfolio like-for-like
income growth

+4.5%



**Achieved gender pay equity
in like-for-like roles**



**Completed the first round
equity raising for the
Healthcare Wholesale
Property Fund**

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Overview

This section outlines our key achievements, strategy and how we created value.

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About Dexus

Dexus is one of Australia's leading real estate groups, managing a high quality Australian property portfolio valued at \$27.2 billion.

We believe the strength and quality of our relationships will be central to our success, and are deeply committed to working with our customers to provide spaces that engage and inspire.

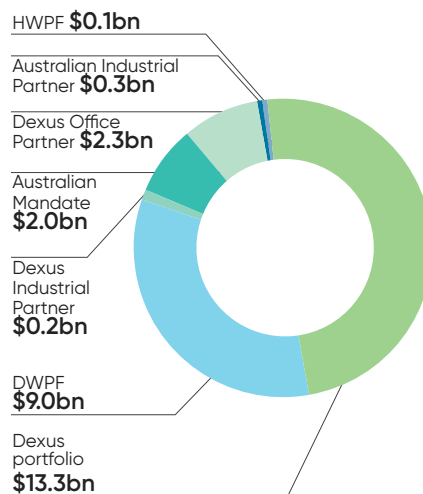
The creation of sustained value is underpinned by our quality property portfolio, located across Australia's major cities. We are committed to playing a leading role in shaping Australian cities for the future as desirable places to live, work and play.

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.

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 and delivering superior risk adjusted returns for our investors.



We are deeply committed to working with our customers to provide spaces that engage and inspire."



\$27.2bn

Total funds under management



148

Properties



4.5m

Square metres across the group



427

Engaged employees



\$9.9bn

Market capitalisation



Top 50

Entity on ASX

10 years
being listed
as Dexu

It has been 10 years since we fully internalised our management structure and started on the journey towards becoming one of Australia's leading property groups, today known as Dexu.

Since acquiring the remaining 50% interest in DB RREEF Holdings from Deutsche Bank in 2008, we have built on our strong foundations to grow our group portfolio from \$15.3 billion to \$27.2 billion.

We continue to deliver superior risk-adjusted returns to our investors through investment in a high quality portfolio, predominantly comprising office buildings, and the management of a strongly performing funds management business. Our focus on active portfolio management, underpinned by a prudent and disciplined financial approach, has not changed.

Our strategy was revised in 2012 to build on our strengths of office ownership and funds management, while enhancing our position in the Australian property market. We divested our exposure to offshore properties and reinvested in high quality assets located in Australia's major cities, while at the same time growing and diversifying our funds management business to include new partnerships with global investors in the office, industrial and healthcare sectors.

Our approach to sustainability was further aligned with our overarching goal of delivering sustained value and is fully integrated into our daily business operations.

Our customer centric approach uses the insights and understanding of our customers, to provide market-leading solutions and services while refreshing our brand to further establish our customer connection. Today we have a diverse and inclusive corporate culture that reflects our customer base and delivers high performance outcomes.

A decade of growth

2008 > > > > 2018

Investors

21,927



27,226

Funds under management

Total FUM
\$15.3bn

Dexu
\$8.9bn

Third Party
\$6.4bn



Total FUM
\$27.2bn

Dexu
\$13.3bn

Third Party
\$13.9bn

Sectors

Office
\$7.2bn

Industrial
\$4.4bn

Retail
\$3.6bn

Healthcare
—



Office
\$18.1bn

Industrial
\$3.8bn

Retail
\$5.2bn

Healthcare
\$0.1bn

People

270



427

Market capitalisation

\$4.2bn



\$9.9bn

Our Strategy

Dexus's strategy is to deliver superior risk-adjusted returns for investors from high quality real estate in Australia's major cities.

Delivering superior risk-adjusted returns means outperforming the relevant three and five year benchmarks in each market in which Dexus owns or manages properties while providing Dexus Security holders with sustainable and growing distributions.

We have two strategic objectives that underpin this strategy:

- **Leadership in office:** being the leading owner and manager of Australian office property
- **Funds management partner of choice:** being the wholesale partner of choice in Australian property

Leadership in office is an aspiration that is supported by our scale. As the largest office owner and manager in Australia, we have scale that provides many advantages.

Our scale supports the generation of investment outperformance, through providing valuable customer insights and the opportunity to invest in people, systems and technologies that enhance our customers' experience. It also enhances our ability to find the ideal workspace solution for customers and generates cost efficiencies.

Our objectives of leadership in office and funds management partner of choice complement each other. Our success in the office sector has enabled Dexus to attract investment partners not just in office, but also in the industrial, and healthcare sectors, in turn providing the opportunity to drive investment performance for those clients.

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

How our business creates value

Our strategy is underpinned by our business activities of developing, managing and transacting properties.

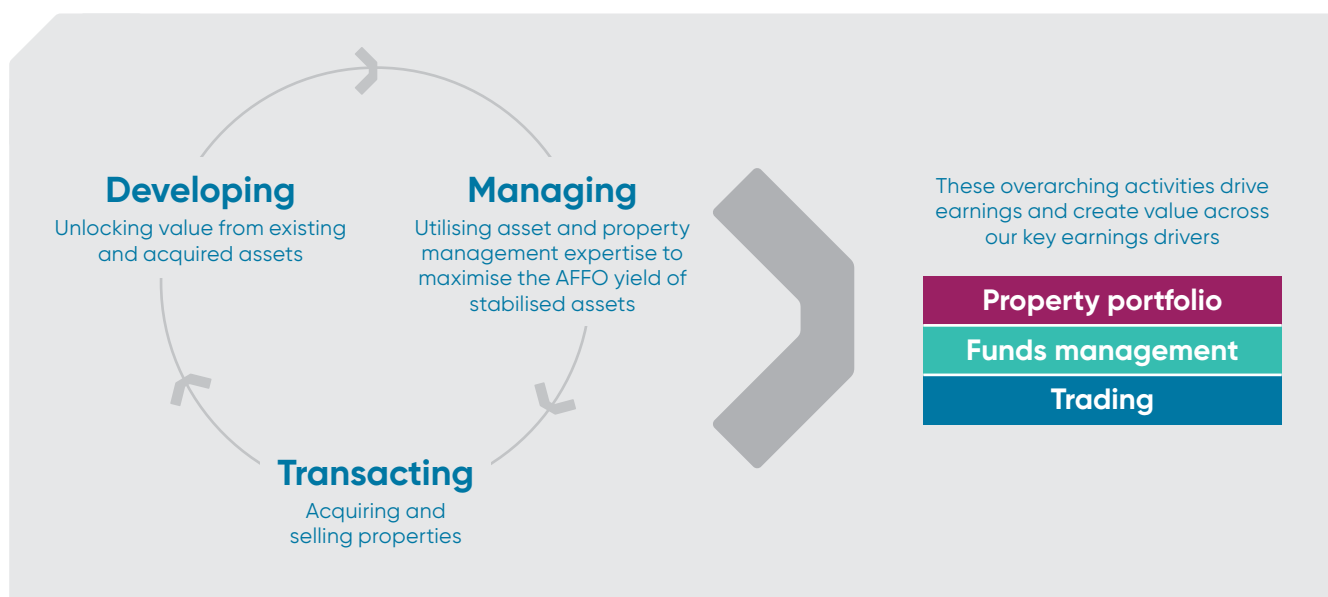
To generate superior risk-adjusted returns for investors it is necessary that for each asset we own or manage, we maximise cash flow and unlock value over the investment lifecycle.

