

Note 1. Summary of significant accounting policies

(a) Basis of preparation

In accordance with AASB Interpretation 1002: Post-Date-of-Transition Stapling Arrangements, the entities within DXS must be consolidated. The parent entity and deemed acquirer of DIT, DOT and DXO is DDF. The DDF consolidated column represents the consolidated result of DDF, which comprises DDF and its controlled entities, DIT and its controlled entities, DOT and its controlled entities, DXO and its controlled entities. Equity attributable to other trusts stapled to DDF is a form of minority interest in accordance with AASB 1002 and, in the DDF consolidated column, represents the equity of DIT, DOT and DXO. Other minority interests represent the equity attributable to parties external to the Trusts.

DEXUS Property Group stapled securities are quoted on the Australian Stock Exchange under the code "DXS" and comprise one unit in each of DDF, DIT, DOT and DXO. Each entity forming part of DXS continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* and Australian Accounting Standards.

DEXUS Funds Management Limited (DXFM) as Responsible Entity for each of the Trusts may only unstack the Trusts if approval is obtained by special resolution of the stapled security holders.

This general purpose Financial Report for the year ended 30 June 2009 has been prepared in accordance with the requirements of the Trusts' Constitutions, the *Corporations Act 2001*, Australian Equivalents to International Financial Reporting Standards (AIFRS) and Interpretations. Compliance with AIFRS ensures that the consolidated and parent Financial Statements and Notes comply with International Financial Reporting Standards (IFRS).

This Financial Report is prepared on the going concern basis and in accordance with historical cost conventions and has not been adjusted to take account of either changes in the general purchasing power of the dollar or changes in the values of specific assets, except for the valuation of certain non-current assets and financial instruments (refer notes 1(e), 1(n), 1(p), and 1(v)).

As at 30 June 2009, DXS had a current net asset deficiency of \$607.9 million. This Financial Report is prepared on a going concern basis as DXS has sufficient working capital and cash flow due to the existence of unutilised facilities of \$1,450.4 million as set out in note 21.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Critical accounting estimates

The preparation of Financial Statements in conformity with AIFRS may require the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Trusts' accounting policies. Other than the estimations described in notes 1(e), 1(n), 1(p), and 1(v), no key assumptions concerning the future or other estimation of uncertainty at the reporting date have a significant risk of causing material adjustments to the Financial Statements in the next annual reporting period.

Uncertainty around property valuations

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate transactions has significantly reduced.

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for similar property in a comparable location and condition.

The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the balance sheet date, the current market uncertainty means that if investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the Financial Statements.

(b) Principles of consolidation

(i) Controlled entities

The Financial Statements have been prepared on a consolidated basis in recognition of the fact that while the securities issued by the Trusts are stapled into one trading security and cannot be traded separately, the Financial Statements must be presented on a consolidated basis. The parent entity and deemed acquirer of the Trusts is DDF. The accounting policies of the subsidiary trusts are consistent with those of the parent.

The Financial Statements incorporate an elimination of inter-entity transactions and balances to present the Financial Statements on a consolidated basis. Net profit and equity in controlled entities, which is attributable to the unitholdings of minority interests, are shown separately in the Income Statements and Balance Sheets respectively. Where control of an entity is obtained during a financial year, its results are included in the Income Statements from the date on which control is gained. The Financial Statements incorporate all the assets, liabilities and results of the parent and its controlled entities.

(ii) Partnerships and joint ventures

Where assets are held in a partnership or joint venture with another entity directly, the Trusts' share of the results and assets of this partnership or joint venture are consolidated into the Income Statements and Balance Sheets of the Trusts. Where assets are jointly controlled via ownership of units in single purpose unlisted unit trusts or shares in companies, the Trusts apply equity accounting to record the operations of these investments (refer note 1(s)).

Note 1. Summary of significant accounting policies (continued)

(c) Revenue recognition

(i) Rent

Rental income is brought to account on a straight-line basis over the lease term for leases with fixed rent review clauses. In all other circumstances rental income is brought to account on an accruals basis. If not received at balance date, rental income is reflected in the Balance Sheets as a receivable. Recoverability of receivables is reviewed on an ongoing basis. Debts which are known to be not collectable are written off.

(ii) Management fee revenue

Management fees are brought to account on an accruals basis, and if not received at the balance date, are reflected in the Balance Sheets as a receivable.

(iii) Interest revenue

Interest income is brought to account on an accruals basis using the effective interest rate method and, if not received at balance date, is reflected in the Balance Sheets as a receivable.

(iv) Dividends and distribution revenue

Income from dividends and distributions are recognised when declared. Amounts not received at balance date are included as a receivable in the Balance Sheets.

(d) Expenses

Expenses are brought to account on an accruals basis and, if not paid at balance date, are reflected in the Balance Sheets as a payable.

(i) Property expenses

Property expenses include rates, taxes and other property outgoings incurred in relation to investment properties and property, plant and equipment where such expenses are the responsibility of the Trusts.

(ii) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation or ancillary costs incurred in connection with arrangement of borrowings and foreign exchange losses net of hedged amounts on borrowings, including trade creditors and lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets.

Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use or sale. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

(e) Derivatives and other financial instruments

(i) Derivatives

The Trusts' activities expose it to a variety of financial risks including foreign exchange risk and interest rate risk. Accordingly, the Trust enters into various derivative financial instruments such as interest rate swaps, cross currency swaps and foreign exchange contracts to manage its exposure to certain risks. Written policies and limits are approved by the Board of Directors of the Responsible Entity, in relation to the use of financial instruments to manage financial risks.

The Responsible Entity continually reviews the Trusts' exposures and updates its treasury policies and procedures. The Trust does not trade in derivative instruments for speculative purposes. Even though derivative financial instruments are entered into for the purpose of providing the Trust with an economic hedge, the Trusts' have elected not to apply hedge accounting under AASB 139: *Financial Instruments: Recognition and Measurement* for interest rate swaps and foreign exchange contracts. Accordingly, derivatives including interest rate swaps, interest rate component of cross currency swaps and foreign exchange contracts, are measured at fair value with any changes in fair value recognised in the Income Statements.

(ii) Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the Income Statements.

(iii) Debt and equity instruments issued by the Trusts

Financial instruments issued by the Trusts are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements. Accordingly, ordinary units issued by DDF, DIT, DOT and DXO are classified as equity.

Interest and distributions are classified as expenses or as distributions of profit consistent with the Balance Sheet classification of the related debt or equity instruments.

Transaction costs arising on the issue of equity instruments are recognised directly in equity (net of tax) as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(iv) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in the net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(v) Other financial assets

Loans and other receivables are measured at amortised cost using the effective interest rate method less impairment.

(f) Goods and services tax/value added tax

Revenues, expenses and capital assets are recognised net of any amount of Australian/New Zealand/Canadian Goods and Services Tax (GST) or French and German Value Added Tax (VAT), except where the amount of GST/VAT incurred is not recoverable.

In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Cash flows are included in the Cash Flow Statements on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

(g) Taxation

Under current Australian income tax legislation DDF, DIT and DOT, are not liable for income tax provided they satisfy certain legislative requirements. These Trusts may be liable for income tax in jurisdictions where foreign property is held (i.e. United States, France, Germany, Canada, New Zealand).

DXO is a trading trust and is subject to Australian income tax as follows:

- the income tax expense for the year is the tax payable on the current year's taxable income based on a tax rate of 30% adjusted for changes in deferred tax assets and liabilities and unused tax losses;
- deferred tax assets and liabilities are recognised for temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base of those items. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax assets or liabilities. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability (where they do not arise as a result of a business combination and did not affect either accounting profit/loss or taxable profit/loss);
- deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses;
- deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future; and
- current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Withholding tax payable on distributions received by the Trusts from DEXUS Industrial Properties Inc (US REIT) and DEXUS US Properties Inc (US REIT II) are recognised as an expense when tax is withheld.

In addition, a deferred tax liability or asset and related deferred tax expense/benefit is recognised on differences between the tax cost base of US assets and liabilities in the Trusts (held by US REIT and US REIT II) and their accounting carrying values at balance date. Any deferred tax liability or asset is calculated using a blend of the current withholding tax rate applicable to income distributions and the applicable US federal and state taxes.

Under current Australian income tax legislation, the security holders will generally be entitled to receive a foreign tax credit for US withholding tax deducted from distributions paid by the US REIT and US REIT II.

DIT France Logistique SAS (DIT France), a wholly owned sub-trust of DIT, is liable for French corporation tax on its taxable income at the rate of 34.43%. In addition, a deferred tax liability or asset and its related

deferred tax expense/benefit is recognised on differences between the tax cost base of the French real estate assets and their accounting carrying value at balance date.

DEXUS GLOG Trust, a wholly owned Australian sub-trust of DIT, is liable for German income tax on its German taxable income at the rate of 15.82% from 1 January 2008 (this rate was 26.37% prior to 1 January 2008). In addition, a deferred tax liability or asset and its related deferred tax expense/benefit is recognised on differences between the tax cost base of the German real estate assets and their accounting carrying value at balance date.

DOT NZ Sub-Trust No. 1, a wholly owned Australian sub-trust of DOT, is liable for New Zealand corporate tax on its New Zealand taxable income at the rate of 30%. In addition, a deferred tax liability or asset and its related deferred tax expense/benefit is recognised on differences between the tax cost base of the New Zealand real estate asset and the accounting carrying value at balance date.

DEXUS Canada Trust, a wholly owned Australian sub-trust of DIT, is liable for Canadian income tax on its Canadian taxable income at the rate of 25%. In addition, a deferred tax liability or asset and its related deferred tax expense/benefit is recognised on differences between the tax cost base of the Canadian real estate asset and the accounting carrying value at balance date.

Tax consolidation

DXH is the head entity in the DXH tax consolidated group comprising DEXUS Funds Management Limited, DEXUS Property Services Pty Limited, DEXUS Financial Services Pty Limited and DEXUS Wholesale Property Limited. The implementation date for the tax consolidated group was 1 October 2004. During the year DEXUS CMBS Issuer Pty Limited was formed and joined the tax consolidated group. The entities within the DXH tax consolidated group entered into a Tax Sharing Deed and Tax Funding Deed on 29 June 2007 (effective 1 July 2006).

During the year, newly incorporated entities, DEXUS Finance No.2 Pty Limited and DEXUS Finance No.3 Pty Limited together with DEXUS Finance Pty Limited (DXF) formed the DXF tax consolidated group on 18 December 2008. DXF is the head entity of this tax consolidated group. The entities in the DXF tax consolidated group entered into a Tax Sharing Deed and Tax Funding Deed on 29 June 2009 (effective 18 December 2008).

In the opinion of the Directors, the Tax Sharing Deeds limit the joint and several liability of the wholly-owned entities in the case of a default by the head entity.

For each of the consolidated tax groups, the head entity and the controlled entities continue to account for their own current and deferred tax amounts. These notional tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right pursuant to the Tax Funding Deed.

Under the Tax Funding Deed, the wholly owned entities fully compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' Financial Statements and are recognised as current intercompany receivables or payables.

Note 1. Summary of significant accounting policies (continued)

(h) Distributions

In accordance with the Trusts' Constitutions, the Trusts distribute their distributable income to unitholders by cash or reinvestment. Distributions are provided for when they are approved by the Board of Directors and declared.

(i) Repairs and maintenance

Plant is required to be overhauled on a regular basis and is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the replaced component will be derecognised and the replacement costs capitalised in accordance with note 1(p). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, which is based on the invoiced amount less provision for doubtful debts. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Trusts will not be able to collect all amounts due according to the original terms of the receivables.

(l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

(m) Other financial assets at fair value through profit and loss

Interests held by the Trust in controlled entities and associates are measured at fair value through profit and loss to reduce a measurement or recognition inconsistency.

(n) Property, plant and equipment

Property under development is carried at historical cost until the development is complete. All costs of development are capitalised against the property and are not depreciated. Upon completion of development, the assets are classified as investment property.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to its acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trusts and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statements during the financial period in which they are incurred.

Property under development and all other property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts exceed their recoverable amounts (refer note 1 (u)).

(o) Depreciation of property, plant and equipment

Land is not depreciated. Depreciation on buildings (including fitout) is calculated on a straight-line basis so as to write off the net cost of each non-current asset over its expected useful life. Estimates for remaining useful lives are reviewed on a regular basis for all assets and are as follows:

Buildings (including fitout)	5-50 years
IT equipment	3-5 years

(p) Investment properties

Investment properties consist of properties held for long-term rental yields, capital appreciation or both. Investment properties are initially recognised at cost including transaction costs. Investment properties are subsequently recognised at fair value in the Financial Statements. Each valuation firm and its signatory valuer are appointed on the basis that they are engaged for no more than three consecutive valuations.

The basis of valuations of investment properties is fair value being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. In addition, an appropriate valuation method is used, which may include the discounted cash flow and the capitalisation method. Discount rates and capitalisation rates are determined based on industry expertise and knowledge, and where possible a direct comparison to third party rates for similar assets in a comparable location. Rental income from current leases and assumptions about future leases, as well as any expected operational cash outflows in relation to the property, are also reflected in fair value.

External valuations of the individual investments are carried out in accordance with the Trusts' Constitutions, or may be earlier where the Responsible Entity believes there is a potential for a material change in the fair value of the property.

Changes in fair values are recorded in the Income Statements. The gain or loss on disposal of an investment property is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Income Statements in the year of disposal.

Subsequent redevelopment and refurbishment costs (other than repairs and maintenance) are capitalised to the investment property where they result in an enhancement in the future economic benefits of the property. Repairs and maintenance are accounted for in accordance with 1(i).

(q) Leasing fees

Leasing fees incurred are capitalised and amortised over the lease periods to which they relate.

(r) Lease incentives

Prospective lessees may be offered incentives as an inducement to enter into operating leases. These incentives may take various forms including cash payments, rent free periods, or a contribution to certain lessee costs such as fitout costs or relocation costs.

The costs of incentives are recognised as a reduction of rental income on a straight-line basis from the earlier of the date which the tenant has effective use of the premises or the lease commencement date to the end of the lease term. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

(s) Investments accounted for using the equity method

Some property investments are held through the ownership of units in single purpose unlisted trusts or shares in unlisted companies where the Trusts exert significant influence but does not have a controlling interest. These investments are considered to be associates and the equity method of accounting is applied in the Consolidated Financial Statements.

Under this method, the entity's share of the post-acquisition profits of associates is recognised in the consolidated Income Statements. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends or distributions receivable from associates are recognised in the parent entity's Income Statements, while in the Consolidated Financial Statements they reduce the carrying amount of the investment.

When the Trusts' share of losses in an associate equal or exceed its interest in the associate (including any unsecured receivables) the Trusts do not recognise any further losses unless it has incurred obligations or made payments on behalf of the associate.

(t) Business combinations

The purchase method of accounting is used for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date. The excess of the acquisition cost over the fair value of the Trusts' share of identifiable net assets acquired is recorded as goodwill (refer note 1(v)). If the cost is less than the fair value of the Trusts' share of the identifiable net assets acquired, the difference is recognised directly in the Income Statements.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange at the entity's incremental financing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparative terms and conditions.

(u) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(v) Intangible assets

(i) Goodwill

As part of a business combination, the identifiable net assets acquired are measured at fair value. The excess of the acquisition costs over the fair value of the identifiable net assets is brought to account as goodwill in the Balance Sheets. The carrying value of the goodwill is tested for impairment at each reporting date with any decrement in value taken to the Income Statements as an expense.

(ii) Management rights

Management rights represent the asset management rights owned by the Trust which entitle it to management fee revenue from both finite and indefinite life trusts. Those rights that are deemed to have a finite useful life, are measured at cost and amortised using the straight-line method over their estimated useful lives which vary from six to 22 years.

Note 1. Summary of significant accounting policies (continued)

(w) Financial assets and liabilities

(i) Classification

DXS has classified its financial assets and liabilities as follows:

Financial Asset/Liability	Classification	Valuation Basis	Reference
Cash and cash equivalents	Fair value through profit or loss	Fair value	Refer note 1(j)
Receivables	Loans and receivables	Amortised cost	Refer note 1(k)
Other financial assets	Loans and receivables	Amortised cost	Refer note 1(e)
Other financial assets	Fair value through profit or loss	Fair value	Refer note 1(m)
Payables	Financial liability at amortised cost	Amortised cost	Refer note 1(x)
Interest bearing liabilities	Financial liability at amortised cost	Amortised cost	Refer note 1(y)
Derivatives	Fair value through profit or loss	Fair value	Refer note 1(e)

Financial assets and liabilities are classified in accordance with the purpose for which they were acquired.

(ii) Fair value estimation of financial assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Trusts is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques including dealer quotes for similar instruments and discounted cash flows. In particular, the fair value of interest rate swaps and cross currency swaps are calculated as the present value of the estimated future cash flows, the fair value of forward exchange rate contracts is determined using forward exchange market rates at the balance sheet date, and the fair value of interest rate option contracts are calculated as the present value of the estimated future cash flows taking into account the time value and implied volatility of the underlying instrument.

(x) Payables

These amounts represent liabilities for amounts owing at balance date. The amounts are unsecured and are usually paid within 30 days of recognition.

(y) Interest bearing liabilities

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statements over the period of the borrowings using the effective interest method. Interest bearing liabilities are classified as current liabilities unless the Trust has an unconditional right to defer the liability for at least 12 months after the reporting date.

(z) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Trusts expect to pay at reporting date including related on-costs, such as workers compensation, insurance and payroll tax.

(ii) Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows, to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the term of the maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

(aa) Earnings per unit

Earnings per unit are determined by dividing the net profit attributable to equity holders of the parent entity by the weighted average number of ordinary units outstanding during the year, adjusted for bonus elements in units issued during the year.

(ab) Foreign currency

Items included in the Financial Statements of the Trust are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Financial Statements are presented in Australian dollars, which is the functional and presentation currency of the Trust.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of financial assets and liabilities denominated in foreign currencies are recognised in the Income Statements.

(ii) Foreign operations

Foreign operations are located in the United States, New Zealand, France, Germany and Canada. These operations have a functional currency of US Dollars, NZ Dollars, Euros and Canadian Dollars respectively, which are translated into the presentation currency.

The assets and liabilities of the foreign operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at exchange rates prevailing at the reporting date.

(ac) Segment reporting

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing services within a particular geographic environment and is subject to risks and returns that are different from those of segments operating in other geographic environments.

(ad) Rounding of amounts

The Trusts are the kind referred to in Class Order 98/0100, issued by the Australian Securities & Investment Commission, relating to the rounding off of amounts in the Financial Report. Amounts in the Financial Reports have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(ae) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. Our assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 are effective for annual reporting periods commencing on or after 1 January 2009.

