

## LETTER FROM THE CHAIR

To build on the effectiveness of the Board, we appointed an independent consultant to evaluate the performance of the Board, its Committees and the contribution of each Director. Led by the independent consultant, the Board also assessed my effectiveness as the Chairman. Details relating to the evaluation are included in the corporate governance statement on pages 6 to 17.

Our 2012 remuneration report and the revised executive remuneration framework were overwhelmingly supported by investors at the Annual General Meeting held in November 2012. The revised remuneration framework, which aligns to the Group's revised strategy, enables and encourages DEXUS Independent Directors and DEXUS Executives to hold DXS securities. The full 2013 remuneration report starts on page 19.

### Enhancement to the Board of Directors

DEXUS's Chief Financial Officer, Craig Mitchell, was appointed to the Board on 12 February 2013. Craig has been with DEXUS for more than five years and has over 20 years' financial management and accounting experience, with more than 15 of those years specialising in property. Craig's knowledge and experience has further strengthened the expertise of the Board.

At the date of this report, the Board comprised ten Directors, eight of whom are independent.

### Good corporate citizenship

Embedded in our Corporate Responsibility and Sustainability (CR&S) framework is our commitment to maintaining the highest standards of governance and business ethics.

We deliver this through our service excellence approach to tenants and capital partners, the development of our people, our supplier partnerships and engagement within our communities.

We take account of our obligations under the UNPRI in our investment decision making, delivering good corporate citizenship.

This year we have continued to build on the significant successes that we have achieved in sustainability and have outlined these in an integrated way throughout this report. They include improvements in our NABERS Energy ratings across our office portfolio to an average of 4.7 stars, maintaining our focus on corporate responsibility and achieving a carbon neutral accreditation for our head office for the third consecutive year.

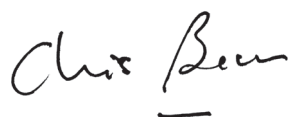
### Outlook

Our strategic achievements and the Group's performance in FY13 is testament to the strength of our people, and on behalf of the Board of Directors I thank them for their hard work and commitment during the year.

Despite the near-term uncertainty, we believe the medium to long-term market outlook remains promising on the back of low interest rates, and improvement in business sentiment. The prospect of an improved economy is expected to have a positive impact on tenant demand from late-2014 and the Group is well-positioned to capture the sustained recovery in Australian property markets.

DEXUS enters FY14 with a clear vision and strategy. The combination of this clear strategy, the team's focus on driving performance and the quality of our properties provides a solid foundation for delivering superior returns for investors.

On behalf of the Board, I would like to thank you for your continued support and look forward to reporting on the Group's progress over the next year.



**Christopher T Beare**

Chair

16 August 2013