We do this through applying our transactional, asset and property management expertise to drive earnings and create value across three areas of focus:

- **Property portfolio** – the largest driver of value and contains the Dexus office and industrial portfolios
- **Funds Management** – provides access to wholesale sources of capital and a steady annuity-style income stream
- **Trading** – packaging of investment opportunities to generate trading profits

What sets Dexus apart?

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



Long-term value creation

To support long-term value creation, we consider corporate responsibility and sustainability an integral part of our business activities. Our approach supports our strategy through the overarching goal of delivering sustained value for all stakeholders. The outcomes we seek to achieve are as follows:

 Leading Cities	Playing a leading role in shaping Australia's cities for the future as desirable places to work, live and play
 Future Enabled Customers	Preparing our customers for the future through enabling enhanced productivity and supporting future growth
 Strong Communities	Nurturing well-connected, prosperous and supported communities in and around our buildings
 Thriving People	Enhancing the wellbeing of our people and those in our properties
 Enriched Environment	Optimising the environmental performance and resilience of our buildings

To learn more about our approach to managing these areas as well as our FY18 achievements and performance visit www.dexus.com/crsapproach



Performance against strategy

We achieved strong performance against our strategic objectives and key focus areas, delivering sustained value for Security holders.

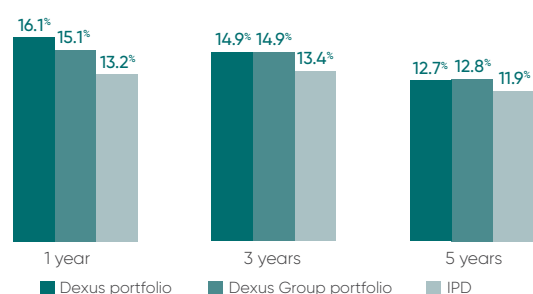
Leadership in office

Dexus's owned and group office portfolios achieved IPD outperformance over the 1, 3 and 5 years to 31 March 2018. Supporting our strategic objective of leadership in office, leasing success enabled us to maintain high portfolio occupancy and lock in future income streams across the development pipeline. From a development perspective, two office projects were activated in Melbourne and Brisbane, and we successfully leased¹ 51% of the space at 240 St Georges Terrace in Perth, where development works commenced in July 2018.

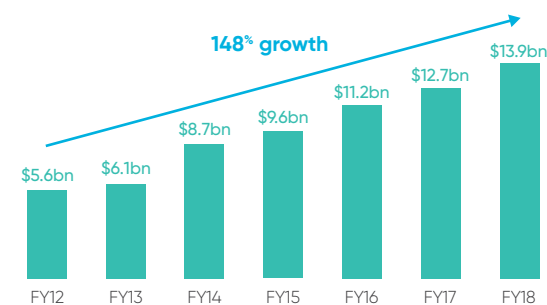
Funds management partner of choice

Supporting our strategic objective of being the wholesale partner of choice in Australian property, we achieved strong performance for our wholesale investors and clients, with DWPF outperforming over 1, 3, 5, 7 and 10 year time periods. In addition, the first round equity raise for the Healthcare Wholesale Property Fund was completed. The \$2.0 billion funds management development pipeline was progressed, and a number of transactions were undertaken to meet our clients' investment objectives.

Dexus office portfolio performance vs IPD²



Third party funds under management



We achieved strong outcomes across our key focus areas of Customer, People and Environment. These results assist us in fulfilling our strategic objectives and delivering sustained value for Security holders.

Customer

Improved overall customer Net Promoter Score³ to

+32

Improved customer satisfaction score to

8.3/10

People

Improved employee engagement score to

87%

Workplace Gender Equality Agency recognised Dexus as an Employer of Choice for

Gender equality

Environment

Achieved

1st

ranking in global listed office category and 3rd overall in the 2017 GRESB survey

Launched new goal to achieve

Net Zero

carbon emissions across the group's managed property portfolio by 2030

1. Including Heads of Agreement signed post 30 June 2018, with 57% of the impending Woodside vacancy now solved.

2. As at 31 March 2018.

3. Net Promoter Score (NPS) is calculated as the difference between the percentage of Promoters and Detractors. The NPS is expressed as an absolute number between -100 and +100.

Creating value from earnings drivers

The FY18 contribution for our earnings drivers and outlook for FY19 is outlined below.

Driver	FY18 contribution	FY19 outlook
Property portfolio	Property AFFO ¹ of \$568.7 million 4.5% office LFL income growth 3.0% industrial LFL income growth	4-5% office LFL income growth 2.5-3.5% industrial LFL income growth
Funds management	FFO of \$52.5 million	FFO broadly in line with FY18
Trading	Trading profits of \$36.6 million ² from the sale of 105 Phillip Street and 140 George Street, Parramatta	Trading profits of \$35-40 million ²

1. Adjusted funds from operations.

2. Net of tax.

Chair and CEO review



In FY18, we performed well across all areas of the business, meeting or exceeding our financial and operational targets, while continuing to unlock opportunities to ensure that we create sustained value for our investors.

In an era of emerging technologies, evolving cities and changing customer expectations, the business environment is rapidly changing and Dexus is well positioned for continued success.

We are building on the strong foundations developed not only over the past decade since becoming Dexus, but over the past 34 years from the establishment of our first associated property trust.

In FY18, positive momentum across the business has further cemented the group's leading position in the Australian property market. Dexus is Australia's largest owner and manager of office property, with \$27.2 billion in funds under management, of which \$18.1 billion is invested in the office sector and the majority of our office portfolio located in the Sydney CBD.

We strive to deliver outstanding destinations and experiences for our customers and communities across Australia, while addressing the drivers of change in our market sectors. This year we achieved strong operational results across our core markets and activated new development projects, while further strengthening Dexus's balance sheet.

Our office portfolio has consistently outperformed the IPD office benchmark over 1, 3 and 5-year time periods, with our success underpinned by our customer focus and active management of the portfolio. Our funds management portfolio of \$13.9 billion covers the office, industrial, retail and healthcare property sectors. Leveraging our multi-sector capabilities, we are delivering on our key strategic objectives of leadership in office and being the wholesale partner of choice.

Positive momentum drives strong financial result

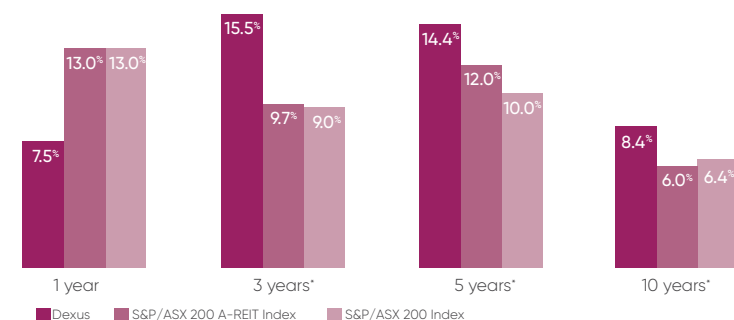
This year, net profit increased 36.8% to \$1.73 billion supported by strong property valuation increases. The full year distribution of 47.8 cents per security reflects an increase of 5.1% on the prior year and exceeds the 4.5-5.0% guidance range that was tightened in February 2018 (from the original guidance of 4.0-5.0%). Underlying Funds from Operations per security, which excludes trading profits, increased 2.9%, highlighting the solid contribution from the property portfolio and funds management business.