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a "management approach" to reporting on financial performance. The information being reported will be based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Trusts intend to apply the revised standard from 1 July 2009. Application of AASB 8 may result in different segments, segment results and different type of information being reported in the segment note of the financial report. However, it will not affect any of the amounts recognised in the Financial Statements.

(ii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101.

The revised AASB 101 that was issued in September 2007 is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the Statements of Changes in Equity but will not affect any of the amounts recognised in the Financial Statements. If an entity has made a prior period adjustment or a reclassification of items in the Financial Statements, it will also need to disclose a third balance sheet (Statement of Financial Position), this one being as at the beginning of the comparative period. The Trusts intend to apply the revised standard from 1 July 2009.

(iii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12].

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the Financial Reports of the Trusts, as the Trusts already capitalise borrowing costs relating to qualifying assets.

(iv) Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127.

Revised accounting standards for business combinations and Consolidated Financial Statements were issued in March 2008 and are operative for annual reporting periods beginning on or after 1 July 2009, but may apply earlier. The Trusts will apply the revised standards from 1 July 2009. However, the new rules generally apply only prospectively to transactions that occur after the application date of the standard. Their impact will therefore depend on whether the Trusts will enter into any business combinations or other transactions that affect the level of ownership held in the controlled entities in the year of initial application.

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Trusts' current policy which is set out in note 1(t) above. For example, under the new rules:

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

Note 1. Summary of significant accounting policies (continued)

(ae) New accounting standards and interpretations (continued)

(v) AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009).

In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards* and AASB 127 *Consolidated and Separate Financial Statements*. The Trusts will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment. Under the entity's current policy, these dividends are deducted from the cost of the investment. Furthermore, when a new intermediate parent entity is created in internal reorganisations it will measure its investment in subsidiaries at the carrying amounts of the net assets of the subsidiary rather than the subsidiary's fair value.

(vi) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project .

In July 2008, AASB 2008-5 was issued comprising amendments to various standards arising from the annual improvements project. The amendments are effective for reporting periods beginning on or after 1 January 2009. The following amendments are considered relevant to the Trusts:

AASB 101 (Amendment) Presentation of Financial Statements.

The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* are examples of current assets and liabilities respectively. The Trusts will apply the AASB 139 (Amendment) from 1 July 2009. This clarification will enable the Trusts to distinguish between current and non-current derivative balances.

AASB 119 (Amendment) Employee Benefits (effective from 1 January 2009).

The amendments relevant to the Trusts includes:

- The distinction between short-term and long-term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* requires contingent liabilities to be disclosed, not recognised. AASB 119 has been amended to be consistent.

The Trusts will apply the AASB 119 (Amendment) from 1 July 2009. There will be no impact on the amounts recognised in the Financial Statements.

AASB 123 (Amendment) Borrowing Costs.

The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in AASB 139 *Financial Instruments: Recognition and Measurement*. This eliminates the inconsistency of terms between AASB 139 and AASB 123. The Trusts will apply the AASB 123 (Amendment) prospectively to the capitalisation of borrowing costs on qualifying

assets from 1 July 2009. This is not expected to have any impact on the amounts recognised in the entity's Financial Statements.

AASB 127 (Amendment) Consolidated and Separate Financial Statements (effective from 1 January 2009).

Where an investment in a subsidiary that is accounted for under AASB 139 *Financial Instruments: Recognition and Measurement* is classified as held for sale under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 139 would continue to be applied. The amendment will not have an impact on the Trusts' operations because it is the Trusts' policy for an investment in subsidiary to be recorded at fair value through profit or loss in the standalone accounts of each entity.

AASB 128 (Amendment) Investments in Associates (and consequential amendments to AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures) (effective from 1 January 2009).

An investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Trusts will apply the AASB 128 (Amendment) to impairment tests related to investment in associates and any related impairment losses from 1 July 2009. Due to the prospective application this will not affect any of the amounts recognised at 30 June 2009.

AASB 131 (Amendment) Interests in Joint Ventures (and consequential amendments to AASB 132 and AASB 7) (effective from 1 January 2009).

Where an investment in a joint venture is accounted for in accordance with AASB 139, only certain, rather than all, disclosure requirements in AASB 131 need to be made in addition to disclosures required by AASB 132 and AASB 7. This amendment will not have an impact on the Trusts' operations.

AASB 136 (Amendment) Impairment of Assets.

Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for a value-in-use calculation should be made. The Trusts will apply the AASB 136 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 July 2009. This is not expected to have an impact on the amounts recognised in the Trusts' Financial Statements.

AASB 138 (Amendment) Intangible Assets (effective from 1 January 2009).

A prepayment may only be recognised in the event that payment has been made in advance of obtaining a right of access to goods or a receipt of services. Therefore to the extent that the expenditure is incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised, the entity recognises such expenditure as an expense when it has a right to access the goods or when it receives the services. The Trusts will apply the AASB 138 (Amendment) from 1 July 2009, however this is not expected to have an impact on the amounts recognised in the Trusts' Financial Statements.

AASB 140 (Amendment) Investment Property (and consequential amendments to AASB 116).

Under this amendment, property that is under construction or development for future use as investment property falls within the scope of AASB 140. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The Trusts will apply the AASB 140 (Amendment) from 1 July 2009.

AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009).

The amendments to AASB 5 *Discontinued Operations* and AASB 1 *First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards* are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Trusts will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

(vii) AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009).

In April 2009, the AASB published amendments to AASB 7 *Financial Instruments: Disclosure* to improve the information that entities report about their liquidity risk and the fair value of their financial instruments. The amendments require fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The AASB also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Trusts will apply the amendments from 1 January 2009. They will not affect any of the amounts recognised in the Financial Statements.

(viii) AASB 2009-3 Amendments to Australian Accounting Standards – Embedded Derivatives (effective for annual periods ending on or after 30 June 2009).

The amendments made by the AASB to Interpretation 9 and AASB 139 clarify that where a financial asset is reclassified out of the 'at fair value through profit or loss' category, all derivatives embedded in that asset have to be assessed and, if necessary, separately accounted for in financial statements. The Trusts will apply the amendments retrospectively for the financial half-year ending 31 December 2009. There will be no impact on the Trusts' financial statements as at 31 December 2009 as it has not reclassified any financial assets out of the "at fair value through profit or loss" category.

Note 2. Property revenue

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Rent and recoverable outgoings	733,800	682,038	143,019	146,070
Incentive amortisation	(47,242)	(42,034)	(5,811)	(5,822)
Other revenue	21,948	24,827	2,298	1,942
Total property revenue	708,506	664,831	139,506	142,190

Note 3. Finance costs

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Interest paid/payable	164,053	183,164	(9,224)	–
Interest (received)/paid to related parties	–	–	(3,567)	10,429
Amount capitalised	(35,050)	(17,949)	(8,020)	(6,141)
Other finance costs	5,647	3,281	122	237
Net fair value loss of interest rate swaps	249,591	44,737	6,667	19,035
Total finance costs	384,241	213,233	(14,022)	23,560

The average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 6.60% (2008: 6.40%).

Note 4. Income tax

(a) Income tax expense/(benefit)

	Consolidated	
	2009 \$'000	2008 \$'000
Current tax	7,079	4,256
Deferred tax	5,458	(5,798)
Income tax expense/(benefit)	12,537	(1,542)
Deferred income tax expense included in income tax expense comprises:		
(Increase) in deferred tax assets	(298)	(6,135)
Increase in deferred tax liabilities	5,756	337
	5,458	(5,798)

(b) Reconciliation of income tax expense/(benefit) to net (loss)/profit

	Consolidated	
	2009 \$'000	2008 \$'000
(Loss)/profit before tax	(1,575,652)	453,163
Loss/(profit) not subject to income tax (note 1(g))	1,489,557	(492,953)
	(86,095)	(39,790)
Prima facie tax benefit at the Australian tax rate of 30% (2008: 30%)	(25,829)	(11,937)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation and amortisation	(1,816)	(1,640)
Impairment	22,371	-
Share of net profits of associates	-	700
Revaluation of investment properties	16,125	13,445
Previously unrecognised tax losses now recognised	(1,802)	(641)
Reversal of recognised tax loss	3,470	-
Tax offsets from franked dividends	-	(1,567)
Sundry items	18	25
	38,366	10,322
Over provision in prior year	-	73
Income tax expense/(benefit)	12,537	(1,542)

(c) Withholding tax expense

Withholding tax benefit of \$132,773,000 (2008: \$9,444,000 expense) includes \$135,183,000 (2008: \$7,236,000 expense) of deferred tax benefit which is recognised on differences between the tax cost base of the US assets and liabilities and their accounting carrying value at balance date. The majority of the deferred tax benefit arises due to the tax depreciation and revaluation of US investment properties as well as mark-to-market of derivatives.

Note 5. Other expenses

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Audit and other fees	3,096	3,232	591	504
Custodian fees	532	489	124	136
Legal and other professional fees	1,305	1,295	80	260
Registry costs and listing fees	755	511	206	161
Occupancy expenses	267	463	–	–
Administration expenses	4,557	1,716	–	–
Other staff expenses	1,881	1,015	–	–
RREEF management fees	3,792	2,828	–	–
Other expenses	5,300	4,343	621	152
Total other expenses	21,485	15,892	1,622	1,213

Note 6. Audit and advisory fees

During the year the auditor of the parent entity and its related practices and non-related audit firms earned the following remuneration:

(a) Assurance services

	Consolidated		Parent entity	
	2009 \$	2008 \$	2009 \$	2008 \$
PwC audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	1,353,129	1,262,986	355,252	385,980
PwC fees paid in relation to outgoing audit ¹	61,675	171,118	42,277	24,206
Remuneration for audit services to PwC	1,414,804	1,434,104	397,529	410,186
Fees paid to non-PwC audit firms	820,195	885,981	–	–
Total remuneration for assurance services	2,234,999	2,320,085	397,529	410,186

(b) Taxation services

Fees paid to PwC Australia	376,970	518,070	185,900	117,359
Fees paid to PwC US	330,022	269,105	–	–
Remuneration for taxation services to PwC	706,992	787,175	185,900	117,359
Fees paid to non-PwC taxation firms	216,113	295,648	50,613	370
Total remuneration for taxation services²	923,105	1,082,823	236,513	117,729
Total audit and taxation fees¹	3,158,104	3,402,908	634,042	527,915

(c) Fees paid to PwC for transaction services

PwC assurance services in respect of capital raisings	575,000	–	211,916	–
PwC taxation services	195,990	–	74,840	–
PwC other transaction and advisory fees	262,100	–	57,071	–
Total transaction service fees	1,033,090	–	343,827	–
Total audit, taxation and transaction service fees	4,191,194	3,402,908	977,869	527,915

¹ Fees paid in relation to outgoing audits are included in property expenses. Therefore total audit and taxation fees included in other expenses is \$3,096,000.

² These services include general compliance work, one off project work and advice with respect to the management of day to day tax affairs of the Trusts.

Note 7. Current assets – cash and cash equivalents

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash at bank	74,159	88,516	27,268	31,004
Short-term deposits	10,686	10,698	–	–
Total current assets – cash and cash equivalents	84,845	99,214	27,268	31,004

Note 8. Current assets – receivables

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Rent receivable	20,815	12,254	2,232	1,802
Less: provision for doubtful debts	(4,487)	(1,487)	(397)	(377)
Total rental receivables	16,328	10,767	1,835	1,425
Fee receivable	8,324	11,907	–	–
Other receivables from related parties	–	–	13,107	4,700
GST receivables	–	–	1,229	–
Interest receivable	67	290	–	–
Other receivables	11,097	13,463	1,581	2,294
Total other receivables	19,488	25,660	15,917	6,994
Total current assets – receivables	35,816	36,427	17,752	8,419

Note 9. Non-current assets classified as held for sale

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Investment property held for sale	43,054	–	20,800	–
Property, plant and equipment held for sale	55,000	–	–	–
Total non-current assets classified as held for sale	98,054	–	20,800	–

As part of the asset sale program announced on 21 April 2009, certain assets have been classified as non-current assets held for sale and are carried at fair value less cost to sell.

The investment properties classified as held for sale comprise 3-7 Bessemer Street, Blacktown, NSW (\$9.1 million); 68 Hasler Road, Herdsman, WA (\$11.3 million), Redwood Gardens Industrial Estate, Dingley, VIC (\$20.8 million) and Nordstraße 1, Lobau (\$1.9 million).

The property, plant and equipment held for sale comprises of 343 George Street, Sydney (\$55 million).

Refer note 35 for further discussion regarding these forthcoming disposals.

Note 10. Loans with related parties

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Non-current assets – loan with related parties				
Intercompany loans ¹	–	–	248,366	119,533
Intercompany loans with entities within DXS ²	–	–	160,217	–
Total non-current assets – loan with related parties	–	–	408,583	119,533
Current liabilities – loan with related parties				
Non-interest bearing loans with the Trusts ³	–	–	34,332	34,332
Total current liabilities – loan with related parties	–	–	34,332	34,332

1 The intercompany loans represent interest-bearing loans with DEXUS Finance Pty Limited (DXF) to or from the Trusts. These loan balances eliminate on consolidation.

2 Interest bearing loan with entities within DXS.

3 Non-interest bearing loans with the Trusts were created to effect the stapling of the Trust, DIT, DOT and DXO. These loan balances eliminate on consolidation.

Note 11. Derivative financial instruments

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current assets				
Interest rate swap contracts	122,293	138,359	68,455	34,470
Cross currency swap contracts	79,786	42,141	27,605	30,567
Forward foreign exchange contracts	3,412	10,662	1,745	5,022
Total current assets – derivative financial instruments	205,491	191,162	97,805	70,059
Current liabilities				
Interest rate swap contracts	301,203	95,602	91,397	42,539
Cross currency swap contracts	84,709	–	57,896	–
Forward foreign exchange contracts	312	1,476	252	890
Total current liabilities – derivative financial instruments	386,224	97,078	149,545	43,429
Net current derivative financial instruments	(180,733)	94,084	(51,740)	26,630

Refer note 30 for further discussion regarding derivative financial instruments.

Note 12. Current assets – other

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Prepayments	13,618	9,372	2,731	1,307
Total current assets – other	13,618	9,372	2,731	1,307

Note 13. Non-current assets – investment properties

(a) Properties

	Ownership	Acquisition date
Held by parent entity		
Kings Park Industrial Estate, Bowmans Road, Marayong, NSW	100%	May 1990
Target Distribution Centre, Lot 1, Tara Avenue, Altona North, VIC	100%	Oct 1995
Axxess Corporate Park, 164-180 Forster Road, 11 & 21-45 Gilby Road, 307-355 Ferntree Gully Road, Mount Waverley, VIC	100%	Oct 1996
Knoxfield Industrial Estate, 20 Henderson Road, Knoxfield, VIC	100%	Aug 1996
12 Frederick Street, St Leonards, NSW	100%	Jul 2000
40 Talavera Road, North Ryde, NSW	100%	Oct 2002
2 Alspeg Place, Eastern Creek, NSW	100%	Mar 2004
Redwood Gardens Industrial Estate Stages 3, 5, 6 & 7 and Lot 4, Dingley, Vic ³	100%	Dec 1994
44 Market Street, Sydney, NSW	100%	Sep 1987
8 Nicholson Street, Melbourne, VIC	100%	Nov 1993
130 George Street, Parramatta, NSW	100%	May 1997
Flinders Gate Complex, 172 Flinders Street & 189 Flinders Lane, Melbourne, VIC	100%	Mar 1999
383-395 Kent Street, Sydney, NSW	100%	Sep 1987
14 Moore Street, Canberra, ACT**	100%	May 2002
Sydney CBD Floor Space ¹	100%	Jul 2000
Westfield Whitford City Shopping Centre Marmion & Whitfords Avenue, Hillarys, WA ²	50%	Oct 1984
Westfield Whitfords Avenue Lot 6 Endeavour Road, Hillarys, WA ²	50%	Dec 1992
34-60 Little Collins Street, Melbourne, VIC**	100%	Nov 1984
32-44 Flinders Street, Melbourne, VIC	100%	Jun 1998
Flinders Gate Carpark, 172-189 Flinders Street, Melbourne, VIC	100%	Mar 1999
383-395 Kent Street, Sydney, NSW	100%	Sep 1987
John Martin's Carpark & Retail Plaza Joint Venture	1%	Sep 1994
Total parent entity		

¹ This relates to heritage floor space retained following the disposal of 1 Chifley Square, Sydney.

² The valuation reflects 50% of the independent valuation amount.

³ This asset has been transferred to non-current assets classified as held for sale (refer note 9) as its carrying amount will be recovered principally through an expected sale transaction rather than through continuing use.

The title to all properties is freehold, with the exception of the properties marked ** which are leasehold.

Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30 Jun 2009 \$'000	Consolidated book value 30 Jun 2008 \$'000
81,060	Jun 2008	99,000	(e)	91,200	104,000
25,555	Dec 2007	37,500	(a)	30,000	34,200
158,320	Jun 2008	192,650	(i)	180,600	192,650
31,081	Jun 2009	33,000	(a)	33,000	35,300
25,710	Jun 2009	33,100	(e)	33,100	37,000
33,112	Jun 2009	29,200	(f)	29,200	33,910
23,634	Dec 2008	24,800	(a)	23,300	24,800
21,177	Jun 2008	30,000	(e)	-	30,250
181,679	Jun 2008	225,000	(e)	190,000	225,000
70,347	Jun 2009	85,000	(i)	85,000	99,000
81,921	Dec 2008	90,000	(a)	72,000	92,000
16,413	Dec 2008	25,150	(i)	22,000	21,350
106,282	Jun 2008	153,000	(f)	120,000	153,000
38,277	Dec 2007	49,500	(a)	41,000	46,500
215	n/a	-	-	196	2,174
132,180	Jun 2007	252,350	(f)	245,350	255,350
5,506	Jun 2007	24,650	(f)	24,650	24,650
16,845	Dec 2008	40,900	(i)	36,000	41,000
21,773	Dec 2008	38,800	(i)	34,000	32,592
47,741	Dec 2008	54,600	(i)	49,000	39,263
30,745	Jun 2008	65,000	(f)	58,000	65,000
-	n/a	-	-	-	100
1,149,573		1,583,200		1,397,596	1,589,089

Note 13. Non-current assets – investment properties (continued)

(a) Properties (continued)

	Ownership	Acquisition date
Held by other stapled entities		
79-99 St Hilliers Road, Auburn, NSW	100%	Sep 1997
3 Brookhollow Avenue, Baulkham Hills, NSW	100%	Dec 2002
1 Garigal Road, Belrose, NSW	100%	Dec 1998
2 Minna Close, Belrose, NSW	100%	Dec 1998
114-120 Old Pittwater Road, Brookvale, NSW	100%	Sep 1997
145-151 Arthur Street, Flemington, NSW	100%	Sep 1997
436-484 Victoria Road, Gladesville, NSW	100%	Sep 1997
1 Foundation Place, Greystanes, NSW	100%	Dec 2002
5-15 Rosebery Avenue & 25-55 Rothschild Avenue, Rosebery, NSW	100%	Apr 1998 & Oct 2001
10-16 South Street, Rydalmere, NSW	100%	Sep 1997
19 Chifley Street, Smithfield, NSW	100%	Dec 1998
Pound Road West, Dandenong, VIC	100%	Jan 2004
352 Macaulay Road, Kensington, VIC	100%	Oct 1998
DEXUS Industrial Estate, Boundary Road, Laverton North, VIC	100%	Jul 2002
250 Forest Road, South Lara, VIC	100%	Dec 2002
15-23 Whicker Road, Gillman, SA	100%	Dec 2002
25 Donkin Street, Brisbane, QLD	100%	Dec 1998
52 Holbeche Road, Arndell Park, NSW	100%	Jul 1998
3-7 Bessemer Street, Blacktown, NSW ¹	100%	Jun 1997
30-32 Bessemer Street, Blacktown, NSW	100%	May 1997
27-29 Liberty Road, Huntingwood, NSW	100%	Jul 1998
154 O'Riordan Street, Mascot, NSW	100%	Jun 1997
11 Talavera Road, North Ryde, NSW	100%	Jun 2002
DEXUS Industrial Estate, Egerton Street, Silverwater, NSW	100%	May 1997
239-251 Woodpark Road, Smithfield, NSW	100%	May 1997
40 Biloela Street, Villawood, NSW	100%	Jul 1997
114 Fairbank Road, Clayton, VIC	100%	Jul 1997
30 Bellrick Street, Acacia Ridge, QLD	100%	Jun 1997
68 Hasler Road, Herdsman, WA ¹	100%	Jul 1998
Zone Industrial Epone II, Epone	100%	Jul 2006
32 avenue de l'Océanie, Villejust	100%	Jul 2006
21 rue du Chemin Blanc, Champlan	100%	Jul 2006

¹ This asset has been transferred to non-current assets classified as held for sale (refer note 9) as its carrying amount will be recovered principally through an expected sale transaction rather than through continuing use.

Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30 Jun 2009 \$'000	Consolidated book value 30 Jun 2008 \$'000
40,659	Jun 2009	40,000	(e)	40,000	47,281
36,739	Jun 2008	44,800	(f)	41,000	44,800
23,693	Jun 2009	24,000	(f)	24,000	28,800
36,316	Jun 2009	27,600	(f)	27,600	33,000
34,995	Dec 2008	48,000	(f)	44,000	51,500
25,146	Jun 2009	30,750	(g)	30,750	35,000
28,778	Jun 2009	46,000	(a)	46,000	55,000
39,287	Jun 2008	48,000	(a)	41,000	48,000
74,996	Jun 2008	102,700	(d)	88,000	102,700
37,311	Dec 2008	44,000	(e)	41,000	48,000
12,277	Jun 2008	18,350	(i)	16,300	18,350
73,847	Dec 2007	81,550	(g)	77,000	91,486
7,696	Dec 2007	10,000	(a)	8,205	9,100
103,063	Jun 2009	102,400	(g)	102,400	81,400
37,816	Jun 2008	44,750	(a)	48,758	44,750
20,283	Dec 2008	26,800	(e)	25,700	25,800
19,567	Dec 2007	35,600	(e)	32,000	35,800
11,392	Jun 2008	13,500	(f)	11,300	13,500
11,208	Dec 2008	9,850	(a)	-	11,100
12,479	Dec 2008	16,300	(e)	14,900	19,044
8,112	Jun 2008	9,650	(a)	8,000	9,650
11,202	Dec 2008	15,000	(i)	13,500	15,000
136,004	Jun 2008	160,000	(f)	130,000	160,000
37,517	Dec 2007	50,000	(i)	40,000	48,200
-	Dec 2008	6,200	(a)	-	6,800
6,889	Dec 2008	7,000	(d)	6,500	8,100
15,878	Dec 2008	15,600	(g)	14,000	16,200
13,291	Jun 2008	22,700	(e)	20,000	22,700
9,743	Jun 2008	17,500	(i)	-	17,500
12,893	Jun 2009	5,990	(i)	5,990	10,417
20,535	Jun 2009	9,598	(i)	9,598	13,533
24,320	Jun 2009	8,851	(i)	8,851	16,913

Note 13. Non-current assets – investment properties (continued)

(a) Properties (continued)

	Ownership	Acquisition date
Held by other stapled entities (continued)		
19 rue de Bretagne, Saint-Quentin Fallavier	100%	Jul 2006
RN 19 ZAC de L'Ormes Road, Servon 1	100%	Jul 2006
RN 19 ZAC de L'Ormes Road, Servon 2	100%	Jul 2006
Im Holderbusch 3, Industriestraße, Sulmstraße, Ellhofen – Weinsberg	100%	Dec 2006
Schillerstraße 51 Ellhofen	100%	Dec 2006
Schillerstraße 42, 42a, Bahnhofstraße 44, 50 Ellhofen	100%	Dec 2006
Im Gewerbegebiet 18 Friedewald	100%	Dec 2006
Im Steinbruch 4, 6, Knetzgau	100%	Dec 2006
Carl-Leverkus-Straße 3-5, Winkelsweg 182-184, Langenfeld	100%	Dec 2006
Schneiderstraße 82, Langenfeld	100%	Dec 2006
Über der Dingelstelle, Langenweddingen	100%	Dec 2006
Nordstraße 1, Lobau	100%	Dec 2006
Former Straße 6, Unna	100%	Dec 2006
Niedesheimer Straße 24, Worms	100%	Dec 2006
Liverpooler-/ Kopenhagener-/ Osloer Straße, Duisburg	100%	Dec 2006
Theodorstraße, Düsseldorf	100%	Dec 2006
Bremer Ring, Hansestraße, Berlin-Wustermark	100%	Dec 2006
13201 South Orange Avenue, Orlando	100%	Jun 2007
8574 Boston Church Road, Milton, Ontario, Canada	100%	Dec 2007
Governor Phillip Tower & Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW ¹	50%	Dec 1998
45 Clarence Street, Sydney, NSW	100%	Dec 1998
309-321 Kent Street, Sydney, NSW ¹	50%	Dec 1998
1 Margaret Street, Sydney, NSW	100%	Dec 1998
Victoria Cross 60 Miller Street, North Sydney, NSW	100%	Dec 1998
The Zenith, 821-843 Pacific Highway, Chatswood, NSW ¹	50%	Dec 1998
Woodside Plaza, 240 St Georges Terrace, Perth, WA	100%	Jan 2001
30 The Bond, 30-34 Hickson Road, Sydney, NSW	100%	May 2002
Southgate Complex, 3 Southgate Avenue, Southgate, VIC	100%	Aug 2000
201-217 Elizabeth Street, Sydney, NSW ¹	50%	Aug 2000

¹ The valuation reflects 50% of the independent valuation amount.

Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30 Jun 2009 \$'000	Consolidated book value 30 Jun 2008 \$'000
24,308	Jun 2009	9,755	(i)	9,755	18,389
31,821	Jun 2009	15,528	(i)	15,528	21,867
10,872	Jun 2009	5,286	(i)	5,286	7,923
25,319	Jun 2009	21,753	(i)	21,753	23,376
20,972	Jun 2009	16,554	(i)	16,554	19,537
13,168	Jun 2009	9,120	(i)	9,120	12,156
8,606	Jun 2009	5,869	(i)	5,869	6,611
16,752	Jun 2009	13,737	(i)	13,737	17,520
16,774	Jun 2009	12,285	(i)	12,285	15,059
9,634	Jun 2009	8,016	(i)	8,016	8,809
12,144	Jun 2009	7,833	(i)	7,833	10,728
2,045	Jun 2009	1,904	(i)	-	1,427
27,708	Jun 2009	22,953	(i)	22,953	27,297
6,644	Jun 2009	6,129	(i)	6,129	6,578
32,840	Jun 2009	25,535	(i)	25,535	33,153
27,152	Jun 2009	20,544	(i)	20,544	25,509
17,747	Jun 2009	13,893	(i)	13,893	17,142
23,635	Jun 2009	30,441	(i)	30,441	30,646
75,962	Jun 2009	55,017	(i)	55,017	70,304
493,817	Dec 2008	680,000	(a)	615,000	744,993
222,062	Jun 2009	250,000	(d)	250,000	290,163
171,222	Dec 2008	199,250	(d)	177,000	210,483
144,899	Dec 2007	200,000	(a)	170,000	194,000
111,984	Dec 2008	124,800	(f)	120,000	110,068
110,436	Jun 2007	130,000	(a)	110,000	130,000
240,094	Jun 2008	446,500	(i)	400,000	446,500
117,986	Dec 2008	170,000	(f)	150,000	179,036
368,453	Jun 2009	340,000	(i)	340,000	370,000
120,259	Jun 2009	140,000	(f)	140,000	164,130

Note 13. Non-current assets – investment properties (continued)

(a) Properties (continued)

	Ownership	Acquisition date
Held by other stapled entities (continued)		
Garema Court, 140-180 City Walk, Civic, ACT**	100%	Aug 2000
Australia Square Complex, 264-278 George Street, Sydney, NSW ¹	50%	Aug 2000
Lumley Centre, 88 Shortland Street, Auckland, New Zealand ²	100%	Sep 2005
3765 Atlanta Industrial Drive, Atlanta	100%	Sep 2004
7100 Highlands Parkway, Atlanta	100%	Sep 2004
Town Park Drive, Atlanta	100%	Sep 2004
Williams Drive, Atlanta	100%	Sep 2004
Stone Mountain, Atlanta	100%	Sep 2004
MD Food Park, Baltimore	100%	Sep 2004
West Nursery, Baltimore	100%	Sep 2004
Cabot Techs, Baltimore	100%	Sep 2004
9112 Guildford Road, Baltimore	100%	Sep 2004
8155 Stayton Drive, Baltimore	100%	Sep 2004
Patuxent Range Road, Baltimore	100%	Sep 2004
Bristol Court, Baltimore	100%	Sep 2004
NE Baltimore, Baltimore	100%	Sep 2004
1181 Portal, 1831 Portal and 6615 Tributary, Baltimore	100%	Jun 2005
10 Kenwood Circle, Boston	100%	Sep 2004
Commerce Park, Charlotte	100%	Sep 2004
9900 Brookford Street, Charlotte	100%	Sep 2004
Westinghouse, Charlotte	100%	Sep 2004
Airport Exchange, Cincinnati	100%	Sep 2004
Empire Drive, Cincinnati	100%	Sep 2004
International Way, Cincinnati	100%	Sep 2004
Kentucky Drive, Cincinnati	100%	Sep 2004
Spiral Drive, Cincinnati	100%	Sep 2004
Turfway Road, Cincinnati	100%	Sep 2004
124 Commerce, Cincinnati	100%	Sep 2004
Kenwood Road, Cincinnati	100%	Sep 2004

1 The valuation reflects 50% of the independent valuation amount.

2 The property was externally valued at NZ\$155 million at 30 June 2008. The independent valuation amount of the property as at 30 June 2009 has been translated at the period end spot rate.

The title to all properties is freehold, with the exception of the properties marked ** which are leasehold

Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30 Jun 2009 \$'000	Consolidated book value 30 Jun 2008 \$'000
44,095	Mar 2009	50,600	(i)	48,000	60,000
211,049	Dec 2007	312,500	(e)	267,000	303,000
91,155	Jun 2008	124,718	(i)	104,603	122,928
–	Jun 2008	4,571	(c)	–	4,571
15,300	Jun 2009	13,680	(c)	13,680	13,401
6,848	Jun 2009	8,257	(c)	8,257	8,934
10,445	Jun 2009	8,874	(c)	8,874	10,285
7,601	Jun 2009	6,778	(c)	6,778	6,233
20,569	Jun 2009	23,170	(c)	23,170	24,102
8,308	Jun 2009	8,997	(c)	8,997	9,038
21,769	Jun 2009	30,811	(c)	30,811	30,646
8,502	Jun 2009	9,860	(c)	9,860	9,557
7,282	Jun 2009	9,613	(c)	9,613	9,038
12,477	Jun 2009	14,050	(c)	14,050	13,609
11,345	Jun 2009	12,817	(c)	12,817	12,466
7,786	Jun 2009	8,874	(c)	8,874	9,038
11,016	Jun 2009	13,064	(c)	13,064	12,258
11,156	Jun 2009	10,352	(c)	10,352	10,596
7,892	Jun 2009	8,011	(c)	8,011	9,246
4,266	Jun 2009	4,190	(c)	4,190	4,571
21,668	Jun 2009	22,184	(c)	22,184	25,660
4,569	Jun 2009	3,328	(c)	3,328	3,532
6,573	Jun 2009	6,902	(c)	6,902	6,960
10,846	Jun 2009	12,571	(c)	12,571	12,258
11,749	Jun 2009	18,487	(c)	18,487	15,791
6,294	Jun 2009	5,792	(c)	5,792	6,233
5,614	Jun 2009	4,930	(c)	4,930	5,298
2,454	Jun 2009	2,588	(c)	2,588	2,597
19,844	Jun 2009	21,044	(c)	21,044	21,816

Note 13. Non-current assets – investment properties (continued)

(a) Properties (continued)

	Ownership	Acquisition date
Held by other stapled entities (continued)		
Lake Forest Drive, Cincinnati	100%	Sep 2004
World Park, Cincinnati	100%	Sep 2004
Equity/Westbelt/Dividend, Columbus	100%	Sep 2004
2700 International Street, Columbus	100%	Sep 2004
3800 Twin Creeks Drive, Columbus	100%	Sep 2004
SE Columbus, Columbus	100%	Sep 2004
Arlington, Dallas	100%	Sep 2004
1900 Diplomat Drive, Dallas	100%	Sep 2004
2055 Diplomat Drive, Dallas	100%	Sep 2004
1413 Bradley Lane, Dallas	100%	Sep 2004
North Lake, Dallas	100%	Sep 2004
555 Airline Drive, Dallas	100%	Sep 2004
455 Airline Drive, Dallas	100%	Sep 2004
Hillguard, Dallas	100%	Sep 2004
11011 Regency Crest Drive, Dallas	100%	Sep 2004
East Collins, Dallas	100%	Sep 2004
3601 East Plano/1000 Shiloh, Dallas	100%	Sep 2004
East Plano Parkway, Dallas	100%	Sep 2004
820-860 Avenue F, Dallas	100%	Sep 2004
10th Street, Dallas	100%	Sep 2004
Capital Avenue Dallas	100%	Sep 2004
CTC @ Valwood, Dallas	100%	Sep 2004
Brackbill, Harrisburg	100%	Sep 2004
Mechanicsburg, Harrisburg	100%	Sep 2004
181 Fulling Mill Road, Harrisburg	100%	Sep 2004
Glendale, Los Angeles	100%	Sep 2004
14489 Industry Circle, Los Angeles	100%	Sep 2004
14555 Alondra/6530 Altura, Los Angeles	100%	Sep 2004
San Fernando Valley, Los Angeles	100%	Sep 2004
Memphis Industrial, Memphis	100%	Sep 2004
2950 Lexington Avenue S, Minneapolis	100%	Sep 2004
Mounds View, Minneapolis	100%	Sep 2004
6105 Trenton Lane, Minneapolis	100%	Sep 2004
8575 Monticello Lane, Minneapolis	100%	Sep 2004
7401 Cahill Road, Minneapolis	100%	Sep 2004
CTC @ Dulles, Northern Virginia	100%	Sep 2004

Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30 Jun 2009 \$'000	Consolidated book value 30 Jun 2008 \$'000
12,700	Jun 2009	12,848	(c)	12,848	14,648
13,232	Jun 2009	10,722	(c)	10,722	13,245
39,542	Jun 2009	36,973	(c)	36,973	41,554
4,762	Jun 2009	4,314	(c)	4,314	5,194
4,917	Jun 2009	5,792	(c)	5,792	5,714
14,270	Jun 2009	11,708	(c)	11,708	12,155
9,096	Jun 2009	8,504	(c)	8,504	9,350
4,778	Jun 2009	3,697	(c)	3,697	4,259
3,820	Jun 2009	2,650	(c)	2,650	3,013
3,216	Jun 2009	2,526	(c)	2,526	2,805
10,129	Jun 2009	10,476	(c)	10,476	12,466
6,743	Jun 2009	6,285	(c)	6,285	6,649
3,241	Jun 2009	3,451	(c)	3,451	3,532
9,125	Jun 2009	9,736	(c)	9,736	10,077
7,498	Jun 2009	7,271	(c)	7,271	8,207
3,707	Jun 2009	2,835	(c)	2,835	3,740
13,593	Jun 2009	11,585	(c)	11,585	18,439
22,146	Jun 2009	23,663	(c)	23,663	25,452
7,240	Jun 2009	5,854	(c)	5,854	6,233
10,141	Jun 2009	10,722	(c)	10,722	11,116
6,532	Jun 2009	5,916	(c)	5,916	6,545
3,557	Jun 2009	3,821	(c)	3,821	4,155
23,240	Jun 2009	16,039	(c)	16,039	21,623
18,896	Jun 2009	21,937	(c)	21,937	19,946
9,414	Jun 2009	10,969	(c)	10,969	10,103
53,509	Jun 2009	63,717	(c)	63,717	73,759
7,514	Jun 2009	9,490	(c)	9,490	12,523
18,171	Jun 2009	20,705	(c)	20,705	24,413
15,168	Jun 2009	24,156	(c)	24,156	25,971
9,741	Jun 2009	6,409	(c)	6,409	6,441
9,386	Jun 2009	8,689	(c)	8,689	9,360
23,135	Jun 2009	19,534	(c)	19,534	22,024
8,153	Jun 2009	8,504	(c)	8,504	8,207
1,823	Jun 2009	2,095	(c)	2,095	2,182
3,562	Jun 2009	2,896	(c)	2,896	3,272
25,554	Jun 2009	29,579	(c)	29,579	30,646

Note 13. Non-current assets – investment properties (continued)

(a) Properties (continued)

