



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

Dexus Property Group

Business Description

Dexus Property Group (DXS, formerly DB RREEF Trust) is a major Australian property group involved in property ownership, management and developer of world-class industrial, office and retail properties in Australia, New Zealand, the United States, Canada and Europe.

Strategy Analysis

Dexus Property Group (DXS) develops, owns and manages property. It owns a high quality portfolio of domestic industrial and office properties and industrial properties in the US and Europe. Post the global financial crisis, focus is on selling non-core assets, managing its cost structure and leasing current developments to reduce overall risk. Non-core assets to be sold include the European portfolio and various assets in the US. DXS' general strategy is to enhance value by acquiring new property related assets in mostly in Australia; redeveloping properties or undertaking new developments where value adding opportunities exist; expanding the direct property portfolio, especially in the industrial and commercial sectors; improving the profitability of its funds management business through the active management of its cost structure, retaining financial flexibility and capacity for active capital management. Dexus Property Group reported net loss of \$954.26m for the year ended 31 December 2008. Revenue from ordinary activities were \$373.09m, up 8% from last year. Basic and Diluted EPS were (5.69) cents compared to 2.41 cents last year. Net operating cash flow was \$150.41m compared to \$159.67m last year. The final dividend declared was 6 cents, taking the full year dividend to 9.8 cents compared with 5.9 cents last year.

28 July 2010

Recommendation

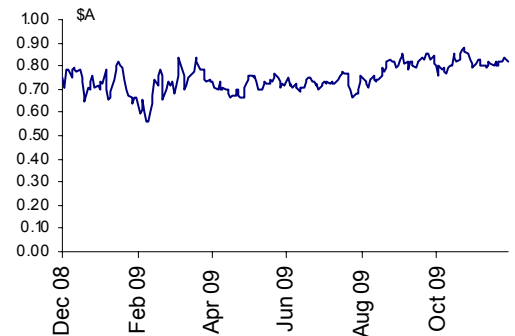
Recommendation: Underperform
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: DXS
Stock price: \$0.84
Market cap: \$4,025m

	Y/E 30/06/2010	2010e	2011e	2012e	2013e
Reported e	\$m	48.8	327.8	335.4	343.6
Adjusted e	\$m	348.1	344.8	351.6	361.7
EPS adjusted	¢	7.3	7.1	7.1	7.2
EPS growth	%	-29.9	-2.9	0.2	1.2
PE	x	11.4	11.8	11.7	11.6
PE relative	x	0.8	0.9	0.9	0.9
DPS	¢	5.1	5.0	5.0	5.0
Yield	%	6.1	6.0	6.0	6.0
Franking	%	0.0	0.0	0.0	

Share Price



Source: ASX and Company accounts

Segment Performance

Property Portfolio	Annual Shareholders' Return (%)	Shareholders' Return	
		1 year	3 year
Others	60.2	21.0%	-15.0%
Governor Phillip Tower & Governor Macquarie Tower	8.6	5 year	-1.0%
Woodside Plaza, 240 St Georges Terrace, Perth, WA	5.6	10 year	0.0%
Southgate Complex, 3 Southgate Avenue, Southgate	4.8	Dividend Reinvestment Plan	No
Australia Square Complex, 264-278 George Street	3.8	Shareholder Discounts	No
45 Clarence Street, Sydney, NSW	3.5		
Westfield Whitford City Shopping Centre Marmion	3.5		
44 Market Street, Sydney, NSW	2.7		
Axxess Corporate Park, 164-180 Forster Road	2.5		
309-321 Kent Street, Sydney, NSW	2.5		
1 Margaret Street, Sydney, NSW	2.4		
Total	100.1		
Property Types			
Other	60.2		
Industrial	25.6		
Office	8.6		
Retail	5.6		
Total	100.0		

Company contact details:

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If you have any queries regarding this Research information or with any aspect of your legalsuper account please call legalsuper on 1800 060 312 (freecall) or email mail@legalsuper.com.au

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