

# 2011 Investor and Analyst Conference

## November 14, 2011



RELIABLE. ANSWERS.

**Duke**REALTY



**Denny Oklak**  
Chairman & CEO



**Christie Kelly**  
Executive VP & CFO



**Jim Bremner**  
President, Healthcare



**Jim Connor**  
Senior Regional EVP



**Sam O'Briant**  
Regional EVP



**Jeff Turner**  
Regional EVP



**Ron Hubbard**  
VP, Investor Relations



**Deeni Taylor**  
EVP, Healthcare



**Jeff Thornton**  
SVP, South Region



**Randy Wood**  
VP, South Region

Opening

Market outlook

Strategic performance

Capital Strategy and 2011 guidance

Blackstone transaction overview

Medical office and Baylor overview

Dallas market overview

Closing comments

# AGENDA



## Where we've been and where we're going...

### FOCUS:

- ▶ Liquidity
- ▶ More than \$1.5 billion capital raised
- ▶ Strategy refined



2009

### FOCUS:

- ▶ Strategy execution
- ▶ Operating fundamentals
- ▶ Balance sheet strength



2010

### FOCUS:

- ▶ Asset quality
- ▶ Cash flow growth
- ▶ Shareholder return



2011 and beyond

# Market Outlook



## Industrial Market Continues Slow Recovery

- Net absorption in U.S. for Q3 2011 was positive for the 6th consecutive quarter
- Strong demand for high quality available space remains
- Manufacturing sector showing signs of rebounding; industrial capacity utilization up
- ISM index has been steady with a slight uptick in September
- Manufacturing sector, wholesale trade and transportation realizing a majority of recent job growth



## Suburban Office Market Still Challenging

- Economic and federal budget uncertainty limiting business investment and expansion decisions
- Office sector recovery continuing, but slowly ...
- Recovery is still chugging along though, with Q3 vacancy declining to 13%, down 20 bps from previous quarter
- Absorption was strongest since 2007 and supply additions were a record low



## Medical Office Traction Remains

- Operators now making expansion decisions after two year pause
- Relationships are a key driver of on campus MOB business
- Demographics and economics positive growth drivers
- Medical office development and acquisition activity continues

**Still challenging, but trends improving in all product types**

## Strategy for Success

**Focus on:**

- Portfolio repositioning
- Strategic acquisitions & dispositions
- Development opportunities

**Focus on:**

- Increasing cash flow
- Maximizing return on assets

**Focus on:**

- Improving coverage ratios
- Improving ratings

## Strategies for delivering shareholder value

# Strategic Focus

## 2011 Goals and Objectives

## Q3 2011 Update

### Operations Strategy

- Lease-up portfolio, manage cap ex; reach positive same property income growth
- Balance execution with capital strategy relative to level and quality of cash flow and same property NOI; Debt to EBITDA <7.0x
- Development starts of \$100 to \$200 million focus on medical office and build-to-suit

- Total portfolio occupancy as of September 30, 2011 of 90.7%; industrial portfolio at 92.4%
- Approximately 5.8 million square feet of leases completed
- Debt to EBITDA @ 7.1x; 2.1% Same Property NOI growth
- \$162 million of development starts; all 100% pre-leased medical office and suburban office

### Asset Strategy

- Continue strong momentum from 2010 on repositioning of portfolio
- Pursue acquisitions of medical and industrial assets
- Planned asset dispositions of primarily Midwest office

- Closed on over \$103 million of acquisitions during the quarter
- \$6 million in dispositions of non-core assets
- Post quarter end announced 82 building, \$1.08 billion suburban office portfolio sale to Blackstone

### Capital Strategy

- Opportunistically access capital markets . . . push out maturity schedule further
- Continue improving our coverage ratios
- Maintain minimal balance on line of credit

- YTD Fixed charge ratio of 1.81x versus 1.79x for 2010
- Redeemed \$109 million in 7.25% Series N Preferred Shares
- \$284 million credit facility balance at quarter end, primarily due to timing