	Ownership	Acquisition date
Held by other stapled entities (continued)		
Alexandria, Northern Virginia	100%	Sep 2004
Nokes Boulevard, Northern Virginia	100%	Sep 2004
Guildford, Northern Virginia	100%	Sep 2004
Beaumeade Telecom, Northern Virginia	100%	Sep 2004
Orlando Central Park, Orlando	100%	Sep 2004
7500 Exchange Drive, Orlando	100%	Sep 2004
105-107 South 41st Avenue, Phoenix	100%	Sep 2004
1429-1439 South 40th Avenue, Phoenix	100%	Sep 2004
10397 West Van Buren Street, Phoenix	100%	Sep 2004
844 44th Avenue, Phoenix	100%	Sep 2004
220 South 9th Street, Phoenix	100%	Sep 2004
431 North 47th Avenue, Phoenix	100%	Sep 2004
601 South 55th Avenue, Phoenix	100%	Sep 2004
1000 South Priest Drive, Phoenix	100%	Sep 2004
1120-1150 W. Alameda Drive, Phoenix	100%	Sep 2004
1858 East Encanto Drive, Phoenix	100%	Sep 2004
3802-3922 East University Drive, Phoenix	100%	Sep 2004
Chino, Riverside	100%	Sep 2004
Mira Loma, Riverside	100%	Sep 2004
Ontario, Riverside	100%	Sep 2004
4190 East Santa Ana Street, Riverside	100%	Sep 2004
Rancho Cucamonga, Riverside	100%	Sep 2004
12000 Jersey Court, Riverside	100%	Sep 2004
Airway Road, San Diego	100%	Sep 2004
5823 Newton Drive, San Diego	100%	Sep 2004
2210 Oak Ridge Way, San Diego	100%	Sep 2004
Kent West, Seattle	100%	Sep 2004
26507 79th Avenue South, Seattle	100%	Sep 2004
8005 South 266th Street, Seattle	100%	Sep 2004
West Palm Beach, South Florida	100%	Sep 2004
Calvert/Murray's, Northern Virginia	100%	Sep 2004
Turnpike Distribution Center	100%	Sep 2004
7700 68th Avenue, Brooklyn Park	100%	Nov 2005
7500 West 78th Street, Bloomington	100%	Nov 2005
1285 & 1301 Corporate Center Drive, 1230 & 1270 Eagan Industrial Road, Eagan	100%	Nov 2005
850 E Devon Avenue, 1260 N Ellis Street, 371 Meyer Road Bensenville, Chicago (O'Hare)	100%	Dec 2007

Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30 Jun 2009 \$'000	Consolidated book value 30 Jun 2008 \$'000
47,388	Jun 2009	48,522	(c)	48,522	54,153
22,143	Jun 2009	52,379	(c)	52,379	48,203
18,218	Jun 2009	13,680	(c)	13,680	22,231
33,682	Jun 2009	43,135	(c)	43,135	45,710
63,461	Jun 2009	67,802	(c)	67,802	76,252
5,669	Jun 2009	5,916	(c)	5,916	7,376
14,559	Jun 2009	19,596	(c)	19,596	22,173
10,346	Jun 2009	14,296	(c)	14,296	15,063
8,853	Jun 2009	13,557	(c)	13,557	15,375
6,623	Jun 2009	8,504	(c)	8,504	8,415
7,338	Jun 2009	10,254	(c)	10,254	10,492
6,255	Jun 2009	9,182	(c)	9,182	9,246
4,781	Jun 2009	7,025	(c)	7,025	5,921
5,174	Jun 2009	4,215	(c)	4,215	6,233
8,234	Jun 2009	9,243	(c)	9,243	10,389
4,481	Jun 2009	6,162	(c)	6,162	6,649
10,550	Jun 2009	9,453	(c)	9,453	11,947
6,563	Jun 2009	8,011	(c)	8,011	9,661
10,843	Jun 2009	16,145	(c)	16,145	20,777
30,046	Jun 2009	35,741	(c)	35,741	50,384
5,053	Jun 2009	6,778	(c)	6,778	9,350
22,442	Jun 2009	27,730	(c)	27,730	37,918
4,345	Jun 2009	5,792	(c)	5,792	7,688
9,686	Jun 2009	9,860	(c)	9,860	10,389
17,065	Jun 2009	18,487	(c)	18,487	23,998
5,185	Jun 2009	6,902	(c)	6,902	6,732
29,789	Jun 2009	29,579	(c)	29,579	36,360
2,745	Jun 2009	3,389	(c)	3,389	3,740
7,243	Jun 2009	8,011	(c)	8,011	9,038
22,049	Jun 2009	15,282	(c)	15,282	21,296
5,494	Jun 2009	4,794	(c)	4,794	5,090
22,840	Jun 2009	23,786	(c)	23,786	29,919
5,791	Jun 2009	3,574	(c)	3,574	4,467
5,477	Jun 2009	5,299	(c)	5,299	5,402
19,720	Jun 2009	16,391	(c)	16,391	16,102
31,864	Jun 2009	22,184	(c)	22,184	30,646

Note 13. Non-current assets – investment properties (continued)

(a) Properties (continued)

	Ownership	Acquisition date
Held by other stapled entities (continued)		
3722 Redlands Avenue, Perris, Riverside County	100%	Jan 2008
8151 & 8161 Interchange Parkway, San Antonio	100%	Jul 2007
Cornerstone I and II, 5411 Interstate 10 East and 1228 Cornerway Boulevard, San Antonio	100%	Aug 2007
302 and 402 Tayman Road, Port of San Antonio	100%	Oct 2007
1803 Grandstand Avenue, Alamo Downs, San Antonio	100%	Aug 2007

Total other stapled entities investment properties

Total investment properties

- (a) Colliers International
- (b) Landmark White
- (c) Cushman & Wakefield
- (d) Jones Lang LaSalle
- (e) Knight Frank Valuations
- (f) FPD Savills
- (g) M3 Property
- (h) Weiser Realty Advisors (USA)
- (i) CB Richard Ellis

Valuation basis

The basis of valuation of investment properties is fair value, being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. Properties independently valued in the last 12 months were based on independent assessments by a member of the Australian Property Institute, the New Zealand Institute of Valuers, the Appraisal Institute in the United States of America, the French Real Estate Valuation Institution, the Society of Property Researchers, Germany or the Appraisal Institute in Canada.

Key valuation assumptions

The below table illustrates the key valuation assumptions used in the determination of the investment properties fair value.

	Australian office	Australian industrial	Australian retail	North America industrial	Europe industrial
2009					
Weighted average capitalisation rate (%)	7.7	8.8	6.8	8.2	8.1
Weighted average lease expiry by income (years)	5.4	4.3	4.5	4.3	3.1
Vacancy by income (%)	2.4	3.6	0.7	13.3	9.7
2008					
Weighted average capitalisation rate (%)	6.4	7.5	5.8	6.9	6.4
Weighted average lease expiry by income (Years)	5.7	4.4	4.5	3.9	3.6
Vacancy by income (%)	2.1	1.5	0.4	10.5	11.3

Together with taking active market evidence into account, ten year discounted cash flows and capitalisation valuation methods are used. In addition to the key assumptions set out in the table above, assumed portfolio downtime ranges from six to twelve months and tenant retention ranges from 50% to 75%.

Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30 Jun 2009 \$'000	Consolidated book value 30 Jun 2008 \$'000
134,836	Jun 2009	108,578	(c)	108,578	131,934
16,857	Jun 2009	14,788	(c)	14,788	16,102
14,420	Jun 2009	14,787	(c)	14,787	13,920
17,775	Jun 2009	20,950	(c)	20,950	19,842
11,191	Jun 2009	9,860	(c)	9,860	11,115
5,276,044		6,133,041		5,723,114	6,593,206
6,425,617		7,716,241		7,120,710	8,182,295

Disposals

3765 Atlanta Industrial Drive, Atlanta

On 30 October 2008, the Atlanta Industrial property located on 3765 Atlanta Industrial Drive, Atlanta, GA was disposed of for \$6.8 million (US\$4.7 million).

Redwood Gardens (two lots), Dingley, VIC

Two strata lots within the Redwood Gardens Estate were disposed of on 29 June 2009; 358-360 Boundary Road for \$2.8 million and 43 Garden Boulevard for \$3.4 million.

Woodpark Road, Smithfield, NSW

On 26 June 2009, 239-251 Woodpark Road, Smithfield was disposed of for \$5.6 million.

Developments

60 Miller Street, North Sydney, NSW

The development of a new 4,532 square metres annex building at 60 Miller Street, North Sydney achieved practical completion on 31 March 2009, with 100% pre-committed office area. Total construction costs are approximately \$26.1 million.

(b) Reconciliation

	Notes	Consolidated		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Opening balance as at 1 July 2008		8,182,295	8,585,703	1,589,089	1,987,034
Additions		65,623	112,923	15,040	44,594
Acquisitions		–	317,765	–	2,800
Transfer from/(to) property, plant and equipment	14	23,118	(2,376)	(10,000)	(44,416)
Lease incentives		50,822	49,962	3,487	4,023
Amortisation of lease incentives		(47,242)	(42,034)	(5,811)	(5,822)
Rent straightlining		3,668	3,536	–	–
Disposals		(20,740)	(737,457)	(8,870)	(429,857)
Transfer to non-current assets classified as held for sale	9	(43,054)	–	(20,800)	–
Transfer to equity accounted investment ¹		–	(54,478)	–	–
Net (loss)/gain from fair value adjustments		(1,517,564)	184,444	(164,539)	30,733
Foreign exchange differences on foreign currency translation		423,784	(235,693)	–	–
Carrying amount as at 30 June 2009		7,120,710	8,182,295	1,397,596	1,589,089

1 On 15 October 2007, the Bent Street Trust was transferred to equity accounted investments due to the sale of 31.8% to DEXUS Wholesale Property Fund (DWPF).

Note 14. Non-current assets – property, plant and equipment

(a) Property, plant and equipment

30 June 2009	Consolidated				Parent entity			
	Construction in progress	Land and freehold buildings	IT and office	Total	Construction in progress	Land and freehold buildings	IT and office	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2008	220,062	217,470	6,101	443,633	21,344	41,300	–	62,644
Additions	148,386	29,616	1,459	179,461	57,074	–	–	57,074
Foreign exchange differences on foreign currency translation	24,709	–	–	24,709	–	–	–	–
Depreciation charge	–	(2,375)	(1,801)	(4,176)	–	–	–	–
Impairment	(111,215)	(15,674)	–	(126,889)	–	–	–	–
Transfer to non-current assets classified as held for sale	–	(55,000)	–	(55,000)	–	–	–	–
Transfer to IT and office	–	(970)	970	–	–	–	–	–
Transfer (to)/from investment properties	(33,118)	10,000	–	(23,118)	–	10,000	–	10,000
Closing balance as at 30 June 2009	248,824	183,067	6,729	438,620	78,418	51,300	–	129,718
Cost	360,039	206,838	9,115	575,992	78,418	51,300	–	129,718
Accumulated depreciation and impairment	–	(8,097)	(2,386)	(10,483)	–	–	–	–
Impairment	(111,215)	(15,674)	–	(126,889)	–	–	–	–
Net book value as at 30 June 2009	248,824	183,067	6,729	438,620	78,418	51,300	–	129,718

30 June 2008	Consolidated				Parent entity			
	Construction in progress	Land and freehold buildings	IT and office	Total	Construction in progress	Land and freehold buildings	IT and office	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2007	181,919	132,102	–	314,021	–	–	–	–
Additions	141,436	43,177	6,686	191,299	18,228	–	–	18,228
Foreign exchange differences on foreign currency translation	(9,227)	–	–	(9,227)	–	–	–	–
Depreciation charge	–	(2,211)	(585)	(2,796)	–	–	–	–
Disposal of interest	(49,222)	(2,818)	–	(52,040)	–	–	–	–
Transfer (to)/from investment properties	(44,844)	47,220	–	2,376	3,116	41,300	–	44,416
Closing balance as at 30 June 2008	220,062	217,470	6,101	443,633	21,344	41,300	–	62,644
Cost	220,062	223,192	6,686	449,940	21,344	41,300	–	62,644
Accumulated depreciation	–	(5,722)	(585)	(6,307)	–	–	–	–
Net book value as at 30 June 2008	220,062	217,470	6,101	443,633	21,344	41,300	–	62,644

(b) Non-current assets pledged as security

Refer to note 21 for information on non-current assets pledged as security by the parent entity and its controlled entities.

(c) Impairment

During the period, DXS carried out a review of the recoverable amount of its development properties resulting in the recognition of an impairment loss of \$126.9 million that has been recognised in the Income Statements.

The value in use has been determined using management forecasts in a 10 year discounted cash flow model. Forecasts were based on projected returns of the project in light of current market conditions which include estimates of operating cash flows, sales values and total project costs. Year 10 earnings have been used to determine terminal value. The cash flows have been discounted at the cost of capital for each project.

The total impairment comprises \$15.3 million for Wicks Road; \$33.5 million for Greystanes; \$0.4 million for 343 George Street, \$31.7 million for Atlantic Corporate Park; \$35.3 million for Summit Oaks; \$6.4 million for the San Antonio development properties and \$4.3 million in relation to other US developments.

(d) Acquisitions and developments

Development

123 Albert Street, Brisbane, QLD

On 11 February 2008 demolition of the asset previously known as the Albert and Charlotte Streets Carpark commenced. Laing O'Rourke Constructions were the appointed contractor and completion is expected in December 2010. Rio Tinto have pre-committed to approximately 64% of the 38,245 square metres of commercial office area. Marketing of the balance of the office space plus the 320 square metres of retail space continues. Total development costs including land are estimated to be \$350.0 million. Total amount paid to date is \$119.4 million.

105 Phillip Street, Parramatta, NSW

Development approval has been received to construct a 13 level office tower with approximately 20,380 square metres of floor space at 105 Phillip Street Parramatta, a site at the rear of the existing building at 130 George Street Parramatta. No decision has been made to proceed with the development at this stage. This asset has been transferred from investment properties in June 2009.

144 Wicks Road, North Ryde, NSW

In November 2006, DOT (through its sub-trust Wicks Road Trust), acquired a 50% ownership interest in 144 Wicks Road, North Ryde, NSW for a consideration of \$25.9 million. The DA for stage 1 (estimated 26,000 square metres net lettable area) is expected to be approved by October 2009. Demolition of the former high school building was completed by December 2008.

Boundary Road, Laverton North, VIC

In October 2007, DIT entered into an agreement to lease and build an office warehouse facility for Best Bar (VIC) Pty Ltd. This project was completed in August 2008. The total costs for the project is \$11.9 million.

In August 2006, DIT entered into an agreement to lease and build a distribution centre for Fosters Limited. Practical completion was achieved on 6 July 2007 with a development cost of \$33.1 million. This property was transferred to investment properties at 31 December 2008.

The site includes 19.3 hectare of serviced land, 24.5 hectare of unserviced land with conditional subdivision approval and 48.6 hectare of "englobo" land undergoing rezoning from rural to industrial use.

Norwest Estate, Baulkham Hills, NSW

On 13 March 2009, subdivision approval was received for 2.1 hectare of vacant land accommodating 23,083 square metres of lettable area. No decision has been made to proceed with the development at this stage.

Southern Employment Lands, Greystanes, NSW

The Greystanes site has a gross land area of 47.62 hectares acquired from Boral in 4 stages. Acquisition of Stage 2 and 3 occurred during the year with a total cost of \$27.2 million. The final stage is expected to be acquired in financial year 2010. Total development costs excluding land acquisition to 30 June 2009 are \$81.1 million.

Summit Oaks, Valencia, California

The development of this land consists of a five-story office building comprising 146,385 square feet in Santa Clarita, California. The total budgeted cost for the project is estimated to be US\$44.6 million (A\$55.0 million). In June 2009, a 10-year lease with a two 5-year extension options at fair market value was signed for the entire building. The tenant will occupy the building in two phases. The tenant will occupy one-third of the building in October 2009 and the other two-thirds of the building will be occupied in October 2010.

Atlantic Corporate Park, Virginia

The development of this land parcel consists of two four-story office buildings comprising 220,000 square feet in Virginia. The total budgeted cost for the project is US\$47.6 million (A\$58.7 million), including the initial cost of the land. This project shell was considered substantially completed on 31 July 2008.

San Antonio, Texas

The development of the San Antonio properties acquired in the initial phase consisted of eight warehouse and office buildings comprising 660,875 square feet in San Antonio, Texas. Total budgeted cost for this project is US\$44.7 million (A\$55.1 million). The project shell was considered substantially completed on 10 July 2008 for Tri County 5 (35,700 square feet) and Tri County 6 (57,800 square feet) properties and on 19 January 2009 for Interchange North (88,875 square feet) property. Shell construction is nearing completion for Port of San Antonio III (275,000 square feet) property with the rail installation remaining to be completed. Currently, development on Interchange 8171, Interchange 8181, Interchange 8191 and Tri County 2 properties (203,500 square feet) is on hold and it will not commence until majority of the space on the other completed buildings is leased.

Note 15. Non-current assets – other financial assets at fair value through profit or loss

Investments are adjusted to their fair value through the Income Statements.

Name of entity	Principal activity	Ownership Interest		Parent entity	
		2009 %	2008 %	2009 \$'000	2008 \$'000
Controlled Entities					
DEXUS Industrial Trust ¹	Industrial property investment	100.0	100.0	–	–
DEXUS Office Trust ¹	Commercial property investment	100.0	100.0	–	–
DEXUS Operations Trust ¹	Financial services	100.0	100.0	–	–
DEXUS Finance Pty Limited	Financial services	25.0	25.0	–	–
Total non-current assets – other financial assets at fair value through profit or loss				–	–

1 In accordance with AASB Interpretation 1002, DDF is the deemed acquirer of DIT, DOT and DXO and therefore they are reflected in the Financial Statements as controlled entities of DDF.

	2009 \$'000	2008 \$'000
Parent entity		
	2009 \$'000	2008 \$'000
Reconciliation		
Opening balance as at 1 July 2008	–	294,901
Acquisitions	–	96
Fair value loss	–	(6,596)
Disposal	–	(288,401)
Closing balance as at 30 June 2009	–	–

All controlled entities are wholly owned by the Trust with the exception of DEXUS Finance Pty Limited. Both the parent entity and the controlled entities were formed in Australia.

Note 16. Non-current assets – investments accounted for using the equity method

Investments are accounted for in the Consolidated Financial Statements using the equity method of accounting (refer note 1).

Information relating to these entities is set out below.

Name of entity	Principal activity	Ownership Interest		Consolidated		Parent entity	
		2009 %	2008 %	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Held by parent entity							
DEXUS Industrial Properties, Inc. ¹	Industrial property investment	50.0	50.0	–	–	138,276	314,989
Held by controlled entities							
Bent Street Trust ²	Commercial property investment	34.9	68.2	84,165	111,946	–	–
Total non-current assets – investments accounted for using the equity method				84,165	111,946	138,276	314,989

These entities were formed in Australia with the exception of DEXUS Industrial Properties, Inc. which was formed in the United States.