The delivery of 3-5% growth in Adjusted Funds from Operations (AFFO) per security and an internal target for Return on Contributed Equity through the cycle, are key measures that drive long-term value creation for security holders. In FY18, we delivered AFFO per security growth of 5.1%, a Return on Contributed Equity of 7.6% and a Return on Equity of 19.8%.

At 30 June 2018, look-through gearing was 24.1%, below Dexs's target range of 30-40%. This position is a result of active divestment of properties over the past few years and provides the capacity to fund projects in Dexs's current and future development pipeline.

Total Security holder Return

Dexs delivered a 7.5% total Security holder return for the year, underperforming the S&P/ASX 200 Property Accumulation (A-REIT) Index by 550 basis points, following a strong year of outperformance in FY17. Dexs continues to outperform the index over three, five and ten-year time periods.



Source: UBS Australia as at 30 June 2018

Growth from all key earnings drivers

Our business has been set up to deliver earnings growth through the cycle, and in FY18 each of the earnings drivers positively contributed to the result (refer to page 7).

Across our property portfolio, we achieved strong valuation increases of \$1.2 billion, up 10.5% on prior book values. Our office and industrial portfolios delivered +4.5% and +3.0% like-for-like income growth respectively. Strong property returns were driven by rental growth from leasing, most notably at our properties in the buoyant Sydney market. In addition, leasing success was achieved at our development at 100 Mount Street in North Sydney (now 63% committed¹) and 240 St Georges Terrace in Perth, where strong levels of enquiry converted to significant leasing (now 51% leased¹) (refer to page 12).

In the funds management business, we now have 73 third party clients following the completion of the first equity raise for the Healthcare Wholesale Property Fund. The Fund is currently undertaking a second equity raise with active interest from a number of global and domestic investors. Dexs Wholesale Property Fund (DWPF) and other funds delivered strong performance and we continue to achieve our clients' objectives (refer to page 13).

In trading, we delivered \$36.6 million in trading profits net of tax, realising our FY18 target. In addition, FY19 trading profits were de-risked through the announced sale of 32 Flinders Street, Melbourne (refer to page 13).

Enhancing future returns

Activity across the development pipeline saw the commencement of office projects in Melbourne and Brisbane enabling Dexs to leverage our leasing and development expertise.

The group's \$4.2 billion development pipeline provides opportunity to enhance future returns while growing the Dexs portfolio and the portfolios of our third party clients, which is an efficient use of capital at this time in the cycle. Leasing success in our core office markets provided us with the confidence to activate two quality office projects at 180 Flinders Street in Melbourne and the Annex project at 12 Creek Street in Brisbane. Dexs is also shortlisted or in an exclusive position on potential concept development opportunities valued at circa \$2 billion (refer to page 12).

Post year end, Dexs entered into agreements to acquire three industrial development landbanks (one jointly with DWPF) enabling us to leverage our industrial development management and leasing capabilities to build out circa \$700 million of new industrial properties.

We actively review the property portfolio in line with market conditions to determine the best performance for our investors and acquire properties where we can add value over the long-term while ensuring alignment with strategy. During FY18, we completed \$2.0 billion of transactions for the Dexs portfolio and on behalf of our third party clients.



1. Includes Heads of Agreement signed post 30 June 2018.

Chair and CEO review continued



We are focused on creating sustained value and making decisions that future-proof the business."



New energy, New opportunities

Our focus on sustainability continues to play a key role in delivering long-term value for our investors, and is integrated into everything we do. Each year we set ourselves measurable Corporate Responsibility & Sustainability commitments which we report against and encourage you to view our achievements in the 2018 Annual Reporting suite.

Dexus has an established track record in sustainability. We are globally recognised as having the most sustainable listed office portfolio and have been awarded for our management of environmental, social and governance principles, providing us with a strong foundation to improve upon into the future.

Over the past decade, we have been focused on energy efficiency as well as reducing the group's emissions and environmental footprint. This year, we launched our "New energy, New opportunities" strategy that sets a pathway for Dexus to achieve net zero emissions by 2030 through improving energy efficiency and increasing renewables. You can read more about this approach on page 17.

Importance of strong governance

In a year that saw the financial services sector come under intense scrutiny, the importance of strong governance and corporate culture as well as long-term thinking have been brought into account. It has stressed the importance of having an open and inclusive culture and a Board focus on non-financial performance measures, even when things are going well. As a Board, we use our Board Committee structure to get closer to the detail and have regular access and dialogue with executives and employees at various levels across the group.

Our Board comprises seven non-executive directors and one executive director, following the appointment of The Hon. Nicola Roxon to the Board as an independent director, effective from 1 September 2017 and the resignation of Elizabeth Alexander at the Annual General Meeting on 24 October 2017 after more than 12 years of service.

This year we further enhanced the way we report the key activities undertaken by the Board and its respective committees (refer to pages 22-23). Further details relating to the Board and our governance practices are included on pages 18-21 and the Corporate Governance Statement is available at www.dexus.com/corporategovernance

An engaged and diverse workforce

Our people and culture are key to delivering the group's strategy, and we believe that having an engaged and diverse workforce contributes to strong performance.

During the year, Dexus's employee engagement survey delivered a score of 87%, which is significantly above Willis Towers Watson's Australian National norm as well as above their Global Property and Asset Management norm. We have maintained long-term stability across our senior team and over the past 12 months, 26% of our role vacancies were filled internally, highlighting the capable, agile talent we have at Dexus.

The safety of our people and contractors is paramount. Safety performance metrics are now a measure in the Group Scorecard to ensure safety is front of mind. For our corporate activities, there were no serious incidents reported this year, and independent external safety audits achieved scores above target.

We believe the best thinking and outcomes are realised when a workforce is diverse and inclusive. Having achieved our initial gender diversity targets, this year, we set a new target of 40:40:20 to be reached by 30 June 2021. This means that we are aiming to achieve 40% female representation, 40% male representation and 20% of either male or female representation across senior manager roles and above. This target signals our ongoing commitment and progress towards gender equity and will widen our talent pool to strengthen Dexus's competitive edge while providing us with the flexibility to continue promotion based on merit.



We strive to deliver outstanding destinations and experiences for our customers and communities across Australia."

FY19 Guidance

Deliver circa

5%

growth in distribution per security for the year.

Outlook

Over the past six years, the combination of earnings from our properties, funds management business and trading profits have enabled us to deliver consistent growth in distributions, through a variety of market conditions.

Australian cities are expected to continue to benefit from global economic growth, population growth and considerable infrastructure construction activity over the next few years, which we believe will have a positive effect on demand for office and industrial space.

We are focused on creating sustained value and making decisions that future-proof our business. Being innovative, adopting new technologies and keeping abreast of customer needs are key to achieving this. Our development pipeline is a source of embedded long-term value, and the diversification of our funds management business sets us up for further expansion as superannuation and global fund flows continue to grow.

On behalf of the Board and management, we extend our thanks to all Dexus employees across Australia for their dedication and significant contribution in delivering this year's results. We thank our funds management clients and capital partners, in addition to our customers, for their ongoing support.

Importantly, we thank you, our investors, for your continued investment in Dexus.

Richard Sheppard
Chair

Darren Steinberg
Chief Executive Officer

Strong foundations. Positive momentum.

We have established strong foundations that have enabled us to constantly deliver on our strategy, and positive momentum across the business is enhancing our position for the future.