**Executing across all three aspects of our strategy**

# OPERATIONS STRATEGY



## Focus on Fundamentals



**LEASING OF  
PORTFOLIO**



**STRATEGIC  
NEW DEVELOPMENT  
AND LAND DISPOSITION**



**AFFO PAYOUT**

**Maximize return on assets**

## New, High Quality Portfolio with Long-term Leases

Portfolio average	Bulk Industrial	Suburban Office	Medical Office
Property age	10.4 years	13.0 years	2.5 years
Property size	215,000 SF	115,000 SF	106,000 SF
Lease term	7.0 years	7.2 years	11.7 years
Tenant size	70,000 SF	12,000 SF	10,000 SF



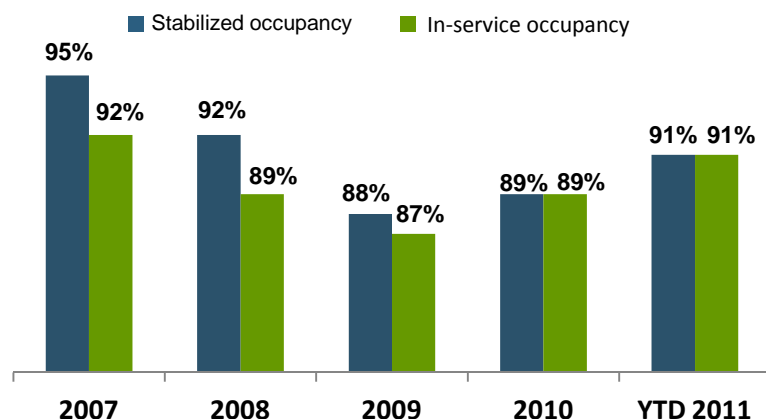
## Premier portfolio of assets

Note: All information as of September 30, 2011 with proposed Blackstone sale assets removed

# Consistent Operating Performance

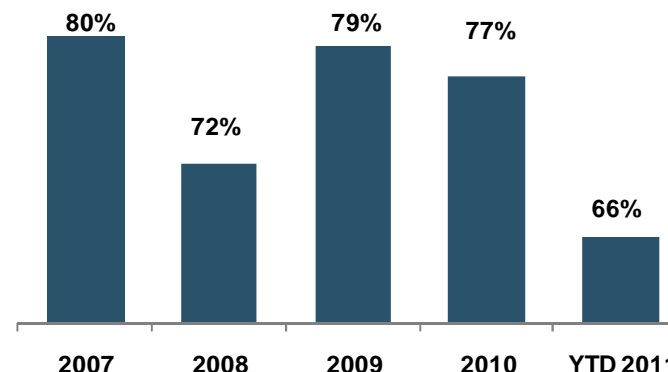
## Stabilized Occupancy (%)

*Strong historical stabilized occupancy – fundamentals improving*



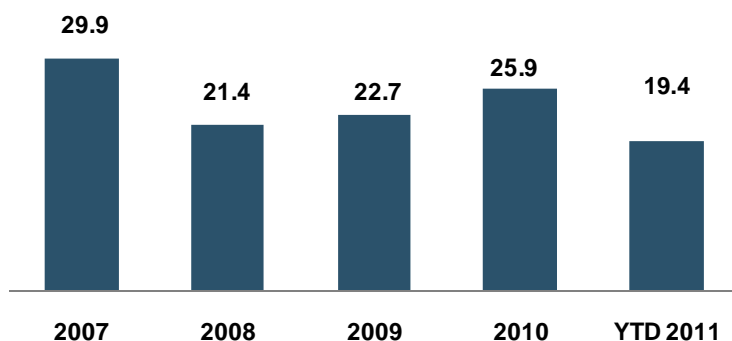
## Lease Renewals (%)

*Strong lease renewal percentages*



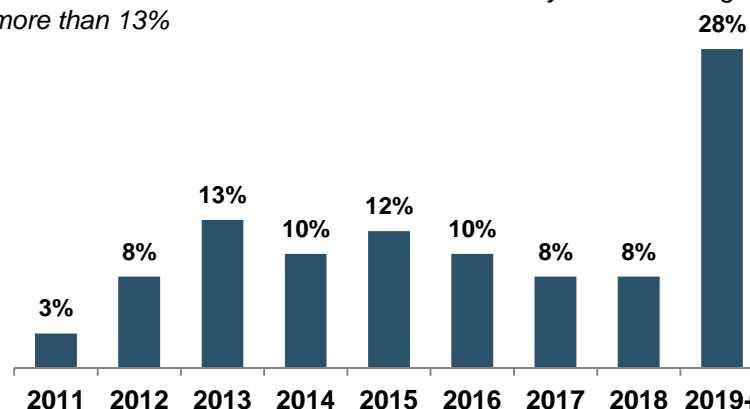
## Leasing Activity

*New Leases and Renewals – Consistent Execution (in millions of square feet)*



## Lease Maturity Schedule

*Lease maturities are well balanced with no one year accounting for more than 13%*