1 The remaining 50% of this entity is owned by DIT. As a result, this entity is classed as controlled on a DDF consolidated basis.

2 On 15 October 2007, the Bent Street Trust was transferred from investment properties due to the sale of 31.8% to DWPF. On 5 February 2009, a further 33.3% of the Bent Street Trust was sold to CBUS Property.

Movements in carrying amounts of investments accounted for using the equity method	Consolidated	
	2009 \$'000	2008 \$'000
Opening balance as at 1 July 2008	111,946	270,155
Interest acquired and additions	32,916	67,070
Transfer from investment properties	–	54,478
Share of net profits after tax	31	2,467
Distributions/dividends received	(16)	(12,587)
Transfer to other financial assets	–	(18,054)
Disposal of investment	(60,712)	(210,768)
Wind up of investment	–	(40,815)
Closing balance as at 30 June 2009	84,165	111,946
Results attributable to associates		
Operating profits before income tax	31	3,744
Income tax expense	–	(1,277)
Operating profits after income tax	31	2,467
Less: Distributions/dividends received	(16)	(12,587)
	15	(10,120)
Undistributed income attributable to associates as at 1 July 2008	(6,367)	3,129
Undistributed income attributable to associates as at 30 June 2009	(6,352)	(6,367)

Summary of the performance and financial position of investments accounted for using the equity method

The Trusts' share of aggregate profits, assets and liabilities of investments accounted for using the equity method are:

	Consolidated	
	2009 \$'000	2008 \$'000
Profits from ordinary activities after income tax expense	31	2,467
Assets	86,075	117,024
Liabilities	1,910	9,296
Share of associates' expenditure commitments		
Capital commitments	96,318	191,742

Note 17. Non-current assets – deferred tax assets

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
The balance comprises temporary differences attributable to:				
Investment property	24,462	–	–	–
Derivative financial instruments	10,759	4,103	–	–
Tax losses	4,494	2,552	–	–
Employee provision	8,390	6,849	–	–
Other	1,031	1,378	–	–
Total non-current assets – deferred tax assets	49,136	14,882	–	–
Movements				
Opening balance at 1 July 2008	14,882	3,921	–	–
Acquisition	–	4,811	–	–
Credited to the Income Statements	34,254	6,150	–	–
Closing balance at 30 June 2009	49,136	14,882	–	–

Note 18. Intangible assets

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Management rights				
Opening balance as at 1 July 2008	252,176	–	–	–
Additions	–	252,382	–	–
Amortisation charge	(566)	(206)	–	–
Impairment	(41,110)	–	–	–
Closing balance as at 30 June 2009	210,500	252,176	–	–
Cost	252,382	252,382	–	–
Accumulated amortisation	(772)	(206)	–	–
Impairment	(41,110)	–	–	–
Total management rights	210,500	252,176	–	–

Management rights represent the asset management rights owned by DXH which entitle it to management fee revenue from both finite life trusts (\$9,223,164) and indefinite life trusts (\$201,276,836). Those rights that are deemed to have a finite useful life are measured at cost and amortised using the straight-line method over their estimated useful lives which vary from six to 22 years.

Impairment of Management Rights

During the period, DXS carried out a review of the recoverable amount of its intangible assets resulting in the recognition through the Income Statements of an impairment loss of \$41.1 million in relation to management rights.

The value in use has been determined using management forecasts in a 5 year discounted cash flow model. Forecasts were based on projected returns of the business in light of current market conditions. The performance in year 5 has been used as a terminal value. The cash flows have been discounted at 8.2%.

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Goodwill				
Opening balance as at 1 July 2008	2,937	–	–	–
Additions	–	2,998	–	–
Impairment	(170)	(61)	–	–
Closing balance as at 30 June 2009	2,767	2,937	–	–
Cost	2,998	2,998	–	–
Accumulated impairment	(231)	(61)	–	–
Total goodwill	2,767	2,937	–	–
Total intangibles	213,267	255,113	–	–

Note 19. Non-current assets – other

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Tenant and other bonds	883	1,240	481	566
Other	5,082	3,549	414	–
Total non-current assets – other	5,965	4,789	895	566

Note 20. Current liabilities – payables

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade creditors	41,576	51,383	12,539	7,015
Accruals	8,609	8,052	2,053	1,840
Amount payable to other minority interest	2,244	4,631	–	–
Accrued capital expenditure	8,764	13,419	1,673	500
Prepaid income	11,153	7,218	2,717	2,118
Responsible Entity fee payable	–	–	521	505
GST payable	766	1,554	–	158
Accrued interest	25,298	32,139	–	1,832
Total current liabilities – payables	98,410	118,396	19,503	13,968

Note 21. Interest bearing liabilities

	Notes	Consolidated		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current					
Secured					
Commercial mortgage backed securities	(a)	–	500,000	–	–
Bank loans	(d)	724	79,208	–	–
Total secured		724	579,208	–	–
Unsecured					
Medium-term notes		250,000	–	–	–
Bank loans	(c)	131,161	–	–	–
Total unsecured		381,161	–	–	–
Deferred borrowing costs		(212)	(1,428)	–	–
Total current liabilities – interest bearing liabilities		381,673	577,780	–	–
Non-current					
Secured					
Bank loans	(d), (e), (f)	639,897	235,725	–	–
Total secured		639,897	235,725	–	–
Unsecured					
US senior notes		492,976	415,541	–	–
Bank loans	(b), (c)	798,102	1,328,060	–	–
Medium-term notes		206,436	455,425	–	–
Preference shares	(g)	114	96	–	–
Total unsecured		1,497,628	2,199,122	–	–
Deferred borrowing costs		(10,186)	(5,708)	–	–
Total non-current liabilities – interest bearing liabilities		2,127,339	2,429,139	–	–
Total interest bearing liabilities		2,509,012	3,006,919	–	–

Financing arrangements					Consolidated	
					2009 \$'000	2009 \$'000
Type of Facility	Notes	Currency	Security	Maturity Date	Utilised	Facility Limit
US senior notes		US\$	Unsecured	Feb 11 to Mar 17	492,976	492,976
Medium-term notes		A\$	Unsecured	Feb 10 to Feb 11	450,000	450,000
Medium-term notes		US\$	Unsecured	Sep 10	6,436	6,436
Multi-option revolving credit facilities	(b)	Multi Currency	Unsecured	Dec 10 to Dec 13	539,290	1,330,393
Syndicated revolving credit facility	(c)	Multi Currency	Unsecured	Mar 10 to Sep 10	389,973	558,812
Bank debt – secured	(d)	US\$	Secured	Oct 11 to Jan 15	113,323	113,323
Bank debt – secured	(e)	US\$	Secured	Sep 11	277,298	277,298
Bank debt – secured	(f)	A\$	Secured	Jul 11 to Dec 12	250,000	750,000
Total					2,519,296	3,979,238
Bank guarantee utilised					9,545	
Unused at balance date					1,450,397	

Each of the Trusts' unsecured borrowing facilities are supported by the Trusts' guarantee arrangements, and have negative pledge provisions which limit the amount and type of encumbrances that the Trusts can have over their assets and ensures that all senior unsecured debt ranks pari passu. The current debt facilities will be refinanced as at/or prior to their maturity.

(a) Commercial mortgage backed securities and commercial paper

During the period, \$500.0 million of commercial mortgage backed securities (CMBS) were repaid and associated mortgages discharged.

(b) Multi-option revolving credit facilities

This includes 12 facilities maturing between December 2010 and December 2013 with a weighted average maturity of July 2012. The total facility limit comprises US\$120.0 million (A\$147.9 million) and A\$1,182.5 million of the total facility limit, A\$6.3 million and US\$2.6 million (A\$3.2 million) are utilised as bank guarantees for developments.

(c) Syndicated revolving credit facility

Consists of a A\$300 million facility and a US\$210 million (A\$258.8 million) facility, maturing in March 2010 and September 2010 respectively.

(d) Bank loans – secured

This includes a total of US\$92.0 million (A\$113.4 million) of secured bank debt facilities that amortise through monthly principal and interest payments with a weighted average maturity date of January 2014. The facilities are secured by mortgages over investment properties totalling US\$157.1 million (A\$193.6 million) as at 30 June 2009.

(e) Bank loans – secured

A US\$225.0 million (A\$277.3 million) secured interest only bank loan maturing in September 2011. This facility is secured by mortgages over investment properties totalling US\$425.5 million (A\$524.4 million) as at 30 June 2009.

(f) Bank loans – secured

This includes three facilities of A\$250 million each comprising a:

- (i) A\$250.0 million secured bank loan maturing in October 2011. This loan is secured by mortgages over one DDF investment property and two DOT investment properties totalling A\$825.0 million as at 30 June 2009.
- (ii) A\$250.0 million secured facility maturing in July 2011. When utilised, the facility will be secured over investment properties to the value no more than A\$625 million, to be finalised prior to first utilisation. The facility ceases to be available if it is not drawn by February 2010.
- (iii) A\$250.0 million secured facility maturing in December 2012. When utilised, the facility will be secured over investment properties, to be finalised prior to first utilisation. This facility ceases to be available if it is not drawn by December 2009.

(g) Preferred shares

US REIT has issued US\$92,550 (A\$114,062) of preferred shares as part of the requirement to be classified as a Real Estate Investment Trust (REIT) under US tax legislation. These preferred shares will remain on issue until such time that the Board decides that it is no longer in DXS's interest to qualify as a REIT.

Note 22. Provisions

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current				
Provision for distribution	164,529	182,388	90,389	102,300
Provision for employee benefits	13,089	11,926	–	–
Total current liabilities – provisions	177,618	194,314	90,389	102,300

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Provision for distribution				
Opening balance as at 1 July 2008	182,388	164,992	102,300	68,470
Additional provisions	296,648	355,380	138,238	219,175
Payments and reinvestment of distributions	(314,507)	(337,984)	(150,149)	(185,345)
Closing balance as at 30 June 2009	164,529	182,388	90,389	102,300

Provision for distribution

Provision is made for distributions to be paid for the period ended 30 June 2009 payable on 28 August 2009.

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Non-current				
Provision for employee benefits	13,533	9,818	–	–
Total non-current liabilities – provisions	13,533	9,818	–	–

Note 23. Current liabilities – other

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Other borrowing costs	281	1,799	–	–
Total current liabilities – other	281	1,799	–	–

Note 24. Non-current liabilities – deferred tax liabilities

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
The balance comprises temporary differences attributable to:				
Derivative financial instruments	3,615	352	–	–
Goodwill	2,767	2,937	–	–
Investment properties	–	72,326	–	–
Property, plant and equipment	2,670	–	–	–
Other	923	928	–	–
Total non-current liabilities – deferred tax liabilities	9,975	76,543	–	–
Movements				
Opening balance at 1 July 2008	76,543	73,809	–	–
Acquisition	–	3,390	–	–
(Debited)/credited to Income Statements	(66,568)	(656)	–	–
Closing balance at 30 June 2009	9,975	76,543	–	–

Note 25. Non-current liabilities – other

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Tenant bonds	8,471	7,543	877	959
Other borrowing costs	242	441	–	–
Other	76	64	–	–
Total non-current liabilities – other	8,789	8,048	877	959

Note 26. Contributed equity

(a) Contributed equity of equity holders of the parent entity

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Opening balance as at 1 July 2008	1,297,831	1,151,526	1,297,831	1,151,526
Issue of units	406,496	–	406,496	–
Distributions reinvested	47,912	146,305	47,912	146,305
Cost of issuing equity	(11,028)	–	(11,028)	–
Closing balance as at 30 June 2009	1,741,211	1,297,831	1,741,211	1,297,831

Note 26. Contributed equity (continued)

(b) Contributed equity of equity holders of other stapled entities

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Opening balance as at 1 July 2008	2,280,052	2,182,833	–	–
Issue of units	655,732	–	–	–
Distributions reinvested	52,508	97,373	–	–
Cost of issuing units	(21,649)	(154)	–	–
Closing balance as at 30 June 2009	2,966,643	2,280,052	–	–

(c) Number of securities on issue

	Consolidated		Parent entity	
	2009 No. of securities	2008 No. of securities	2009 No. of units	2008 No. of units
Opening balance as at 1 July 2008	3,040,019,487	2,894,600,006	3,040,019,487	2,894,600,006
Issue of units	1,560,453,600	–	1,560,453,600	–
Distributions reinvested	100,368,579	145,419,481	100,368,579	145,419,481
Closing balance as at 30 June 2009	4,700,841,666	3,040,019,487	4,700,841,666	3,040,019,487

Terms and conditions

Each stapled security ranks equally with all other stapled securities for the purposes of distributions and on termination of the Trust.

Each stapled security entitles the holder to one vote, either in person or by proxy, at a meeting of each of the Trusts.

(d) Issue of securities

During the current year DXS carried out two separate security issue programs issuing a total of 1,560.5 million securities to raise \$1,062.2 million excluding equity raising costs of \$32.7 million. This comprised of the following:

December 2008 Institutional placement and share purchase plan

On 10 December 2008 pursuant to an institutional placement 391.7 million securities were issued at a price of 77.0 cents per security.

On 6 February 2009 pursuant to a security purchase plan 16.4 million securities were issued at a price of 70.7 cents per security.

May 2009 Institutional placement, institutional entitlement offer and the retail entitlement offer

On 6 May 2009 pursuant to an institutional placement, institutional entitlement offer and the retail entitlement offer for which valid applications were received, a total of 1025.1 million securities were issued at a price of 65.0 cents per security.

On 28 May 2009 pursuant to a retail entitlement offer 127.2 million securities were issued at a price of 65.0 cents per security.

(e) Distribution reinvestment plan

Under the distribution reinvestment plan (DRP), stapled security holders may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities, rather than being paid in cash.

On 29 August 2008, 45,087,887 units were issued at a unit price of 128.8 cents in relation to the June 2008 distribution period.

On 27 February 2009, 55,280,692 units were issued at a unit price of 76.6 cents in relation to the December 2008 distribution period.

Approval of issues of Stapled Securities to an underwriter in connection with issues under a Distribution Reinvestment Plan

At the Extraordinary General Meeting held on 6 February 2009 by DXFM, as Responsible Entity for DDF, DIT, DOT and DXO, security holders resolved to authorise DXFM, as Responsible Entity, to issue stapled securities, each comprising a unit in each of the above mentioned trusts (Stapled Securities), to an underwriter or persons procured by an underwriter within a period of 24 months from the date of the meeting in connection with any issue of Stapled Securities under the DXS distribution reinvestment plan.

Such an issue will not be counted for the purposes of the calculation of the Trusts' annual placement limit of 15% under the ASX Listing Rules.

Note 27. Reserves and undistributed income

(a) Reserves

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Foreign currency translation reserve	(66,171)	(12,357)	–	–
Asset revaluation reserve	42,739	63,294	–	–
Total reserves	(23,432)	50,937	–	–
Movements:				
Foreign currency translation reserve				
Opening balance as at 1 July 2008	(12,357)	2,129	–	–
Exchange difference arising from the translation of the financial statements of foreign operations	(53,814)	(14,486)	–	–
Total movement in foreign currency translation reserve	(53,814)	(14,486)	–	–
Closing balance as at 30 June 2009	(66,171)	(12,357)	–	–
Asset revaluation reserve				
Opening balance as at 1 July 2008	63,294	–	–	–
Transfer to undistributed income	(20,555)	–	–	–
Revaluation increment on investment	–	63,294	–	–
Total movement in asset revaluation reserve	(20,555)	63,294	–	–
Closing balance as at 30 June 2009	42,739	63,294	–	–

(b) Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the Financial Statements of foreign operations.

Asset revaluation reserve

The asset revaluation reserve is used to record the fair value adjustment arising on a business combination (refer note 34)

(c) Undistributed income

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Undistributed income as at 1 July 2008	2,000,235	1,930,282	704,791	838,162
Net profit attributable to security holders	(1,459,111)	438,277	(360,986)	85,804
Transfer from revaluation reserves	20,555	–	–	–
Transfer of capital reserve of minority interest	(10,008)	(13,346)	–	–
Acquisition of investment	–	402	–	–
Distributions provided for or paid	(296,648)	(355,380)	(138,238)	(219,175)
Undistributed income as at 30 June 2009	255,023	2,000,235	205,567	704,791

Note 28. Other minority interests

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Interest in				
Contributed equity	200,503	200,019	–	–
Reserves	51,696	41,352	–	–
Undistributed income	(45,427)	(35,373)	–	–
Total other minority interests	206,772	205,998	–	–

Note 29. Distributions paid and payable

(a) Distribution to security holders

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
31 December (paid 27 February 2009)	132,119	172,992	47,849	116,875
30 June (payable 28 August 2009)	164,529	182,388	90,389	102,300
	296,648	355,380	138,238	219,175

(b) Distribution to other minority interests

DEXUS Industrial Holdings, LLC (paid)	–	421	–	–
DEXUS RENTS Trust (paid 16 October 2008)	4,651	3,978	–	–
DEXUS RENTS Trust (paid 16 January 2009)	4,243	4,202	–	–
DEXUS RENTS Trust (paid 17 April 2009)	2,611	4,304	–	–
DEXUS RENTS Trust (payable 15 July 2009)	2,244	4,631	–	–
	13,749	17,536	–	–
Total distributions	310,397	372,916	138,238	219,175

(c) Distribution rate

	Consolidated		Parent entity	
	2009 Cents per security	2008 Cents per security	2009 Cents per unit	2008 Cents per unit
31 December (paid 27 February 2009)	3.80	5.90	1.38	3.99
30 June (payable 28 August 2009)	3.50	6.00	1.92	3.37
Total distributions	7.30	11.90	3.30	7.36

(d) Franked dividends

The franked portions of the final dividends recommended after 30 June 2009 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2009.

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Opening balance as at 1 July 2008	14,139	3,512	–	–
Franking credits arising during the year on payment of tax at 30%	7,240	4,694	–	–
Franking debits arising from payment of interim dividend	–	(5,296)	–	–
Franking credits arising on receipt of dividend	–	5,024	–	–
Franking credits on acquisition	–	6,205	–	–
Closing balance as at 30 June 2009	21,379	14,139	–	–

Note 30. Financial Risk Management

To ensure the effective and prudent management of the Trusts' capital and financial risks, DXS has a well established framework consisting of a Board Finance Committee and a Capital Markets Committee. The Board Finance Committee is accountable to and primarily acts as an advisory body to the DXFM Board and includes three Directors of the DXFM Board. Its responsibilities include reviewing and recommending financial risk management policies and funding strategies for approval.