Shaping leading cities

The creation of value is underpinned by our quality property portfolio, located across Australia's major cities. We are committed to playing a leading role in shaping Australian cities for the future as desirable places to live, work and play. (refer to page 14)

Connecting our customers and communities

With a growing customer base of more than 4,900 customers, we are using technologies and providing products and services which create better enabled workspaces to support our customers' growth and productivity goals. (refer to page 15)

People, culture and systems

We invest heavily into developing our high performing workforce. This has involved embracing diversity and inclusion to achieve diversity of thought and innovative results. Our commitment to gender equality, and the benefits it brings to the group's performance, has been recognised both internally and externally to the group. (refer to page 16)

Our pathway to net zero emissions

As the momentum continues towards secure, affordable and environmentally conscious energy, Dexus is acting on Australia's transition to a low carbon future. We believe now is the time to leverage the opportunities presented by evolving energy markets and new technologies and have set a goal to achieve a net zero position for carbon emissions across the group's managed property portfolio by 2030. (refer to page 17)

Property portfolio

Our office and industrial portfolios achieved strong total returns of 16.9% and 13.6% respectively. Both portfolios continue to outperform the IPD benchmarks over one and three year periods, with the office portfolio also outperforming over five years.

Across Dexus's office portfolio we leased 242,957 square metres of space, in addition to securing future income streams through leasing 52,589 square metres of space within development projects. Portfolio occupancy reduced marginally to 96% driven by the known departure of CBA at Sydney Olympic Park, providing opportunity for us to improve this position in FY19.

Our office portfolio recorded a \$1.1 billion or 10.6% increase on prior book values, reflecting further capitalisation rate compression and increasing market rents. Strong leasing, increasing market rents and further capitalisation rate compression in the core industrial markets of South Sydney, Western Sydney and Western Melbourne led to an industrial valuation uplift of \$141.9 million or 6.7% on prior book values.

Tenant activity and market dynamics have remained positive in all of our core office markets. Strong levels of enquiry in Perth have converted to significant leasing at 240 St Georges Terrace and Kings Square as tenants seek to upgrade to better quality buildings and centralise into the CBD.

Our industrial portfolio continues to benefit from an uptick in logistics and e-commerce demand, which contributed to the leasing of 192,116 square metres of space, driving an improvement in occupancy to 98.3%.

In FY19, we expect rental growth across all of our core office and industrial markets, in addition to continued investment demand for well leased Prime properties which will, in turn, support values.

Progressing the development pipeline

We activated two office projects in Dexus's \$2.2 billion development pipeline at 180 Flinders Street in the Melbourne CBD and 12 Creek Street – The Annex in Brisbane, and in July 2018, commenced development works at 240 St Georges Terrace in Perth. Dexus is also shortlisted or in an exclusive position on potential concept development opportunities valued at circa \$2 billion.

The works at 240 St Georges Terrace include the creation of a new street entry, new end-of-trip facilities, and an improved retail offering. On-floor upgrades will commence from October 2018, prior to Woodside's lease expiry, with 57%¹ of the impending Woodside vacancy now solved.

Works also progressed at 100 Mount Street, North Sydney, where NBN Co. was secured as a new customer across 20,364 square metres. In aggregate, 50%¹ of the space is already committed at these four key office developments with completions scheduled over the next four years.

Our longer dated major development projects also progressed. In Sydney, we received stage 1 approval of the State Significant Development Application for the mixed-use development at 201 Elizabeth Street. In Brisbane, the Queensland Government endorsed Dexus's Waterfront Precinct proposal to progress to the next stage under the Market-Led-Proposal Program. The plan is to revitalise Brisbane's premier dining hub and create a traffic-free precinct that delivers a global-standard business address and tourist destination in the heart of the CBD.

Six industrial developments were completed, all of which were 100% leased. Construction continues over a further 67,200 square metres of industrial space in Greystanes and Laverton North, with 20% of the space pre-leased.

Post 30 June 2018, we replenished the industrial development pipeline through entering into agreements to acquire three industrial development sites in Melbourne, Sydney and Brisbane, one of which will be acquired jointly with DWPF. These developments have a combined end value of circa \$700 million and will be built out over the next five to seven years. They provide the opportunity to leverage Dexus's extensive market knowledge, development and leasing capabilities and track record in each of these markets.

FY19 Focus

- Maintain office and industrial occupancy >95%
- Target like-for-like income growth in office of 4-5% and industrial of 2.5-3.5%
- Manage capital expenditure down to \$155-165 million
- Selective forward leasing to manage expiry risk
- Capture upside in Sydney market

+ Case Study

Enhancing value through active management

At Sydney properties, 45 Clarence Street and 1 Farrer Place, Dexus has improved the customer offer, achieving strong leasing outcomes while enhancing the tenant mix.

The number of tenants at 45 Clarence Street has increased from 30 in 2014 to 54 today, while over the same period the number of tenants at 1 Farrer Place increased from 63 to 108. The end-of-trip amenity at both properties has been enhanced and the on-floor lift lobbies and bathrooms at 45 Clarence Street refreshed, with a retail redevelopment currently underway at 1 Farrer Place.

An active management approach is reflected in the values of these properties. Since 2014, the value of 45 Clarence Street has increased by \$186.7 million, with \$90.3 million of this uplift occurring in the past 12 months. 1 Farrer Place has achieved \$327.2 million¹ of valuation uplifts over the past four years, with \$63.8 million¹ of this occurring in the past 12 months, and both increases driven mainly by rising market rents.

1. Dexus share.

1. Includes Heads of Agreement signed post 30 June 2018.

Funds management

Our funds management business has grown by \$1.2 billion to \$13.9 billion through transactions, developments and strong revaluations.

All funds delivered strong performance, with Dexus Wholesale Property Fund delivering top quartile performance and a one year total return of 13.8%, outperforming its benchmark over all time periods. The Dexus Office Partnership delivered a one year unlevered total property return of 16.0%.

The first equity raise for the Healthcare Wholesale Property Fund was completed, the development of Calvary Adelaide Hospital progressed, and planning approval was received for the North Shore Health Hub in St Leonards.

We undertook \$801 million¹ of transactions on behalf of our third party partners to fulfil their investment objectives. In addition to the acquisition of seed properties by the Healthcare Wholesale Property Fund, the Dexus Office Partnership acquired 140 George Street in Parramatta for \$13.5 million and 56 Berry Street in North Sydney for \$31 million. The Dexus Office Partnership also divested non-core properties at 11 Waymouth Street in Adelaide and 46 Colin Street in West Perth, accompanied by some other small divestments by DWPF.

FY19 Focus

- Deliver fund performance
- Deliver on clients' investment objectives and match capital to opportunities
- Progress the launch of new unlisted funds or partnerships over the next 12-18 months



We continue to deliver strong performance for all of our clients and are progressing the funds management development pipeline which provides a source of organic growth."

Deborah Coakley, Executive General Manager, Funds Management

Trading

We achieved our FY18 trading profit target of \$35-40 million, delivering \$36.6 million net of tax from the sale of 105 Phillip Street and 140 George Street, both located in Parramatta.

The exchange of contracts to sell 32 Flinders Street, Melbourne has de-risked FY19 trading profits.

Progress was made at 12 Frederick Street, St Leonards (North Shore Health Hub) with Stage 1 planning approval received, in addition to the completion of a leasing expression of interest campaign which received strong interest from potential tenants.



We had another strong year in our trading business, achieving our target and de-risking FY19 trading profits."

Ross Du Vernet, Chief Investment Officer

Since 2012 our value-add strategies have led to the sale of 12 properties identified for trading purposes, delivering an average unlevered IRR of circa 30% and \$267 million in trading profits pre-tax to Dexus Security holders.