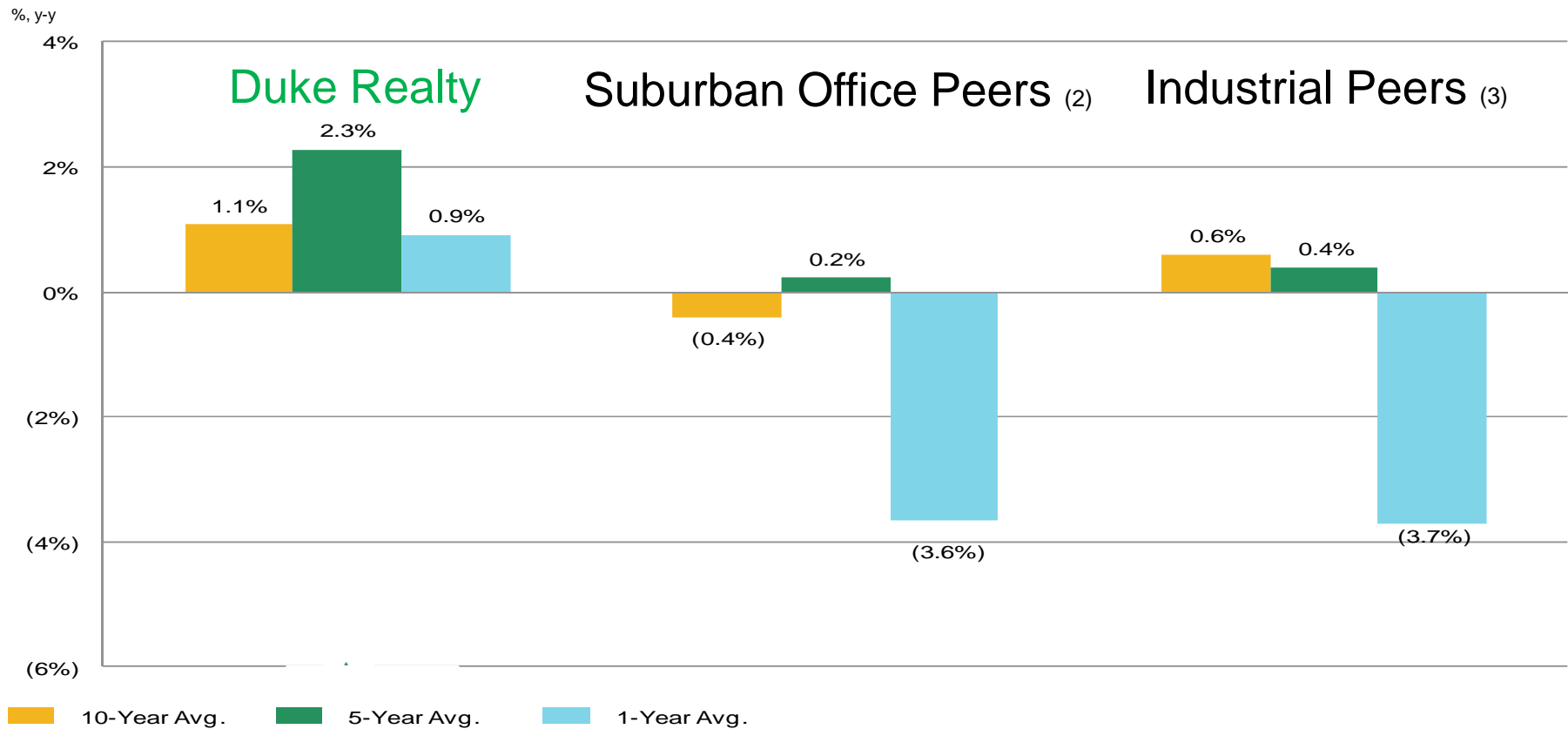


**Demonstrated ability to maintain consistency through economic cycles**

# Consistent NOI Growth Outperformance

## Relative Performance vs. Peers

Annual Same-Store NOI Growth<sup>(1)</sup>



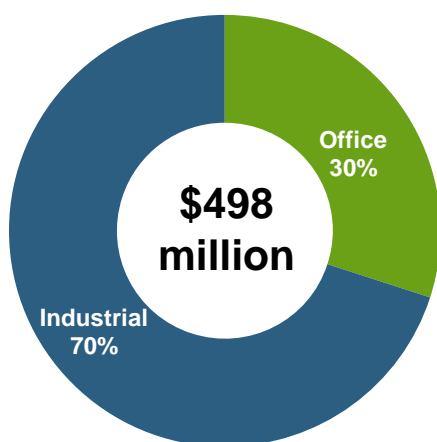
**Source** SNL and company filings

**Notes**

1. Based on straight-line average of year-over-year annual same-property NOI growth
2. Suburban office includes BDN, CLI, HIW, LRY and PKY; weighted by historical market cap
3. Industrial includes DCT, EGP, FR, FPO, PSB, AMB and PLD; weighted by historical market cap

## Land and Development Capabilities

### HELD FOR DEVELOPMENT



### Development – Amounts in million SF

	Industrial	Office	
<b>Midwest</b>	26.3	2.8	Indianapolis, Chicago, Cincinnati, Columbus, Minneapolis, and St. Louis major positions
<b>East</b>	3.8	2.1	New Jersey, Baltimore, Washington D.C., and Raleigh
<b>Southeast</b>	8.5	1.3	Atlanta, Central Florida, and, South Florida
<b>Southwest</b>	5.8	0.7	Phoenix, Dallas, and Houston
<b>Total</b>	<b>44.4 million SF</b>	<b>6.9 million SF</b>	

**Attractive positions contribute to future development and value**



## Atlanta - Office

- Headquarters Build to Suit for Primerica, A2/AA- rated financial services Company
- 345,000 square feet
- Fifteen year lease term
- Owned land at Legacy Office Park in Gwinnett County, 37 acres
- First development at this park
- \$65 million project



**Strategic new development on Duke Realty land**

## Indianapolis – Medical Office

- Wishard Faculty Office Building
- A Aa2 rated system sponsored by Marion County
- 275,000 square feet
- Thirty year lease term
- 50/50 Joint Venture with Hospital System
- On campus of new hospital to open in 2013
- \$90 million project



## Grow Medical Office



## 2010 PERFORMANCE

- ✓ Total portfolio occupancy of 89.1%
- ✓ Industrial at 90.5% occupancy
- ✓ Nearly 26 million SF leases – highest volume since 2007

## 2011 GOALS

Performance YTD:

- Total portfolio occupancy of 90.7%
- Industrial at 92.4% occupancy
- 19.4M SF of leases
- Strong same property performance