The Capital Markets Committee is a management committee that is accountable to both the Board Finance Committee and the Executive Committee. It convenes at least quarterly and conducts a review of financial risk management exposures including liquidity, funding strategies and hedging. It is also responsible for the development of financial risk management policies and funding strategies for recommendation to the Board Finance Committee, and the approval of treasury transactions within delegated limits and powers.

Further information on the Trusts' governance structure, including terms of reference, is available at www.dexus.com

(1) Capital risk management

The Trust manages its capital to ensure that entities within the Trust will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Trust consists of debt (see note 21), cash and cash equivalents, and equity attributable to security holders (including hybrid securities). The capital structure is monitored and managed in consideration of a range of factors including:

- the cost of capital and the financial risks associated with each class of capital;
- gearing levels and other covenants;
- potential impacts on net tangible assets and security holder's equity;
- potential impacts on the Trust's credit rating; and
- other market factors and circumstances.

To minimise the potential impacts of foreign exchange risk on the Trust's capital structure, the Trust's policy is to hedge the majority of its foreign asset and liability exposures. Consequently the size of the assets and liabilities on the Balance Sheets (translated into Australian Dollars) and gearing ratios will rise and fall as exchange rates fluctuate. This policy ensures that net tangible assets are not materially affected by currency movements (refer foreign exchange risk on page 77).

The Trust has a stated target gearing level of below 40% (2008: stated target gearing range was 40% to 45%). The gearing ratio calculated in accordance with our covenant requirements at 30 June 2009 was 32.0% (as detailed below).

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Total interest bearing liabilities ¹	2,519,410	3,014,055	–	–
Total tangible assets ²	7,881,793	8,887,706	2,143,619	2,127,551
Gearing ratio	32.0%	33.9%	0.0%	0.0%

¹ Total interest bearing liabilities excludes deferred borrowing costs as reported internally to management.

² Total tangible assets comprise total tangible assets less derivatives and deferred and current tax balances as reported internally to management.

Note 30. Financial Risk Management (continued)

(1) Capital risk management (continued)

The Trust is rated BBB+ by Standard and Poor's (affirmed in April 2009). The Trust considers potential impacts upon the rating when assessing the strategy and activities of the Trust and regards those impacts as an important consideration in its management of the Trust's capital structure.

DXFM is the Responsible Entity for the managed investment schemes that are stapled to form DXS. DXFM has been issued with an Australian Financial Services Licence (AFSL). The licence is subject to certain capital requirements including the requirement to hold minimum net tangible assets (of \$5 million), and maintaining a minimum level of surplus liquid funds. Furthermore, the Responsible Entity maintains trigger points in accordance with the requirements of the licence. These trigger points maintain a headroom value above the AFSL requirements and the entity has in place a number of processes and procedures should a trigger point be reached.

DWPL, a wholly owned entity, has also been issued with an AFSL as it is the Responsible Entity for DEXUS Wholesale Property Fund. It is subject to the same requirements.

During the period, both the Responsible Entities complied with the AFSL requirements.

(2) Financial risk management

The Trust's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk and price risk), and liquidity risk. The Trust's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Trust.

Accordingly, the Trust enters into various derivative financial instruments such as interest rate swaps, cross currency interest rate swaps, and foreign exchange contracts to manage its exposure to certain risks. The Trust does not trade in derivative instruments for speculative purposes. The Trust uses different methods to measure the different types of risks to which it is exposed, including monitoring the current and forecast levels of exposure, and conducting sensitivity analyses.

Risk management is implemented by a centralised treasury department (Group Treasury) whose members act under written policies that are endorsed by the Board Finance Committee and approved by the Board of Directors of the Responsible Entity. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Trust's business units. The treasury policies approved by the Board of Directors cover overall treasury risk management, as well as policies and limits covering specific areas such as liquidity risk, interest rate risk, foreign exchange risk, credit risk and the use of derivatives and other financial instruments. In conjunction with its advisers, the Responsible Entity continually reviews the Trust's exposures and (at least annually) updates its treasury policies and procedures.

(a) Liquidity risk

Liquidity risk is the risk that the Trust will not have sufficient available funds to meet financial obligations in an orderly manner when they fall due or at an acceptable cost.

The Trust identifies and manages liquidity risk across short, medium and long-term categories:

- short-term liquidity management includes continuously monitoring forecast and actual cash flows;
- medium-term liquidity management includes maintaining a level of committed borrowing facilities above the forecast committed debt requirements (liquidity headroom buffer). Committed debt includes future expenditure that has been approved by the Board or Investment Committee (as required within delegated limits), and may also include projects that have a very high probability of proceeding, taking into consideration risk factors such as the level of regulatory approval, tenant pre-commitments and portfolio considerations; and
- long-term liquidity risk is managed through ensuring an adequate spread of maturities of borrowing facilities so that refinancing risk is not concentrated, and ensuring an adequate diversification of funding sources where possible subject to market conditions.

Refinancing risk

A key liquidity risk is the Trust's ability to refinance its current debt facilities. As the Trust's debt facilities mature, they are usually required to be refinanced by extending the facility or replacing the facility with an alternative form of capital.

The refinancing of existing facilities may also result in margin price risk, whereby market conditions may result in an unfavourable change in credit margins on the refinanced facilities. The Trust's key risk management strategy for margin price risk on refinancing is to spread the maturities of debt facilities over different time periods to reduce the volume of facilities to be refinanced and the exposure to market conditions in any one period.

An analysis of the contractual maturities of the Trust's interest bearing liabilities and derivative financial instruments are shown in the table below. The amounts in the table represent undiscounted cash flows.

	Consolidated 30 June 2009				Consolidated 30 June 2008			
	Expiring within one year	Expiring between one and two years	Expiring between two and five years	Expiring after five years	Expiring within one year	Expiring between one and two years	Expiring between two and five years	Expiring after five years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	35,816	–	–	–	36,457	–	–	–
Payables	98,410	–	–	–	118,396	–	–	–
	(62,594)	–	–	–	(81,939)	–	–	–
Interest bearing liabilities								
Fixed interest rate liabilities	250,724	336,517	496,351	225,629	234,208	250,000	650,215	190,893
Floating interest bearing liabilities	131,161	481,214	597,699	–	345,000	251,497	776,874	315,272
Total interest bearing liabilities¹	381,885	817,731	1,094,051	225,629	579,208	501,497	1,427,089	506,165
Derivative financial instruments								
Derivative assets	739,625	456,059	559,433	31,656	606,517	96,307	126,715	22,976
Derivative liabilities	767,637	543,917	804,598	225,981	557,309	84,510	75,801	11,178
Total net derivative financial instruments²	(28,012)	(87,858)	(245,165)	(194,325)	49,208	11,797	50,914	11,798

1 Refer to note 21 (interest bearing liabilities). Excludes deferred borrowing costs and preference shares.

2 The notional maturities on derivatives is only shown for cross currency interest rate swaps (refer foreign exchange rate risk) and forward foreign exchange contracts as they are the only instruments where a principal amount is exchanged. For interest rate swaps, only the net interest cash flows (not the notional principal) are included. For derivative assets and liabilities that have floating rate interest cash flows, future cash flows have been calculated using static interest rates prevailing at 30 June 2009. Refer to note 11 Derivative Financial Instruments for fair value of derivatives.

	Parent entity 30 June 2009				Parent entity 30 June 2008			
	Expiring within one year	Expiring between one and two years	Expiring between two and five years	Expiring after five years	Expiring within one year	Expiring between one and two years	Expiring between two and five years	Expiring after five years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	17,752	–	–	–	8,419	–	–	–
Payables	19,503	–	–	–	13,968	–	–	–
	(1,751)	–	–	–	(5,549)	–	–	–
Loans with related parties	–	–	–	408,583	–	–	–	119,533
Derivative financial instruments								
Derivative assets	400,156	282,016	295,380	18,072	520,595	16,914	38,978	4,313
Derivative liabilities	385,775	282,679	311,257	43,402	478,687	20,101	40,186	4,567
Total net derivative financial instruments¹	14,381	(663)	(15,877)	(25,330)	41,908	(3,187)	(1,208)	(254)

1 The notional maturities on derivatives is only shown for cross currency interest rate swaps (refer foreign exchange rate risk) and forward foreign exchange contracts as they are the only instruments where a principal amount is exchanged. For interest rate swaps, only the net interest cash flows (not the notional principal) are included. For derivative assets and liabilities that have floating rate interest cash flows, future cash flows have been calculated using static interest rates prevailing at 30 June 2009. Refer to note 11 Derivative Financial Instruments for fair value of derivatives.

Note 30. Financial Risk Management (continued)

(2) Financial risk management (continued)

(b) Market risk

Market risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate because of changes in market prices. The market risks that the Trust is exposed to are detailed further below.

(i) Interest rate risk

Interest rate risk is the risk that fluctuating interest rates will cause an adverse impact on interest payable (or receivable), or an adverse change on the capital value (present market value) of long-term fixed rate instruments.

Interest rate risk for the Trust arises from interest bearing financial assets and liabilities that the Trust holds. Borrowings issued at variable rates expose the Trust to cash flow interest rate risk. Borrowings issued at fixed rates expose the Trust to fair value interest rate risk.

The primary objective of the Trust's risk management policy for interest rate risk is to minimise the effects of interest rate movements on the Trust's portfolio of financial assets and liabilities and financial performance. The policy sets out the minimum and maximum hedging amounts for the Trust which is managed on a portfolio basis.

Cash flow interest rate risk on borrowings is managed through the use of interest rate swaps, whereby a floating interest rate exposure is converted to a fixed interest rate exposure. Fair value interest rate risk on borrowings is also managed through the use of interest rate swaps, whereby a fixed interest exposure is converted to a floating interest rate exposure. The mix of fixed and floating rate exposures is monitored regularly to ensure that the interest rate exposure on the Trust's cash flows is managed within the parameters defined by the Group Treasury Policy.

As at 30 June 2009, 92% (2008: 85%) of the financial assets and liabilities (including DEXUS RENTS Trust) of the Trust have an effective fixed interest rate.

The Trust holds borrowings in multiple currencies with both fixed and floating rate exposures and is exposed to interest rate risk related to each particular currency.

The net notional amount of fixed rate debt and interest rate swaps in place in each year and the weighted average effective hedge rate per currency is set out in the next table.

Consolidated 30 June 2009	June 2010 \$'000	June 2011 \$'000	June 2012 \$'000	June 2013 \$'000	June 2014 \$'000	> June 2015 \$'000
Fixed rate debt						
A\$ fixed rate debt ¹	345,833	116,667	–	–	–	–
US\$ fixed rate debt ¹	475,654	372,205	271,870	246,219	219,508	119,260
Interest rate swaps						
A\$ hedged ¹	429,967	674,467	643,200	499,167	485,000	230,667
A\$ hedge rate (%) ²	5.02%	5.32%	4.97%	5.25%	5.74%	6.19%
US\$ hedged ¹	693,700	710,533	775,867	884,033	835,700	427,622
US\$ hedge rate (%) ²	5.91%	5.95%	6.16%	5.74%	5.64%	4.71%
€ hedged ¹	140,000	137,500	127,500	105,000	70,000	27,667
€ hedge rate (%) ²	5.20%	5.16%	5.24%	5.54%	6.27%	5.21%
C\$ hedged ¹	70,000	70,000	70,000	70,000	70,000	47,833
C\$ hedge rate (%) ²	4.77%	4.77%	4.77%	4.77%	4.77%	4.77%
Combined fixed debt and swaps (A\$ equivalent)	2,535,026	2,439,264	2,230,805	2,149,345	1,981,831	1,003,773
Hedge rate (%)	5.53%	5.63%	5.68%	5.58%	5.67%	5.67%

1 Average amounts for the period. Hedged amounts above do not include potential hedges that are cancellable at the counterparty's option.

2 The above hedge rates do not include margins payable on borrowings.

Sensitivity on interest expense

The table below shows the impact on unhedged net interest expense (excluding non-cash items) of a 50 basis points increase or decrease in short-term and long-term market interest rates. The sensitivity on cash flow arises due to the impact that a change in interest rates will have on the Trust's floating rate debt and derivative cash flows. Net interest expense is only sensitive to movements in markets rates to the extent that floating rate debt is not hedged.

		Consolidated		Parent entity	
		2009 (+/-) \$'000	2008 (+/-) \$'000	2009 (+/-) \$'000	2008 (+/-) \$'000
+/- 0.50% (50 basis points)	A\$	613	474	1,567	510
+/- 0.50% (50 basis points)	US\$	180	804	(1,146)	(616)
+/- 0.50% (50 basis points)	€	13	52	-	-
+/- 0.50% (50 basis points)	C\$	-	-	-	-
Total A\$ equivalent		856	1,395	154	(132)

The increase or decrease in interest expense is proportional to the increase or decrease in interest rates.

Sensitivity on fair value of interest rate swaps

The table below shows the impact on the Income Statements for changes in the fair value of interest rate swaps for a 50 basis points increase and decrease in short-term and long-term market interest rates. The sensitivity on the fair value arises from the impact that changes in market rates will have on the mark-to-market valuation of the interest rate swaps. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows on the instruments. Cash flows are discounted using the forward price curve of interest rates at the end of the reporting period. Although interest rate swaps are transacted for the purpose of providing the Trust with an economic hedge, the Trust has elected not to apply hedge accounting to its interest rate derivatives. Accordingly, gains or losses arising from changes in the fair value are reflected in the Income Statements.

		Consolidated		Parent entity	
		2009 (+/-) \$'000	2008 (+/-) \$'000	2009 (+/-) \$'000	2008 (+/-) \$'000
+/- 0.50% (50 basis points)	A\$	15,026	8,306	(8,665)	(9,010)
+/- 0.50% (50 basis points)	US\$	27,651	32,896	5,082	8,430
+/- 0.50% (50 basis points)	€	2,651	4,594	-	-
+/- 0.50% (50 basis points)	C\$	2,714	2,704	-	-
Total A\$ equivalent		56,607	52,798	(2,402)	(252)

(ii) Foreign exchange risk

Foreign exchange risk is the risk that movements in exchange rates used to convert foreign currency revenues, expenses, assets, or liabilities to the Trust's functional currency will have an adverse effect on the Trust.

The Trust operates internationally with investments in the United States, New Zealand, France, Germany and Canada. As a result of these activities, the Trust has foreign exchange risk, arising primarily from:

- translation of investments in foreign operations;
- borrowings and cross currency swaps denominated in foreign currencies; and
- earnings distributions and other transactions denominated in foreign currencies.

The objective of the Trust's foreign exchange risk management policy is to ensure that movements in exchange rates have minimal adverse impact on the Trust's foreign currency assets and liabilities, and net foreign currency cash flows as outlined below.

Note 30. Financial Risk Management (continued)

(2) Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

Foreign currency assets and liabilities

Exposure to foreign exchange risk is minimised by predominantly matching the currency of the Trust's debt with the currency of its investment to form a natural hedge against movements in exchange rates. This policy reduces the risk that movements in foreign exchange rates will have an adverse impact on security holder's equity and net tangible assets.

Where Australian dollar borrowings are used to fund the foreign currency investment, the Trust may transact cross currency swaps for the purpose of providing an alternate source of foreign currency funding whilst maintaining the natural hedge. In these instances the Trust has committed foreign currency borrowing capacity in place that can replace the foreign currency amounts that are due under the cross currency swaps.

The Trust's net foreign currency exposures for net investments in foreign operations and hedging instruments are as follows:

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
US\$ assets ¹	1,311,445	1,765,567	374,110	312,905
US\$ net borrowings ²	(966,477)	(1,293,606)	–	86,926
US\$ cross currency swaps ³	(251,700)	(420,000)	(221,700)	(420,000)
US\$ denominated net investment	93,268	51,961	152,410	(20,169)
% hedged	93%	97%	59%	103%
€ assets ¹	138,675	198,400	–	–
€ net borrowings ²	(39,305)	(200,500)	–	–
€ cross currency swaps ³	(100,000)	–	–	–
€ denominated net investment	(630)	(2,100)	–	–
% hedged	100%	101%	–	–
C\$ assets ¹	51,600	68,300	–	–
C\$ net borrowings ²	–	–	–	–
C\$ cross currency swaps ³	(70,000)	(70,000)	–	–
C\$ denominated net investment	(18,400)	(1,700)	–	–
% hedged	136%	102%	–	–
NZ\$ assets ¹	130,000	157,509	–	–
NZ\$ net borrowings ²	–	–	–	–
NZ\$ cross currency swaps ³	–	–	–	–
NZ\$ denominated net investment	130,000	157,509	–	–
% hedged	0%	0%	–	–
Total foreign net investment (A\$ equivalent)	198,835	173,702	187,839	(20,953)
Total % hedged	90%	93%	59%	103%

1 Assets exclude working capital and cash as reported internally to management.

2 Net borrowings is equal to interest bearing liabilities less cash. Where there are no interest bearing liabilities, cash is excluded.

3 Cross currency swap amounts comprise the foreign currency denominated leg of the cross currency swaps.

Sensitivity on equity (foreign currency translation reserve)

The table below shows the impact on the foreign currency translation reserve for changes in the translated value of foreign currency assets and liabilities for an increase and decrease in foreign exchange rates per currency. The increase and decrease in cents per currency has been based on the historical movements of the Australian dollar relative to each currency¹. The cents per currency has been applied to the spot rates prevailing at 30 June 2009 (see footnote below). The impact on the foreign currency translation reserve arises as the translation of the Trust's foreign currency assets and liabilities are recorded (in Australian Dollars) directly in the foreign currency translation reserve.

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
+ 15.7 cents (19%) (2008: 9.6 cents) US\$ (A\$ equivalent)	18,636	4,895	–	–
– 15.7 cents (19%) (2008: 9.6 cents) US\$ (A\$ equivalent)	(27,577)	(5,980)	–	–
+ 6.4 cents (11%) (2008: 6.1 cents) € (A\$ equivalent)	(110)	(313)	–	–
– 6.4 cents (11%) (2008: 6.1 cents) € (A\$ equivalent)	137	383	–	–
+ 10.0 cents (8%) (2008: 12.6 cents) NZ\$ (A\$ equivalent)	7,615	11,349	–	–
– 10.0 cents (8%) (2008: 12.6 cents) NZ\$ (A\$ equivalent)	(8,931)	(13,869)	–	–
+ 7.3 cents (8%) (2008: 12.6 cents) C\$ (A\$ equivalent)	(1,417)	(159)	–	–
– 7.3 cents (8%) (2008: 12.6 cents) C\$ (A\$ equivalent)	1,656	194	–	–

1 The sensitivity on market rates has been based on the standard deviation of the annual change in the Australian dollar exchange rate per currency since 1984 or commencement.