A total of six projects diversified across sectors and trading strategies have been earmarked to deliver trading profits of \$260-280 million pre-tax in future years.

FY19 Focus

- Target trading profits of \$35-40 million net of tax

1. Includes transactions settled or announced post 30 June 2017 as well as the acquisition of 11-167 Palm Springs Road, Ravenhall VIC, which was announced post 30 June 2018.

Shaping leading cities

Dexus is positioned to benefit from continuing infrastructure investment, densification and growth within our major cities.

Dexus's office portfolio is concentrated in the key Central Business Districts (CBDs) of cities around Australia which are locations our customers favour for amenity, access and business influence. Dexus's future is closely aligned with the future of our cities.

As part of that future, both position and population are on our side. Australia has enjoyed more than 25 years of economic growth and is now benefiting from its proximity to, and connection with, growing Asian economies. As engines of economic activity, our cities are significant beneficiaries of this growth trajectory.

Population growth will also play an important role. Australia has one of the highest population growth rates in the developed world, and 75 per cent of this growth is forecast to take place in Sydney, Melbourne, Brisbane and Perth.

Over the past decade, Sydney and Melbourne added close to 800,000 and 1 million people respectively: each is projected to grow to populations of eight million people by 2056, comparable to the current size of Hong Kong, London or New York.

To accommodate this growth, change is on the horizon. Australia's city planners are now favouring higher density environments over urban sprawl. A shift to densification, will move people, businesses and capital closer to our CBDs, reinforcing them as dominant economic and employment centres.

Significant change like this requires the right infrastructure. Record levels of infrastructure development are underway across our major cities to ensure they are increasingly accessible and liveable for the population growth they are expected to experience.

Infrastructure aside, Australian cities are highly adaptive and are already evolving around this changing land use. Dexus is constantly reviewing its portfolio to realise opportunities that this presents.

Sydney's existing central city core is land constrained being only about one-quarter of the size of New York's Central Park.

In Sydney, we manage around 10 per cent of the developable land in the city's core, making us an owner and manager of a large and valuable land holding in the Sydney CBD. An investment in Dexus is an investment in cities.



We are committed to playing a leading role in shaping Australian cities for the future as desirable places to live, work and play."

Darren Steinberg, Dexus Chief Executive Officer

+ Case Study

Adapting to our evolving cities

With Australian cities just one third of their way through a 100-year cycle of urbanisation, Dexus is adapting to evolving cities by progressing mixed-use developments.



201 Elizabeth Street, Sydney

The City of Sydney has approved removal of the existing office building and redevelopment into a 50-storey mixed-use hotel, retail and residential building overlooking Hyde Park.

Clever site planning will achieve a 50% reduction of the building's shadow cast on Hyde Park with no loss of building area.

There is also an opportunity to enhance the vibrancy of the precinct through new retail amenity.

As cities evolve, Dexus will continue to strengthen its capabilities to deliver mixed-use developments, in turn benefitting the wider community.

Land controlled by Dexus

8 hectares

Equivalent to circa

10%

of developable land in Central Sydney



Leading Cities

To learn more about Dexus's focus in FY19 in playing a role in shaping Australia's cities for the future as desirable places to work and live, visit www.dexus.com



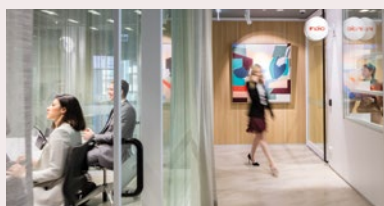
Connecting our customers and communities

Technology is impacting the way our customers work. Whether they are small businesses or major corporations, our customers want spaces that support productivity, collaboration and engagement.

+ Case Study

SuiteX – a new workspace offering

SuiteX is the next step in evolving Dexus's suites strategy. This new workspace offer aims to satisfy the growing customer demand for flexibility by providing flexibility in both space and tenure.



SuiteX occupies a whole floor at 44 Market Street, Sydney, where the space has been converted into ten flexible suites.

A unique modular design with demountable inter-tenancy walls, combined with flexible lease terms starting from as short as six months, allow customers to quickly expand or consolidate as needed.

Customers also have access to shared facilities including meeting rooms, quiet rooms and a fully equipped kitchen.

SuiteX enables our customers to align their space needs with their business needs, providing a quality workspace which does not require the need for a long-term commitment. It's a natural extension of Dexus's focus on partnering with customers throughout each step of their property journey.

We believe technological advancement brings opportunities and we see this as a chance to further support our customers in their growth and productivity goals.

Our approach, which puts our customers first, helps businesses create more connected workspaces with a better work-life experience.

Building in Wellness

A truly sustainable building not only addresses the environmental impact, but also the social impact on its community. That's why Wellness is an important inclusion in our customer offer.

In our buildings, we consider the health, wellbeing and experience of our customers as a way of impacting organisational culture, engagement and productivity. Embracing Wellness enables us to attract and retain high quality customers and maximise financial performance through lower vacancy rates and higher rents.

Continuing to build on our momentum in this area, this year we introduced *Wellplace* to our customers. *Wellplace* provides a suite of health and wellbeing services and amenities within our buildings that can be accessed across our building community portals. This includes integrating fitness into office life by providing quality end of trip facilities, including bicycle storage and group fitness, yoga and pilates classes.

Creating communities that go beyond the physical space

A 'smart building' provides solutions that improve the occupants' quality of life not simply through gadgets or smart devices, but by using carefully selected, efficient and flexible technology. When used well, a building's technology can both support and connect all of its occupants.

We are embedding sophisticated technologies into the fabric of our buildings to not only future proof their performance by improving their quality and long-term appeal, but to create smart buildings of the future.

Our smart building blueprint will be rolled out at 100 Mount Street, North Sydney, where we are implementing more than 15 innovative technologies to deliver a better customer experience, optimising workforce productivity and wellbeing, and improving the building's sustainability performance.

Our smart building solutions aim to provide advanced connectivity, including whole building cellular coverage which is future enabled for the arrival of the 5G network. Data captured through sensors aims to provide rich insights into building performance and enable our customers to tailor their experience by controlling their workspace heating and cooling, or to understand how their space is being used to optimise their own workspace design.

The benefits of new technologies for our customers are wide ranging. In our smart buildings, customers will not only be able to enhance the productivity, wellbeing and safety of their employees, they will reduce energy consumption; all advantages that our customers can use to attract and retain talent.



We believe the workplace should be a strategic lever for organisations to unlock potential. It's through this lens that we seek to support our customers to be the best they can be by providing better enabled environments."

Kevin George, Dexus Executive General Manager, Office & Industrial

wellplace



Future
Enabled
Customers



Strong
Communities

To learn more about Dexus's FY19 focus to prepare our customers for the future, while nurturing well-connected, prosperous and supported communities, visit www.dexus.com



People, culture and systems

Underpinning Dexus's performance is our engaged, talented and diverse workforce.

In the decade since Dexus internalised its management, we have spent time developing our high performing, multi-disciplined workforce to deliver performance for our investors and capital partners.

We believe that a diverse and inclusive workforce fosters diversity of thought and innovative results, and we have invested in programs and policies that support this goal.

It's a move that has been commended both inside and outside the business. In recognition of our commitment to gender equality and the benefits it brings, Dexus was this year awarded an Employer of Choice for Gender Equality citation by the Workplace Gender Equality Agency (WGEA).

Our achievements include gender pay equity in like-for-like roles, flexible working embedded and utilised across the business, and continuation of superannuation payments to primary carers throughout their leave period to close the superannuation retirement gender gap.