**Quality, well-positioned assets to drive performance**

# ASSET STRATEGY

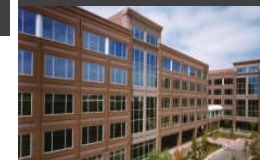
## Track Record

**\$1 Billion**

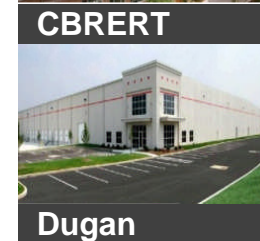
Suburban  
Office  
Disposition



Premier



CBRERT



Dugan



Asset Strategy

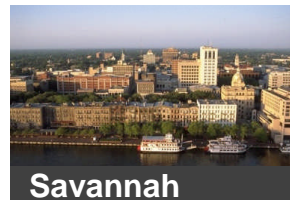


Healthcare

**BremnerDuke**  
HEALTHCARE REAL ESTATE



Washington DC



Savannah

**\$1 Billion**

Flex disposition

2005

2006

2007

2009

2010

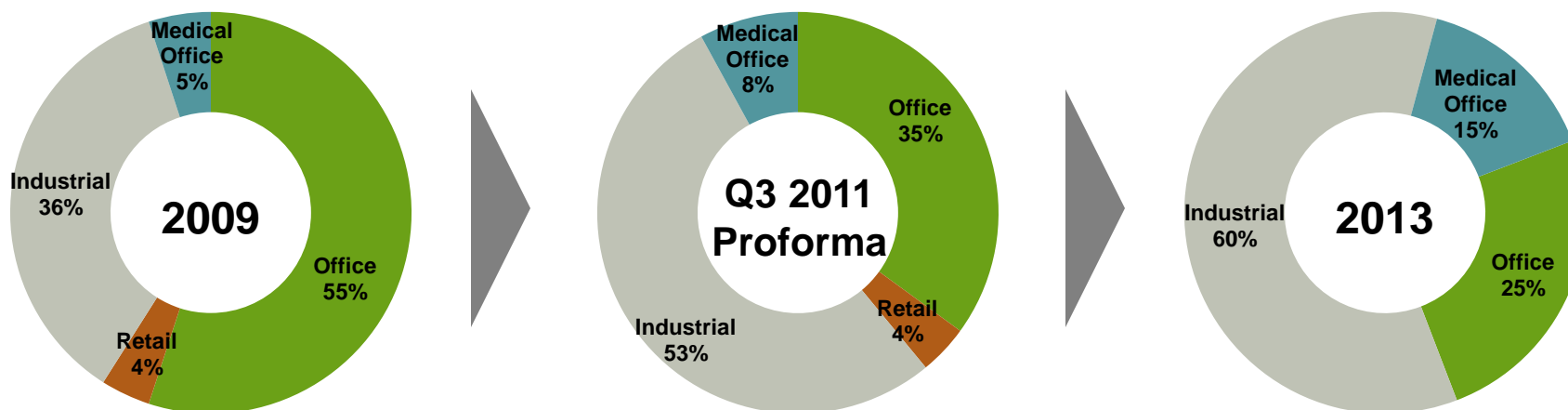
2011

**Proven ability to execute**

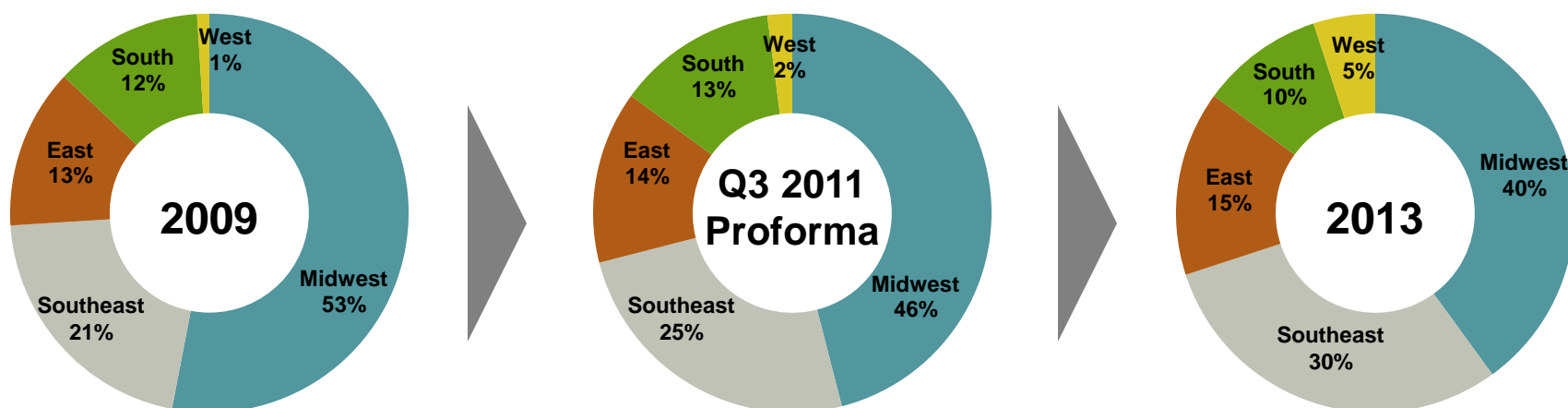


# Portfolio Strategy

## BY PRODUCT



## BY GEOGRAPHY



**Note:** Proforma includes \$1.08 billion announced Blackstone sale

## Asset Strategy: Road Map

(\$ in millions)	Investment 9/30/09		Investment 9/30/11		ACTION PLAN		Investment 2013	
PRODUCT TYPE	Amount	%	Amount	%	Accelerated Office Sale Proceeds	To Go	Amount	%
Industrial	\$2,930	36%	\$3,904	45%	0	\$1,016	\$4,920	60%
Office	4,515	55%	3,955	45%	(\$1,080)	(503)	2,050	25%
Medical Office	440	5%	575	7%	0	655	1,230	15%
Retail	290	4%	308	3%	0	(308)	0	0%
	<b>\$8,175</b>	<b>100%</b>	<b>\$8,742</b>	<b>100%</b>	<b>(\$1,080)</b>	<b>\$ 860</b>	<b>\$8,200</b>	<b>100 %</b>
REGION								
Midwest	\$4,310	53%	\$4,158	48%	(\$556)	(\$115)	\$3,280	40%
Southeast	1,755	21%	2,401	27%	(475)	631	2,460	30%
East	1,035	13%	1,053	12%	0	177	1,230	15%
South	970	12%	999	11%	(49)	(112)	820	10%
West	105	1%	131	2%	0	279	410	5%
	<b>\$8,175</b>	<b>100%</b>	<b>\$8,742</b>	<b>100%</b>	<b>(\$1,080)</b>	<b>\$ 860</b>	<b>\$8,200</b>	<b>100%</b>

**Portfolio sale accelerates suburban office repositioning**

## Transactions Reviewed

### Acquisition Opportunities Reviewed – Number of transactions

	Industrial	MOB	Office	TOTAL
Total Reviewed	139	31	14	184
Submitted Formal Offers	74	18	9	101
Won (Closed and In Process)	26	7	6	39

### Acquisition Opportunities Reviewed – Dollars in billions

	Industrial	MOB	Office	TOTAL
Total Reviewed	\$9.5	\$2.5	\$0.9	\$12.8
Submitted Formal Offers	\$3.7	\$0.9	\$0.3	\$ 4.9
Won (Closed and In Process)	\$1.2	\$0.3	\$0.2	\$ 1.6