2 Exchange rates at 30 June 2009: A\$/US\$ 0.8114 (2008: 0.9626), A\$/€ 0.5751 (2008: 0.6096), A\$/NZ\$ 1.2428 (2008: 1.2609), A\$/C\$ 0.9379 (2008: 0.9715)

Sensitivity on fair value of cross currency swaps

The table below shows the impact on the Income Statements for changes in the fair value of cross currency swaps for a 50 basis point increase and decrease in market rates. The sensitivity on the fair value arises from the impact that changes in short-term and long-term market rates will have on the interest rate mark-to-market valuation of the cross currency swaps.¹ The Trust has elected not to apply hedge accounting to its cross currency swaps. Accordingly, gains or losses arising from changes in the fair value are reflected in the Income Statements.

	Consolidated		Parent entity	
	2009 (+/-) \$'000	2008 (+/-) \$'000	2009 (+/-) \$'000	2008 (+/-) \$'000
+/- 0.50% (50 basis points) US\$ (A\$ equivalent)	45	98	42	98
+/- 0.50% (50 basis points) € (A\$ equivalent)	2	–	–	–
+/- 0.50% (50 basis points) C\$ (A\$ equivalent)	91	87	–	–
Total A\$ equivalent	138	184	42	98

1 Note the above sensitivity is reflective of how changes in interest rates will affect the valuation of the cross currency swaps. The effect of movements in foreign exchange rates on the valuation of cross currency swaps is reflected in the foreign currency translation reserve sensitivity (above).

Note 30. Financial Risk Management (continued)

(2) Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

Net foreign currency denominated cash flows

Foreign exchange risk exists in relation to net cash flows and transactions with foreign operations that are denominated in foreign currencies. This risk is managed through the use of forward foreign exchange contracts (after taking into account the natural hedging through foreign denominated interest expense).

Forward foreign exchange contracts outstanding at 30 June 2009 are as follows:

	2009	2009	2009	2008	2008	2008
	To pay US\$ million	To receive A\$ million	Weighted average exchange rate	To pay US\$ million	To receive A\$ million	Weighted average exchange rate
1 year or less	7.3	10.6	0.6848	9.5	13.9	0.6844
Over 1 and less than 2 years	5.6	7.9	0.7084	5.2	7.7	0.6725
More than 2 years	9.6	13.9	0.6892	17.2	25.0	0.6868

	2009	2009	2009	2008	2008	2008
	To pay NZ\$ million	To receive A\$ million	Weighted average exchange rate	To pay NZ\$ million	To receive A\$ million	Weighted average exchange rate
1 year or less	4.0	3.4	1.1780	7.5	6.6	1.1311
Over 1 and less than 2 years	2.0	1.7	1.1847	4.0	3.4	1.1780
More than 2 years	–	–	–	2.0	1.7	1.1847

Sensitivity on fair value of foreign exchange contracts

The table below shows the impact on the Income Statements for changes in the fair value of forward foreign exchange contracts for an increase and decrease in market rates. The increase and decrease in cents per currency has been based on the historical movements of the Australian dollar relative to each currency¹. The cents per currency has been applied to the spot rates prevailing at 30 June 2009 (see foot note below). The sensitivity on the fair value arises from the impact that changes in market rates will have on the mark-to-market valuation of the forward foreign exchange contracts.

Although forward foreign exchange contracts are transacted for the purpose of providing the Trust with an economic hedge, the Trust has elected not to apply hedge accounting to its forward foreign exchange contracts. Accordingly, gains or losses arising from changes in the fair value are reflected in the Income Statements.

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
+ 15.7 cents (19%) (2008:9.6 cents) US\$ (A\$ Equivalent)	4,277	2,720	2,100	1,333
– 15.7 cents (19%) (2008:9.6 cents) US\$ (A\$ Equivalent)	(6,329)	(3,327)	(3,108)	(1,630)
+ 10.0 cents (8%) (2008:12.6 cents) NZ\$ (A\$ Equivalent)	347	(883)	–	–
– 10.0 cents (8%) (2008:12.6 cents) NZ\$ (A\$ Equivalent)	(408)	(1,080)	–	–

1 The sensitivity on market rates has been based on the standard deviation of the annual change in the Australian dollar exchange rate per currency since 1984 or commencement.
2 Exchange rates at 30 June 2009: A\$/US\$ 0.8114 (2008: 0.9626), A\$/€ 0.5751 (2008: 0.6096), A\$/NZ\$ 1.2428 (2008: 1.2609), A\$/C\$ 0.9379 (2008: 0.9715).

(iii) Price risk

The Trust is exposed to equity securities price risk from equity securities and derivative financial instruments that the Trust transacts. Equity securities price risk is subject to a number of risks. The key risk variable is the quoted market price of equity securities which are affected by a number of factors largely out of the control of the Trust. The Trust does not use financial instruments to hedge the price risk.

As at 30 June 2009, the Trust does not have a material exposure to price risk.

(c) Credit risk

Credit risk is the risk of loss to the Trust in the event of non-performance by the Trust's financial instrument counterparties. Credit risk arises from cash and cash equivalents, loans and receivables, and derivative financial instruments. The Trust and parent entity have exposure to credit risk on all financial assets.

The Trust manages this risk by:

- adopting a process for determining an approved counterparty, with consideration of qualitative factors as well as the counterparty's rating;
- regularly monitoring counterparty exposure within approved credit limits that are based on the lower of a S&P, Moody's and Fitch credit rating. The exposure includes the current market value of in-the-money contracts as well as potential exposure, which is measured with reference to credit conversion factors as per APRA guidelines;
- entering into ISDA Master Agreements once a financial institution counterparty is approved;
- ensuring tenants, together with approved credit limits, are approved and ensuring that leases are undertaken with a large number of tenants;
- for some trade receivables, obtaining collateral where necessary in the form of bank guarantees and tenant bonds; and
- regularly monitoring loans and receivables on an ongoing basis.

A minimum S&P rating of A- (or Moody's or Fitch equivalent) is required to become or remain an approved counterparty. As at 30 June 2009, the lowest rating of counterparties the Trust is exposed to was A (S&P).

Financial instrument transactions are spread among a number of approved financial institutions within specified credit limits to minimise the Trust's exposure to any one counterparty. As a result, there is no significant concentration of credit risk for financial instruments.

The maximum exposure to credit risk at 30 June 2009 is the carrying amount of financial assets recognised on the Balance Sheets of the Trust and parent entity.

As at 30 June 2009, the Trust and the parent entity have no significant concentrations of credit risk for trade receivables. Trade receivable balances and the credit quality of trade debtors are consistently monitored on an ongoing basis. As a result, the Trust and parent entity's exposure to bad debts is not significant.

For the Consolidated Entity, the ageing analysis of loans and receivables net of provisions at 30 June 2009 is (\$'000): 31,479.1 (0-30 days), 1,897.2 (31-60 days), 979.5 (61-90 days), 1,460.4 (91+ days). The ageing analysis of loans and receivables net of provisions at 30 June 2008 is (\$'000): 32,014.9 (0-30 days), 1,313.1 (31-60 days), 702.6 (61-90 days), 2,456.4 (91+ days)). Amounts over 31 days are past due, however, no receivables are impaired.

For the parent entity, the ageing analysis for loans and receivables net of provisions at 30 June 2009 is (\$'000): 17,343.9 (0-30 days), 39.2 (31-60 days), 25.1 (61-90 days), 344.0 (91+ days). The ageing analysis of loans and receivables net of provisions for the parent entity at 30 June 2008 is (\$'000): 8,124.3 (0-30 days), 123.7 (31-60 days), 37.6 (61-90 days), 133.4 (91+ days). Amounts over 31 days are past due, however, no receivables are impaired.

The credit quality of financial assets that are neither past due nor impaired is consistently monitored to ensure that there are no adverse changes in credit quality.

Note 30. Financial Risk Management (continued)

(2) Financial risk management (continued)

(d) Fair value of financial instruments

Fair value interest rate risk is the risk of an adverse change in the net fair (or market) value of an asset or liability due to movements in interest rates.

At 30 June 2009, the carrying amounts and fair value of financial assets and liabilities are shown as follows:

	Consolidated		Consolidated	
	2009	2009	2008	2008
	Carrying amount ¹ \$'000	Fair value ² \$'000	Carrying amount ¹ \$'000	Fair value ² \$'000
Financial assets				
Cash and cash equivalents	84,845	84,845	99,214	99,214
Loans and receivables (current)	35,816	35,816	36,457	36,457
Derivative assets	205,491	205,491	191,162	191,162
Total financial assets	326,152	326,152	326,833	326,833
Financial liabilities				
Trade payables	98,410	98,410	118,396	118,396
Derivative liabilities	386,224	386,224	97,078	97,078
Interest bearing liabilities				
Multi-option facilities	539,290	539,290	861,521	861,521
Multi-option syndicated facilities	389,973	389,973	466,539	466,539
Secured term facilities	250,000	250,000	–	–
US senior notes	492,975	530,175	415,542	438,050
Commercial mortgage backed securities	–	–	500,000	494,108
Medium-term notes	456,436	482,797	455,425	445,510
Other	390,622	411,735	314,933	318,913
Preference shares	114	114	96	96
Total financial liabilities	3,004,044	3,088,718	3,229,530	3,240,211

	Parent entity		Parent entity	
	2009	2009	2008	2008
	Carrying amount ¹ \$'000	Fair value ² \$'000	Carrying amount ¹ \$'000	Fair value ² \$'000
Financial assets				
Cash and cash equivalents	27,268	27,268	31,004	31,004
Loans and receivables (current)	17,752	17,752	8,419	8,419
Derivative assets	97,805	97,805	70,059	70,059
Intercompany loans	408,583	408,583	119,533	119,533
Total financial assets	551,408	551,408	229,015	229,015
Financial liabilities				
Trade payables	19,503	19,503	13,968	13,968
Derivative liabilities	149,545	149,545	43,429	43,429
Intercompany loans	–	–	34,332	34,332
Total financial liabilities	169,048	169,048	91,729	91,729

1 Carrying value is equal to the value of the financial instruments on the Balance Sheets.

2 Fair value is the amount for which the financial instrument could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, however, not recognised on the Balance Sheets.

The fair value of fixed rate interest bearing liabilities have been determined by discounting the expected future cash flows by the relevant market rates. The discount rates applied range from 0.60% to 4.71% for US\$ and 3.08% to 4.78% for A\$. Refer note 1(w) for fair value methodology for financial assets and liabilities.

Note 31. Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Bank guarantees by the Trusts in respect of variations and other financial risks associated with the development of:				
60 Miller Street, North Sydney, NSW	497	496	–	–
Atlantic Corporate Park, Sterling, Virginia, USA	1,359	1,596	–	–
San Antonio properties	841	709	–	–
Bligh Street, Sydney, NSW ¹	3,820	3,820	–	–
Albert Street, Brisbane, QLD	2,000	–	2,000	–
Beaumeade, Ashburn, Norther Virginia, USA	1,028	–	–	–
Total contingent liabilities	9,545	6,621	2,000	–

1 Bank guarantee held in relation to an equity accounted investment (refer note 16).

The Trust together with DIT, DOT and DXO is also a guarantor of a A\$300.0 million and US\$210.0 million syndicated bank debt facility and a total of A\$1,182.5 million and US\$120.0 million (A\$147.9 million) of bank bi-lateral facilities, a total of A\$450.0 million of medium-term notes and a total of US\$400.0 million (A\$493.0 million) of privately placed notes, which have all been negotiated to finance the Trust and other entities within DXS. The guarantees have been given in support of debt outstanding and drawn against these facilities.

The guarantees are issued in respect of the Trust and do not constitute an additional liability to those already existing in interest bearing liabilities on the Balance Sheets.

The Directors of the Responsible Entity are not aware of any other contingent liabilities in relation to the Trust, other than those disclosed in the Financial Statements, which should be brought to the attention of security holders as at the date of completion of this report.

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Note 32. Commitments

(a) Capital commitments

The following amounts represent capital expenditure on investment properties contracted at the reporting date but not recognised as liabilities payable:

Capital expenditure commitments in relation to development works:	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Not longer than one year				
3 Brookhollow Avenue, Baulkham Hills, NSW	421	227	–	–
10-16 South Street, Rydalmere, NSW	–	189	–	–
5-13 Rosebery Avenue, Rosebery, NSW	–	200	–	–
Egerton Street, Silverwater, NSW	–	475	–	–
Boundary Road, Laverton North, VIC	–	6,890	–	–
Pound Road West, Dandenong, VIC	–	1,257	–	–
Governor Phillip Tower & Governor Macquarie Tower 1 Farrer Place, Sydney, NSW	3,310	39	–	–
309-321 Kent Street, Sydney, NSW	–	163	–	–
Southgate Complex, 3 Southgate Avenue, Southgate, VIC	74	203	–	–
Westinghouse Boulevard, Charlotte	–	87	–	–
O'Hare, Chicago	–	347	–	–
Kenwood Road, Cincinnati	276	203	–	–
Turfway Road, Cincinnati	–	141	–	–
SE, Columbus	–	460	–	–
Capital Avenue, Dallas	193	31	–	–
Regency Crest Drive, Dallas	–	26	–	–
Summit Avenue, Dallas	100	–	–	–
10th Street, Dallas	63	–	–	–
Avenue F, Dallas	–	222	–	–
CTC @ Valwood, Dallas	26	–	–	–
Glendale, Los Angeles	–	264	–	–
Lexington Avenue, Minneapolis	28	126	–	–
Mounds View, Minneapolis	12	856	–	–
Trenton Lane, Minneapolis	25	557	–	–
Braemar Ridge, Minneapolis	–	17	–	–
Eagandale Business Campus, Minneapolis	179	114	–	–
Alexandria, North Virginia	–	838	–	–
Nokes Boulevard, Northern Virginia	1,232	–	–	–
West Alameda Drive, Phoenix	59	96	–	–
44th Avenue, Phoenix	–	73	–	–
South Priest Drive, Phoenix	–	105	–	–
East University, Phoenix	308	348	–	–
South 41st Avenue, Phoenix	211	205	–	–
South 40th Avenue, Phoenix	–	208	–	–
South 55th Avenue, Phoenix	468	–	–	–
South 9th Street, Phoenix	136	–	–	–
Chino, Riverside	48	–	–	–
Interchange South, San Antonio	128	–	–	–

Capital expenditure commitments in relation to development works:	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Not longer than one year				
5823 Newton Drive, San Diego	338	–	–	–
Kent West, Seattle	–	277	–	–
Southern Employment Lands, Greystanes	27,174	63,848	–	–
Australia Square Complex, 264-278 George Street, Sydney, NSW	68	–	–	–
180 Flinders Lane, Melbourne, VIC	752	–	752	–
189 Flinders Lane, Melbourne, VIC	169	340	169	340
8 Nicholson Street, Melbourne, VIC	–	255	–	255
The Zenith, 821-843 Pacific Highway, Chatswood, NSW	197	1,191	–	–
60 Miller Street, North Sydney, NSW	195	10,921	–	–
144 Wicks Road, North Ryde, NSW	–	325	–	–
14 Moore Street, Canberra, ACT	441	–	441	–
44 Market Street, Sydney, NSW	830	–	830	–
123 Albert Street, Brisbane QLD	122,565	57,293	108,110	57,293
	160,026	149,417	110,302	57,888
Later than one year but no later than five years				
Governor Phillip Tower & Governor Macquarie Tower 1 Farrer Place, Sydney, NSW	1,532	7,664	–	–
Southgate Complex, 3 Southgate Avenue, Southgate, VIC	1,066	–	–	–
Southern Employment Lands, Greystanes	–	27,174	–	–
44 Market Street, Sydney, NSW	1,160	–	1,160	–
123 Albert Street, Brisbane, QLD	50,657	148,767	65,112	148,767
	54,415	183,605	66,272	148,767
Total capital commitments	214,441	333,023	176,574	206,655

(b) Lease payable commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Within one year	290	290	290	290
Later than one year but not later than five years	1,162	1,162	1,162	1,162
Later than five years	6,680	6,970	6,680	6,970
Total lease payable commitments	8,132	8,422	8,132	8,422

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

The Trust has a commitment for ground rent payable in respect of a leasehold property included in property investments. An amount of \$290,356 was paid in respect of the year ended 30 June 2009 (2008: \$290,356). This commitment was reviewed in 2003 and annual lease payments were increased by a CPI factor as per the lease agreement. This commitment is next subject for review in 2012 and expires in 2037.

No provisions have been recognised in respect of non-cancellable operating leases.

Note 32. Commitments (continued)

(c) Lease receivable commitments

The future minimum lease payments receivable by the Trusts are:	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Within one year	526,791	457,594	91,732	90,728
Later than one year but not later than five years	1,725,306	1,447,477	287,312	291,568
Later than five years	794,480	666,413	163,684	187,665
Total lease receivable commitments	3,046,577	2,571,484	542,728	569,961

Note 33. Related parties

Responsible Entity

DXFM is the Responsible Entity of the Trusts.

DXFM is also the Responsible Entity of Abbotsford Property Trust, Abbotsford Property Investment Trust, Gordon Property Trust, Gordon Property Investment Trust, Northgate Property Trust and Northgate Property Investment Trust (collectively known as "the Syndicates"). On 29 June 2008, Abbotsford Property Trust and Abbotsford Property Investment Trust were wound up.

DXH is the parent entity of DEXUS Wholesale Property Limited (DWPL), the Responsible Entity for DWPF.

Responsible Entity fees

Under the terms of the Trusts' Constitutions, the Responsible Entity is entitled to receive fees in relation to the management of the Trusts. DXFM's parent entity, DXH is entitled to be reimbursed for administration expenses incurred on behalf of the Trusts. DEXUS Property Services Pty Limited (DXPS), a wholly owned subsidiary of DXH is entitled to property management fees from the Trusts.

Investments

On 21 February 2008, DXO purchased the remaining 50% interest in DXH from FAP. Deutsche Bank and RREEF ceased to be a related party on this date. As a result amounts shown in the current period are nil and amounts shown in the prior period reflect transactions from 1 July 2007 to 20 February 2008.

Related party transactions

Prior to DXO's acquisition of the remaining 50% interest in DXH on 21 February 2008, all related party transactions were conducted on normal commercial terms and conditions unless otherwise stated. Following the acquisition, Responsible Entity fees in relation to DXS assets moved to cost recovery as reflected in the parent entity's transactions with DXFM. All agreements with third party funds remain unchanged.

DEXUS Funds Management Limited and its related entities

On 21 February 2008 DXO purchased the remaining 50% interest in DXH (DXFM's parent entity) from FAP. As a result DXH became a wholly owned entity of DXS with all inter company related party transactions being eliminated on consolidation in the current period. Amounts shown in the prior period reflect transactions from 1 July 2007 to 20 February 2008.