Since reaching our initial gender diversity target of 33% female representation for senior leaders, we have set a new three-year 40:40:20 (40% men, 40% women, 20% either) target for senior management roles. Our Board remains gender diverse with 38% of our directors being female.



Achieving gender equality is important for many reasons. Yes, it is 'fair' and 'the right thing to do', but it's also linked to performance. Our commitment in this area enhances our reputation, improves our culture and allows us to attract and retain talented employees."

Alison Harrop, Dexus Chief Financial Officer

Our commitment to diversity extends across our recruitment, retention, promotions, succession planning and training and development practices. We also provide our leaders and managers with the tools to remove unconscious bias, an important aspect of our journey to create a more inclusive culture.

We are proud of our corporate culture and engaged workforce. Our employee surveys reveal a high engagement score of 87%. Our workforce is also connected to the group's strategy and focused on sustainable performance outcomes.

We see this commitment at all levels of the organisation. Our people and culture strategy has led to an engaged stable management team that is delivering consistent business results. We are also building the next generation of leaders with ongoing internal career mobility, leadership development and training opportunities.

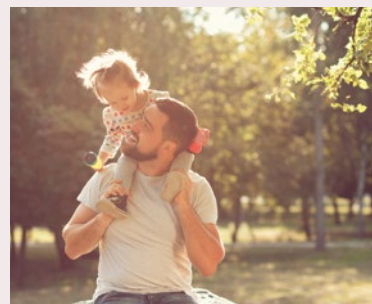
Strengthening our systems

To support our people, we are investing in systems and processes that will define how we operate as a business, which includes a new enterprise platform designed to enhance the efficiency of our day-to-day operations. Reducing the operational demands on our people will enable them to spend more time and focus on the customer. This platform will set up Dexus for the future, creating a foundation for operational excellence, improving our customer experience and supporting the delivery of our strategy.

+ Case Study

Fathers at work

Leading programs that support working parents help Dexus attract and retain the best talent.



In Australian workplaces, it remains uncommon for fathers to take primary carers leave, with 70% back at work within two weeks of the birth of their child.

Recognising that parental leave is a valuable experience for both women and men, Dexus introduced its 'Dexus Dads' program supporting fathers who take primary carers leave through networking opportunities with fellow working fathers.

The program has been embraced by new fathers at Dexus and had a positive impact on the take-up of primary carers leave amongst men who now comprise almost 20% of the primary carers at Dexus, up from zero participation in 2016. Dexus Dads have reported that they were able to enjoy a rewarding carer's experience, while gaining a new appreciation for the challenges of caring for a newborn.



To learn more about Dexus's FY19 focus on enhancing the wellbeing of our people and those in our buildings, visit www.dexus.com



Our pathway to Net Zero emissions

**New energy, New opportunities.
Dexus is preparing for the future.**



Building on our track record of achieving strong environmental outcomes over the past decade, we are creating a pathway to net zero emissions through our approach to new energy and smart buildings."

Darren Steinberg, Dexus Chief Executive Officer

+ Case Study

Setting a new benchmark for energy ratings

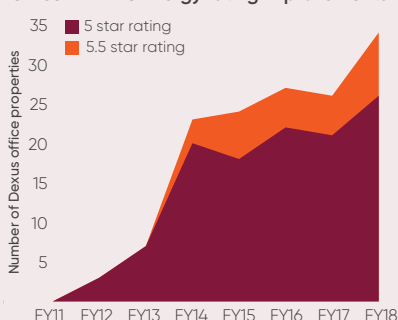
Dexus is driving the next phase of energy efficiency through a targeted building refurbishment program to optimise energy performance, reduce costs and deliver an enhanced customer experience.

Our 'virtual engineering' analytics platform identifies areas for optimisation, and together with strategic partnerships, has resulted in improvements to the NABERS Energy ratings across 15 Dexus office buildings.

As a result, we are well progressed on our target of delivering 1,000,000 square metres to a minimum 5 star NABERS Energy rating across the group's office portfolio by 2020.

A number of properties have achieved a 5.5 star NABERS Energy rating, including 14 Lee Street in Sydney and Waterfront Place in Brisbane where the building management control systems and central chiller plants have been upgraded, fully integrating sustainability initiatives to realise maximum efficiency and operational cost savings from the projects.

Office NABERS Energy rating improvements¹



We believe it is time to leverage the opportunities presented by rapidly evolving energy markets and ground breaking new technologies. Now is the time to adopt a long-term solution which secures sustainable, affordable energy for our efficient, intelligent and integrated property portfolio.

With these developments, we have set a goal to achieve a net zero position for all carbon emissions across the group's managed property portfolio by 2030.

Net zero means that on balance, our base building operations will produce zero carbon emissions by 2030.

Why net zero? Not only is it the right thing to do, but it builds resilience into our portfolio and brings other real benefits to a wide variety of stakeholders. The direct beneficiaries of our *New energy, New opportunities* approach are our customers, and the cities and communities in which we operate.

We have long proven that setting bold group targets leads to the best outcomes. Applying the NABERS ratings system, we benchmark the energy efficiency, water usage, waste management and indoor environment quality of our buildings and tenancies to measure their environmental impact.

Since 2009, we have set and achieved each progressive target for NABERS Energy rating improvements and energy reduction. We are well on our way to achieving our current target to deliver 1,000,000 square metres of office space with a 5 stars NABERS Energy rating or above by 2020, which currently stands at 892,000 square metres.

How will we get there? Net zero will be achieved through continuing improvement in energy efficiency and transitioning our portfolio to operate from renewable energy.

The carbon emissions under our operational control are mostly from electricity. Reducing emissions starts with improving efficiency, an outcome we will achieve by embracing new technologies and creating smarter buildings where nothing is wasted (refer to page 15). Our goal is to reduce our energy use by up to 50% by 2030, setting the standard for the future of energy efficient workplaces.

Transitioning to renewable energy will see Dexus looking for new ways to generate, and smarter ways to purchase, electricity. As new technology advances, costs will reduce, while power purchase agreements will allow us to minimise risk and provide certainty for our customers in a volatile national energy market.

We have been working on this goal for some time, incorporating renewable energy, virtual engineering analytics and high efficiency plant upgrades into our operations. We are ready to leverage new opportunities from emerging technologies in addition to forward thinking to respond to our customers' needs, today and tomorrow.

Not only will our net zero commitment enable us to deliver on the expectations of our customers and investors – many of whom are keen for us to limit the climate change impacts of our properties – but Dexus will be making a positive contribution to a sustainable future for all Australians.



To learn more about Dexus's FY19 focus on optimising the environmental performance and resilience of our buildings, visit www.dexus.com



Governance

Good corporate governance is the foundation for the long-term success of the group, and the achievement of Dexus's strategy is underpinned by a strong governance platform.

The Dexus Board and Group Management Committee are committed to excellence in corporate governance and aspire to the highest standards of conduct and disclosure. To support this aspiration, Dexus has embedded a set of well-defined policies and processes that enhance corporate performance and protect the interests of all key stakeholders.

The Board regularly reviews its corporate governance policies and processes to ensure they are appropriate and meet governance standards and regulatory requirements. For the 2018 financial year, the group's governance practices complied with the latest ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Further details are set out in the Corporate Governance Statement, which outlines key aspects of Dexus's corporate governance framework and practices, which is available at www.dexus.com/corporategovernance

Board of Directors

The Board comprises a majority of Independent Directors with all directors other than the CEO being Independent Non-Executive Directors. The Board currently comprises seven Independent Non-Executive Directors and one Executive Director.

