

# Dexus Property Group posts \$1.4bn loss

AAP

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DEXUS Property Group has posted a \$1.46 billion full year loss as its portfolio value plunged, and says it expects conditions to remain challenging in the coming year.

Dexus's net loss follows a net profit of \$438 million in the prior financial year.

Dexus, which specialises in the office, industrial and retail sectors, said it had revalued the entire property portfolio as at June 30, resulting in devaluations totalling \$1.6 billion.

"Adverse market conditions were reflected in a softening of capitalisation rates and weaker underlying property fundamentals, causing a decline in property valuations worldwide," Dexus said.

Chief executive Victor Hoog Antink said the company expected conditions to continue to be challenging in the coming year.

He said Dexus would focus this financial year on actively managing its property portfolio to create value and deliver sustainable income, and actively managing its capital structure and balance sheet, and continuing to diversify funding sources.

For 2009/10, Dexus said it expected to deliver earnings (FFO - funds from operations per security) of 7.3 cents per security and distributions of 70 per cent of FFO, about 5.1 cents per security in the year ending June 30, 2010.

In 2008/09, FFO per security was 10.43 cents.