	Consolidated		Parent entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Responsible Entity fees paid and payable	–	21,869,324	6,358,061	9,397,076
Loan note interest earned from DXH	–	3,693,880	–	–
Property management fees to DXPS	–	8,400,054	2,409,931	736,069
Recovery of administration expenses paid to DXH	–	4,952,925	4,269,966	1,188,892
Aggregate amounts payable to the Responsible Entity at reporting date	–	–	520,758	504,613
Property management fees payable at reporting date	–	–	667,500	581,988
Administration expenses payable at reporting date	–	–	381,051	–

DEXUS Wholesale Property Fund¹

	Consolidated		Parent entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Responsible Entity fee income	16,164,383	6,200,512	–	–
Property management fee income	5,800,897	993,255	–	–
Recovery of administration expenses	674,901	797,068	–	–
Aggregate amount receivable at reporting date	1,324,213	1,853,954	–	–
Property management fees receivable at reporting date	527,970	193,673	–	–
Administration expenses receivable at reporting date	191,249	56,428	–	–

The Syndicates¹

	Consolidated		Parent entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Responsible Entity fee income	1,722,262	742,994	–	–
Property management fee income	1,830,192	235,080	–	–
Recovery of administration expenses	196,541	300,100	–	–
Aggregate amount receivable at reporting date	609,967	329,230	–	–
Property management fees receivable at reporting date	91,106	98,885	–	–
Administration expenses receivable at reporting date	58,371	–	–	–

Bent Street Trust¹

	Consolidated		Parent entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Property management fee income	5,418,913	6,400,740	–	–
Recovery of administration expenses	17,928	18,286	–	–
Aggregate amount receivable at reporting date	–	3,446,957	–	–
Administration expenses receivable at reporting date	–	16,685	–	–

¹ Amounts in 2008 reflect transactions between 21 February 2008 and 30 June 2008.

Note 33. Related parties (continued)

RREEF

On 21 February 2008, DXO purchased the remaining 50% interest in DXH from FAP. RREEF (a subsidiary of Deutsche Bank and fund manager of DEXUS Industrial Properties, Inc.) ceased to be a related party on this date. As a result amounts shown in the current period are nil and amounts shown in the prior period reflect transactions from 1 July 2007 to 20 February 2008.

	Consolidated		Parent entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Investment management fee	–	2,174,822	–	–
Asset management fee	–	229,230	–	–
Acquisition fee	–	3,245,899	–	–
Property management fees	–	3,081,512	–	–
Construction supervision fee	–	622,598	–	–
Development fees	–	1,444,421	–	–
Leasing commissions	–	1,772,242	–	–
Performance fees	–	64,411	–	–

Deutsche Bank AG

Dealings with the bank include, not only transactions in its capacity as part owner of the Responsible Entity, but also in the provision of financial services. On 21 February 2008, DXO purchased the remaining 50% interest in DXH from FAP, a subsidiary of Deutsche Bank. Deutsche Bank ceased to be a related party on this date. As a result amounts shown in the current period are nil and amounts shown in the prior period reflect transactions from 1 July 2007 to 20 February 2008.

	Consolidated		Parent entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Deutsche Bank AG in its capacity as a financier:				
Interest paid on swaps for whom the counterparty was Deutsche Bank AG	–	9,955,000	–	226,271
Interest and financing fees on borrowings to Deutsche Bank AG	–	431,000	–	–
Proceeds from Borrowings from Deutsche Bank AG	–	7,033,000	–	–
Loan repayment to Deutsche Bank AG	–	10,650,755	–	–
Interest received on swaps for whom the counterparty was Deutsche Bank AG	–	10,315,000	–	870,762
Other transactions with Deutsche Bank AG:				
Interest paid and payable to FAP	–	814,000	–	–
Purchase of DXH shares	–	79,829,700	–	–
Redemption of loan notes	–	51,936,300	–	–
Dividends paid	–	5,974,000	–	–

The following persons were Directors or Alternate Directors of DXFM during the whole of the financial year and up to the date of this report, unless otherwise stated:

Directors

C T Beare, BSc, BE (Hons), MBA, PhD, FAICD^{1,4,5}
 E A Alexander AM, BComm, FCA, FAICD, CPA^{1,2,6,8,9}
 B R Brownjohn, BComm^{1,2,5,6}
 S F Ewen OAM^{1,4}
 V P Hoog Antink, BComm, MBA, FCA, FAPI, FRICS, MAICD
 C B Leitner III, BA¹⁷
 B E Scullin, BEc^{1,3,4,7,10}
 A J Fay, BAg.Ec (Hons), ASIA (Alternate to C B Leitner III)¹⁷
 P B St George, CA(SA), MBA^{11,14,15,16}
 J C Conde AO, BSc, BE (Hons), MBA^{12,13,16}

1 Independent Director
 2 Audit Committee Member
 3 Compliance Committee Member
 4 Nomination and Remuneration Committee Member
 5 Finance Committee Member
 6 Risk Committee Member
 7 Audit Committee Member from 1 July 2008 to 1 May 2009
 8 Compliance Committee Member from 1 July 2008 to 1 May 2009
 9 Finance Committee Member from 1 July 2008 to 1 May 2009
 10 Risk Committee Member from 1 July 2008 to 1 May 2009
 11 Audit Committee Member from 1 May 2009 to 30 June 2009
 12 Compliance Committee Member from 1 May 2009 to 30 June 2009
 13 Nomination and Remuneration Committee Member from 1 May 2009 to 30 June 2009
 14 Finance Committee Member from 1 May 2009 to 30 June 2009
 15 Risk Committee Member from 1 May 2009 to 30 June 2009
 16 Appointed Independent Director 29 April 2009
 17 Resigned 29 April 2009

No Directors held an interest in the Trust as at 30 June 2009 or at the date of this report.

Other key management personnel

In addition to the Directors listed above the following persons were deemed by the Board Nomination and Remuneration Committee to be key management personnel during all or part of the financial year and up to the date of this report:

Name	Position	Qualification date of other key management personnel during the 12 months ended 30 June 2009
Victor P Hoog Antink	Chief Executive Officer	
Tanya L Cox	Chief Operating Officer	
Patricia A Daniels	Head of Human Resources	
John C Easy	General Counsel	
Jane Lloyd	Head of Retail	Appointed 14 July 2008
Louise J Martin	Head of Office	
Craig D Mitchell	Chief Financial Officer	
Paul G Say	Head of Corporate Development	
Mark F Turner	Head of Funds Management	
Andrew P Whiteside	Head of Industrial	

No key management personnel or their related parties held an interest in the Trust for the years ended 30 June 2008 and 30 June 2009 or at the date of this report.

There were no loans or other transactions with key management personnel or their related parties during the years ended 30 June 2008 and 30 June 2009 or at the date of this report.

	2009 \$	2008 \$
Compensation		
Short-term employee benefits	7,910,223	6,891,605
Post-employment benefits	563,665	400,153
Other long-term benefits	1,509,929	3,290,638
	9,983,817	10,582,396

The Trust has shown the detailed remuneration disclosures in the Directors' Report. The relevant information can be found in section 3 of the Directors' Report on pages 12 to 24.

Note 34. Business Combinations

(a) Summary of acquisition

There were no transactions or events resulting in a business combination in the current period to 30 June 2009.

During the prior period, on 21 February 2008, DXO acquired the remaining 50% interest in DXH. Prior to this acquisition DXO held a 50% share in DXH and accounted for DXH on an equity accounting basis. The acquisition of the remaining 50% has resulted in DXO effectively controlling DXH and thus this acquisition was accounted for as a 'business combination achieved in stages' as described in *AASB 3 Business Combinations*. The acquisition resulted in goodwill of \$2.998 million.

The acquired business contributed revenues of \$37.428 million and net profit of \$2.278 million to the Trusts for the period from 21 February 2008 to 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated profit for the year ended 30 June 2008 would have been \$943.197 million and \$441.169 million respectively. These amounts have been calculated using the Trusts' accounting policies.

	2008
	\$'000
Purchase consideration (refer to (b) below):	
Cash paid ¹	79,830
Direct costs related to acquisition	768
Total purchase price	80,598
Fair value of net identifiable assets acquired (refer below)	77,600
Goodwill	2,998

¹ Represents consideration for the remaining 50% of DXH shares. In addition to this \$51,936,300 of loan notes were repaid resulting in total cash outlay of \$131,766,000.

(b) Purchase consideration

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Outflow of cash to acquire subsidiary, net of cash acquired				
Cash consideration	–	79,830	–	–
Less: Cash balances acquired	–	12,486	–	–
Outflow of cash	–	67,344	–	–

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	\$'000	\$'000
Property, plant and equipment	4,529	4,529
Deferred tax assets	1,467	1,467
Intangible assets – management rights	125,796	252,382
Other non-current assets	40	40
Cash and cash equivalents	12,486	12,486
Receivables	22,688	22,688
Other current assets	877	877
Provisions	(14,556)	(14,556)
Payables	(13,360)	(13,360)
Interest bearing liabilities	(111,353)	(111,353)
Net assets	28,614	155,200
Identifiable net assets acquired		77,600

Note 35. Events occurring after reporting date

On 31 July 2009, DWPF purchased a further 1.53% of Bent Street Trust from DCT for \$3.3 million.

Subsequent to the reporting date, DXF issued \$160.0 million of medium-term notes with a maturity of July 2014.

Subsequent to the reporting date, DDF exchanged sales contracts on six separate lots at Redwood Gardens Industrial Estate, Dingley for total consideration of \$6.6 million. The settlement of these property sales will occur between August and November 2009.

On 8 July 2009, 68 Hasler Road, Herdsman was settled for consideration of \$11.3 million.

On 3 July 2009, DIT US Whirlpool Trust acquired 6241 Shook Road, Columbus, Ohio for a consideration of US\$64.5 million (A\$79.5 million).

On 23 July 2009, 3-7 Bessemer Street, Blacktown was settled for consideration of \$9.1 million.

On 27 July 2009, DIT GLOG Trust disposed of Nordstrasse 102708, Löbau, Germany for a consideration of €1.0 million (A\$1.7 million).

In July 2009, DXO entered into an unconditional contract to sell 343 George Street, Sydney for \$55.0 million. Settlement is to occur in October 2009. The property has been reclassified as held for sale at 30 June 2009.

Since the end of the year, other than the matter discussed above, the Directors are not aware of any matter or circumstance not otherwise dealt with in their Directors' Report or the Financial Statements that has significantly or may significantly affect the operations of the Trusts, the results of those operations, or state of the Trusts' affairs in future financial periods.

Note 36. Segment information

Business segments

The Trusts operate in the following segments: Retail – investment in the retail property sector; Office and car park – investment in the office and car park property sectors; and Industrial – investment in the industrial property sector.

2009	Retail \$'000	Office & Car Park \$'000	Industrial \$'000	Eliminations/ unallocated \$'000	Consolidated \$'000
Property revenue	23,312	332,950	353,626	(1,382)	708,506
Interest revenue	159	855	577	1,634	3,225
Management fees	–	–	–	63,663	63,663
	23,471	333,805	354,203	63,915	775,394
Share of net profits of associates accounted for using the equity method	–	31	–	–	31
Net foreign exchange gain	–	355	1,824	–	2,179
Other income	–	195	19	121	335
Total segment revenue/income	23,471	334,386	356,046	64,036	777,939
Segment result	4,962	(409,536)	(772,545)	(281,992)	(1,459,111)
Segment assets	271,302	4,079,395	3,539,815	460,599	8,351,110
Segment liabilities	4,430	1,071,691	1,696,101	432,672	3,204,893
Non-current assets classified as held for sale	–	55,000	41,150	–	96,150
Investment accounted for using the equity method	–	84,165	–	–	84,165
Additions to property, plant and equipment	–	61,514	116,487	1,460	179,461
Net loss on sale of investment properties	–	(541)	(1,289)	(50)	(1,880)
Net loss on sale of investment	–	(534)	–	–	(534)
Net fair value loss of investment properties	(11,282)	(588,649)	(917,349)	(284)	(1,517,564)
Impairment	–	(15,675)	(111,214)	(41,280)	(168,169)
Net fair value loss of derivatives	–	–	–	(21,209)	(21,209)
Incentive amortisation expense	392	30,529	16,321	–	47,242
Other non-cash expenses	–	(4,176)	–	(566)	(4,742)

Note 36. Segment information (continued)

Business segments (continued)

2008	Retail \$'000	Office & Car Park \$'000	Industrial \$'000	Eliminations/ unallocated \$'000	Consolidated \$'000
Property revenue	35,673	323,501	306,304	(647)	664,831
Interest revenue	136	1,034	4,634	2,330	8,134
Management fees	–	–	–	26,760	26,760
Share of net profits/(losses) of associates accounted for using the equity method	3,629	(4,055)	–	2,893	2,467
	39,438	320,480	310,938	31,336	702,192
Net (loss)/gain on sale of investment properties	(3,114)	(476)	5,887	–	2,297
Net fair value gain/(loss) of investment properties	3,058	268,356	(86,695)	(275)	184,444
Net fair value loss of derivatives	–	–	–	(3,503)	(3,503)
Net foreign exchange gain	–	–	–	3,442	3,442
Other income	–	4	129	1,120	1,253
Total segment revenue/income	39,382	588,364	230,259	32,120	890,125
Segment result	24,013	509,152	46,933	(141,821)	438,277
Segment assets	281,958	4,736,899	4,096,314	233,816	9,348,987
Segment liabilities	2,295	1,249,601	2,424,004	(161,966)	3,513,934
Investment accounted for using the equity method	–	111,946	–	–	111,946
Acquisition of investment properties	–	2,800	314,965	–	317,765
Additions to property, plant and equipment	–	22,368	162,245	6,686	191,299
Incentive amortisation expense	952	29,404	11,678	–	42,034
Other non-cash expenses	–	2,796	–	267	3,063

Geographical segments

The Trusts' investments are located in Australia, New Zealand, the United States, France, Germany and Canada.

2009	Australia \$'000	New Zealand \$'000	United States \$'000	France \$'000	Germany \$'000	Canada \$'000	Consolidated \$'000
Rental and other property income	480,090	10,047	183,337	8,093	21,586	5,353	708,506
Segment assets	6,250,592	105,507	1,639,215	62,197	213,029	80,571	8,351,110
Additions to property, plant and equipment	151,153	–	28,308	–	–	–	179,461

2008	Australia \$'000	New Zealand \$'000	United States \$'000	France \$'000	Germany \$'000	Canada \$'000	Consolidated \$'000
Rental and other property income	478,574	9,807	146,570	9,396	17,887	2,597	664,831
Segment assets	6,844,831	124,484	1,968,077	99,390	231,065	81,140	9,348,987
Acquisitions of investment properties	–	–	241,175	–	–	76,590	317,765
Additions to property, plant and equipment	120,813	–	70,486	–	–	–	191,299

Note 37. Reconciliation of net (loss)/profit to net cash inflow from operating activities

(a) Reconciliation

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Net (loss)/profit	(1,455,416)	445,261	(360,986)	85,804
Capitalised interest	(35,050)	(17,949)	(8,020)	(6,141)
Depreciation and amortisation	4,743	3,002	–	–
Impairment	168,168	61	–	–
Net decrement/(increment) on revaluation of investment properties	1,517,564	(184,444)	341,251	65,784
Share of net profits of associates accounted for using the equity method	(31)	(2,467)	–	–
Net fair value loss of derivatives	21,209	3,503	5,753	2,203
Net fair value loss of interest rate swaps	222,468	69,561	9,138	31,869
Net loss/(gain) on sale of investment properties	1,880	(2,297)	1,330	5,743
Net loss on sale of investment	534	–	–	–
Net foreign exchange loss/(gain)	(2,179)	30,597	153,701	(9,515)
Provision for doubtful debts	3,000	(290)	20	–
Change in operating assets and liabilities				
Decrease/(increase) in receivables	(2,389)	460	(9,353)	11,078
Decrease/(increase) in prepaid expenses	(4,246)	(3,554)	(1,424)	1,132
Decrease/(increase) in other non-current assets – investments	35,794	78,375	4,509	(45,562)
Decrease/(increase) in other current assets	(5,631)	23,758	9,650	–
Decrease/(increase) in other non-current assets	(1,176)	(85,989)	(329)	237
(Decrease)/increase in payables	(12,944)	1,282	4,362	2,544
(Decrease)/increase in current liabilities	(355)	(21,785)	–	(3,569)
(Decrease)/increase in other non-current liabilities	4,456	31,624	(82)	8,775
(Decrease)/increase in deferred tax liabilities	(100,822)	5,736	–	–
Net cash inflow from operating activities	359,577	374,445	149,520	150,382

(b) Capital expenditure on investment properties

Payments for capital expenditure on investment properties includes \$86.9 million (2008: \$90.8 million) of maintenance and incentive capital expenditure.

Note 38. Non-cash financing and investing activities

	Note	Consolidated		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Distributions reinvested	26	100,420	243,678	47,912	146,305

Note 39. Earnings per unit

Earnings per unit are determined by dividing the net profit attributable to equity holders by the weighted average number of ordinary units outstanding during the year. The weighted average number of units has been adjusted for the bonus elements in units issued during the year and comparatives have been appropriately restated.

(a) Basic earnings per unit on (loss)/profit attributable to equity holders of the parent entity

	Consolidated		Parent entity	
	2009 cents	2008 restated cents	2009 cents	2008 restated cents
	(8.11)	2.64	(9.74)	2.72

(b) Diluted earnings per unit on (loss)/profit attributable to equity holders of the parent entity

	Consolidated		Parent entity	
	2009 cents	2008 restated cents	2009 cents	2008 restated cents
	(8.11)	2.64	(9.74)	2.72

(c) Basic earnings per unit on (loss)/profit attributable to stapled security holders

	Consolidated	
	2009 cents	2008 restated cents
	(39.38)	13.88

(d) Diluted earnings per unit on (loss)/profit attributable to stapled security holders

	Consolidated	
	2009 cents	2008 restated cents
	(39.38)	13.88

(e) Reconciliation of earnings used in calculating earnings per unit

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Net (loss)/profit	(1,455,416)	445,261	(360,986)	85,804
Net loss/(profit) attributable to equity holders of other stapled entities (minority interests)	1,158,625	(354,807)	–	–
Net profit attributable to other minority interests	(3,695)	(6,984)	–	–
Net (loss)/profit attributable to the unitholders of the Trust used in calculating basic and diluted earnings per unit	(300,486)	83,470	(360,986)	85,804

(f) Weighted average number of units used as a denominator

	Consolidated		Parent entity	
	2009 securities	2008 restated securities	2009 units	2008 restated units
Weighted average number of units outstanding used in calculation of basic and diluted earnings per unit	3,705,637,381	3,156,757,941	3,705,637,381	3,156,757,941