The Board renewal process over the past several years has produced a strong Board of Directors with a broad and diverse skill set. The Board has determined that, along with individual director performance, diversity is integral to a well-functioning board.

The members of the Board of Directors and the relevant business and management experience the Directors bring to the Board is detailed on pages 20–21 and available at www.dexus.com/corporategovernance

The Dexus Board and Board Committee membership

Director	Board	Audit Committee	Risk Committee	People & Remuneration Committee	Nomination Committee
Richard Sheppard	✕			✕	✕
Darren Steinberg	✕				
Penny Bingham-Hall	✕		✕	✕	✕
John Conde	✕	✕			✕
Tonianne Dwyer	✕	✕	✕		
Mark Ford	✕	✕	✕		
The Hon. Nicola Roxon	✕		✕	✕	
Peter St George	✕	✕	✕		

✕ Chair and member

✕ Member

Board skills and experience

The Board has determined the skills, expertise and experience required as a collective to ensure diversity of thought and vigorous debate on key decisions. The collective experience of the current directors has been outlined against the categories in the table below and the Board has determined that the current composition of the Board meets or exceeds the minimum requirements in each category.

Areas of Skills & Expertise	Experience
 Leadership	<ul style="list-style-type: none"> - Directorship experience (past and present) - Senior management experience (past and present)
 Capital & Funds Management	<ul style="list-style-type: none"> - Experience in the dynamics of raising capital and investment banking - Experience in the management of third party funds
 Finance & Accounting	<ul style="list-style-type: none"> - Experience in analysing and challenging accounting material and financial statements and assessing financial viability - Experience in understanding financial drivers/funding and business models
 Governance	<ul style="list-style-type: none"> - Experience with corporate governance and standards of complex organisations - Ability to assess and commitment to ensure the effectiveness of governance structures
 People Management & Remuneration	<ul style="list-style-type: none"> - Experience in relation to remuneration and the legislation/framework governing remuneration - Experience in managing people and influencing organisational culture
 Property Experience (Including Developments)	<ul style="list-style-type: none"> - Experience and industry knowledge in the management of properties including property development - Understanding of stakeholder needs and industry trends
 Risk Management	<ul style="list-style-type: none"> - Experience in managing areas of major risk to the organisation - Experience in workplace health & safety, environmental & community, social responsibility and technology matters affecting organisations
 Strategy	<ul style="list-style-type: none"> - Experience in mergers and acquisitions activities - Ability to guide and review strategy through constructive questioning and suggestions - Experience in development and successful implementation of strategy
 Sustainability	<ul style="list-style-type: none"> - Experience in implementing sustainability policies and practices, adopting a long-term approach to decision making - Understanding of environmental and social topics relevant to the property sector

Board of Directors



From L to R: Tonianne Dwyer, The Hon. Nicola Roxon, John Conde, Richard Sheppard, Darren Steinberg, Mark Ford, Penny Bingham-Hall, Peter St George

Richard Sheppard

Chair and Independent Director
BEC Hons, FAICD

Richard Sheppard is both Chair and Independent Director of Dexus Funds Management Limited, Chair of the Board Nomination Committee and a member of the Board People & Remuneration Committee.

Richard brings to the Dexus Board extensive experience in banking and finance sector and as a director and Chairman of listed and unlisted property trusts. Richard was formerly Managing Director and Chief Executive Officer of Macquarie Bank Limited.

Penny Bingham-Hall

Independent Director
BA (Industrial Design), FAICD, SF (Fin)

Penny Bingham-Hall is an Independent Director of Dexus Funds Management Limited, Chair of the Board People & Remuneration Committee and a member of the Board Nomination Committee and Board Risk Committee.

Penny has broad industry experience including business strategy and planning, corporate affairs, investor relations and governance across construction, property and infrastructure development. Penny was formerly Executive General Manager, Strategy of Leighton Holdings Limited.

John Conde

Independent Director
BSc, BE (Hons), MBA, FAICD

John Conde is an Independent Director of Dexus Funds Management Limited and Dexus Wholesale Property Limited and a member of the Board Audit Committee and Board Nomination Committee.

John brings to the Board extensive experience across diverse sectors including commerce, industry and government and was previously Chair of Bupa Australia and New Zealand.

Tonianne Dwyer

Independent Director
BJuris (Hons), LLB (Hons)

Tonianne Dwyer is an Independent Director of Dexus Funds Management Limited and Dexus Wholesale Property Limited, Chair of the Board Risk Committee and a member of the Board Audit Committee.

Tonianne brings to the Board significant experience as a company director and executive working in listed property, funds management and corporate strategy across a variety of international markets. Tonianne was previously a Director of Quintain Estates and Development – a listed United Kingdom property company.

Mark Ford

Independent Director
Dip. Tech (Commerce),
CA, FAICD

Mark Ford is an Independent Director of Dexus Funds Management Limited and a member of the Board Audit Committee and Board Risk Committee.

Mark has extensive property industry experience and has been involved in real estate funds management for over 25 years. Mark was previously Managing Director, Head of DB Real Estate Australia managing more than \$10 billion in property funds.

Peter St George

Independent Director
CA(SA), MBA

Peter St George is an Independent Director of Dexus Funds Management Limited, Chair of the Board Audit Committee and a member of the Board Risk Committee.

Peter has more than 20 years' experience in senior corporate advisory and finance roles within NatWest Markets and Hill Samuel & Co in London. Peter was previously Chief Executive/Co-Chief Executive Officer of Salomon Smith Barney Australia/NatWest Markets Australia.

The Hon. Nicola Roxon

Independent Director
BA/LLB (Hons), GAICD

Nicola Roxon is an Independent Director of Dexus Funds Management Limited and a member of the Board People & Remuneration Committee and Board Risk Committee.

Nicola has more than 20 years' experience in the public sector and significant expertise in highly regulated consumer industries, professional services and the not-for-profit sector. She has deep industry knowledge of the health, government and professional service sector acquired in positions including Federal Attorney General, Federal Minister for Health and Ageing, and Industrial Lawyer and Advocate at Maurice Blackburn and the National Union of Workers.

Darren Steinberg

Chief Executive Officer
and Executive Director
BEC, FAICD, FRICS, FAPI

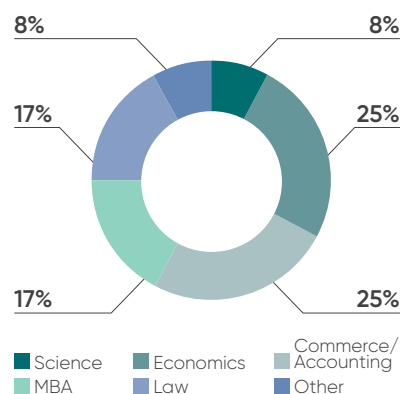
Darren Steinberg is the CEO of Dexus and an Executive Director of Dexus Funds Management Limited.

Darren has over 25 years' experience in the property and funds management industry with an extensive background in office, industrial and retail property investment and development.

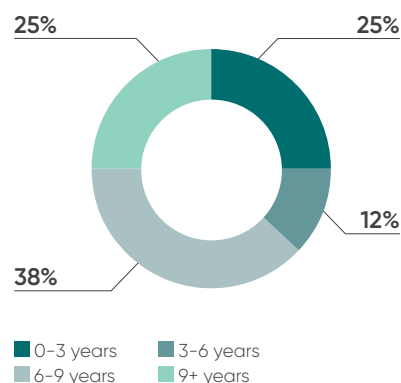
Darren is a Director and former National President of the Property Council of Australia, a Fellow of the Australian Institute of Company Directors, Royal Institution of Chartered Surveyors and the Australian Property Institute. He is also a founding member of Property Male Champions of Change.

Board composition

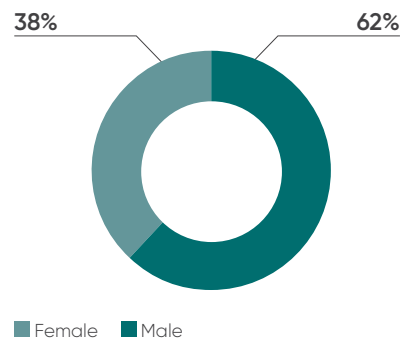
Professional qualifications



Board tenure



Board gender diversity



Board activities across the year

Our Board plays an active role in key decisions that affect the implementation of Dexus's strategy.

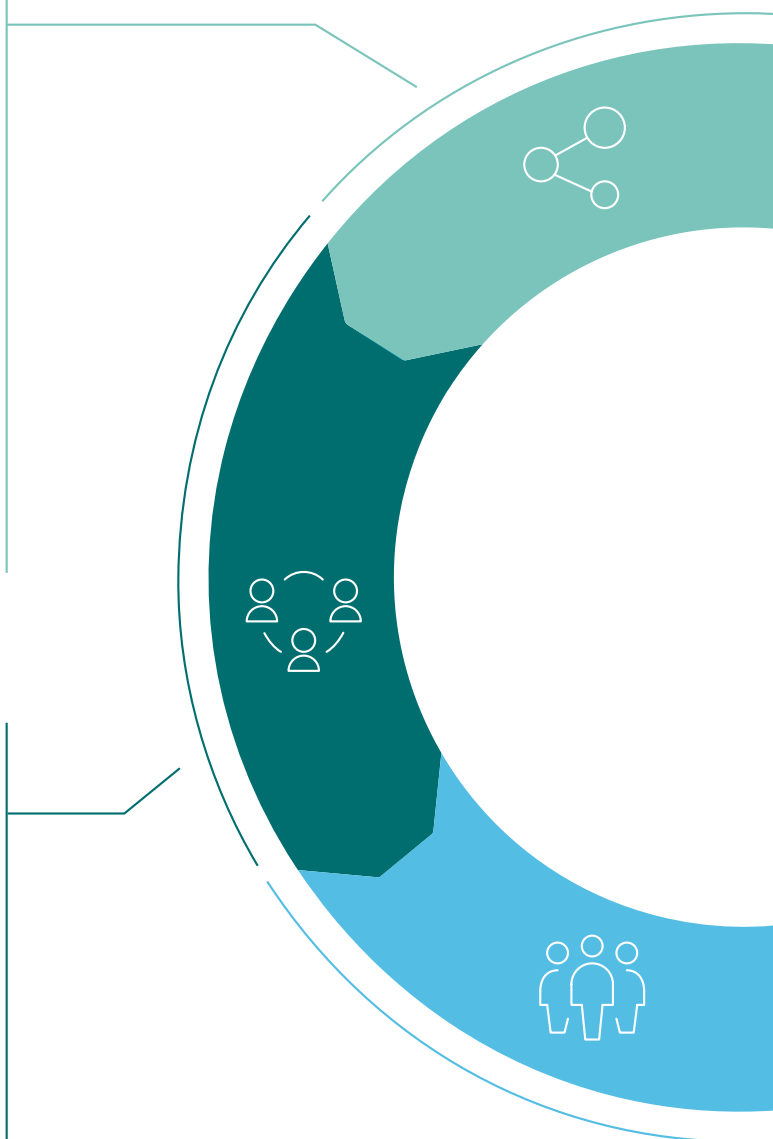
The following identifies the key areas of activity for the Board and its respective Board Committees during FY18.

Strategy, transactions and developments

- Reviewed Dexus's strategy and endorsed areas of focus for FY19
- Considered and approved the Dexus property portfolio Investment Plan
- Considered and approved the establishment of the Healthcare Wholesale Property Fund
- Considered and approved the development projects at 180 Flinders Street, Melbourne, The Annex at 12 Creek Street, Brisbane and 11 Talavera Road, Macquarie Park, subject to tenant pre-commitment
- Considered and approved the acquisitions of 56 Berry Street, North Sydney (DXS 50%), 586 Wickham Street, Fortitude Valley, and three industrial landbanks
- Considered and approved the divestment of 11 Waymouth Street, Adelaide (DXS 50%)
- Considered and approved the divestment of 140 George Street, Parramatta to the Dexus Office Partnership
- Reviewed the performance of key acquisitions or developments against Board approved metrics
- Considered and discussed mega-trends impacting the real estate sector

Governance, customers, investors and the environment

- Approved changes to membership of the Board People and Remuneration Committee, Board Nomination Committee, Board Audit Committee and Board Risk Committee
- Reviewed the annual customer survey results
- Reviewed and approved the Corporate Governance Statement
- Met with proxy advisers and key investors in Sydney and Melbourne
- Reviewed and considered institutional investor perception studies and opportunities for improvement
- Reviewed and discussed the APRA report released in May 2018 and the proposed ASX Listing Rule changes to be implemented on 1 July 2019
- Approved the appointment of the Hon. Nicola Roxon to the Dexus Board
- Discussed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) report
- Reviewed and endorsed the group's *New energy, New opportunities* strategy to achieve net zero emissions by 2030



Risk management

- The Board Risk Committee and Group Management Committee (GMC) reviewed, considered and revised Dexus's top key risks via an externally facilitated strategic risk workshop
- Reviewed and approved the Risk Management Framework including the implementation of Risk Appetite Statements
- Held discussions with the Auditors without management present
- Reviewed and considered the results of externally facilitated internal audits and associated actions for improvement
- Undertook a variety of site visits and met with operational staff
- Reviewed and considered external reports on facade cladding and appropriate action plans for assets requiring remediation
- Discussed cyber-security, terrorism and security risks
- Reviewed learnings from externally facilitated crisis management planning exercise undertaken by Dexus senior managers

Financial performance

- Considered, approved and at the half-year, tightened Dexus's FY18 market guidance to the higher end of the previously stated guidance range
- Approved the distribution per security payment amount for HY18 and FY18
- Reviewed and approved the independent external property valuations for HY18 and FY18
- Considered the financial performance of the business and approved the Three Year Financial Business Plan
- Reviewed and considered the Audit Report for 2018
- Considered and approved the issuance of US Private Placement notes in October 2017
- Reviewed and considered the three year Funding Plan, Treasury policy and liquidity of the group
- Reviewed and approved the results materials including the financial statements, Annual Report, ASX release and investor presentation

People and Leadership

- Reviewed and discussed the results of the group employee engagement survey
- Undertook regular engagement, discussions and monitoring to reinforce an appropriate risk culture across the group
- Approved a minimum security holding guideline for members of the GMC
- Approved the new 40:40:20 by 2021 gender diversity target
- Reviewed and considered succession planning for GMC and other key roles
- Monitored gender pay parity
- Considered and discussed the Board and Committee composition, succession and renewal planning
- Undertook and discussed the outcomes of an internal Board evaluation and effectiveness review and associated actions
- Reviewed and considered Dexus's risk culture framework and reporting
- Reviewed and discussed scorecards, KPIs, performance and remuneration outcomes for the group and GMC