**Since Q3 2009, we have reviewed nearly \$13 billion in opportunities**

## Third Quarter 2011 Acquisitions

Deal	Location	Economics	Why?
Greenfield North 371K SF, 4 buildings	Raleigh		Class A industrial buildings with nearby development potential. Near other Duke Realty Class A bulk in the market.
Centerpoint I 324K SF	Raleigh		Excellent, 100% leased Class A bulk industrial at below replacement cost. Cross docked feature is rare in market.
Seefried Portfolio 694K SF, 3 buildings	Chicago (2) Dallas (1)		Tier 1 locations, 100% leased, all single tenant. Remaining lease term of 7, 9, and 15 years. Excellent long term leases and locations in these two Tier I distribution markets.
<b>Total</b>		\$94M @ ~ 7.5% cap rate	



**Greenfield North**



**Centerpoint I**



**Seefried (Chicago)**



**Seefried (Dallas)**

**Being selective ... Focused on the market, asset quality and return profile**



## 2010 PERFORMANCE

- ✓ \$533.2 million of dispositions
- ✓ \$919.1 million of acquisitions
- ✓ \$130 million of development starts

## 2011 GOALS

Performance YTD:

- \$525.5 million of dispositions
- \$358.9 million of acquisitions
- \$190.3 million of development starts
- Continue to make significant progress on strategic plan

**Quality portfolio further improving with asset strategy**



# CAPITAL STRATEGY AND 2011 GUIDANCE

## Capital Strategy Focus

- 1 Reducing leverage
- 2 Increasing coverage ratios
- 3 Maintaining size and quality of unencumbered asset base
- 4 Executing portfolio repositioning in alignment with capital strategy objectives

**Further improve balance sheet strength and ratings**

## Key Metrics & Goals

	2009 Actual	2010 Actual	2011 3Q Actual	Goal
<b>Debt to Gross Assets</b>	44.5%	46.3%	47.7%	45.0%
<b>Debt + Preferred to Gross Assets</b>	54.9%	55.5%	55.8%	50.0%
<b>Fixed Charge Coverage Ratio</b>	1.79 : 1	1.79 : 1	1.81 : 1	2.00 : 1
<b>Debt/EBITDA</b>	6.65	7.31	7.15	< 6.00
<b>Debt + Preferred/EBITDA</b>	8.47	8.88	8.48	< 7.75

**Progressing toward strategic plan goals**

## Continue to execute on capital strategy objectives

(\$ in millions)

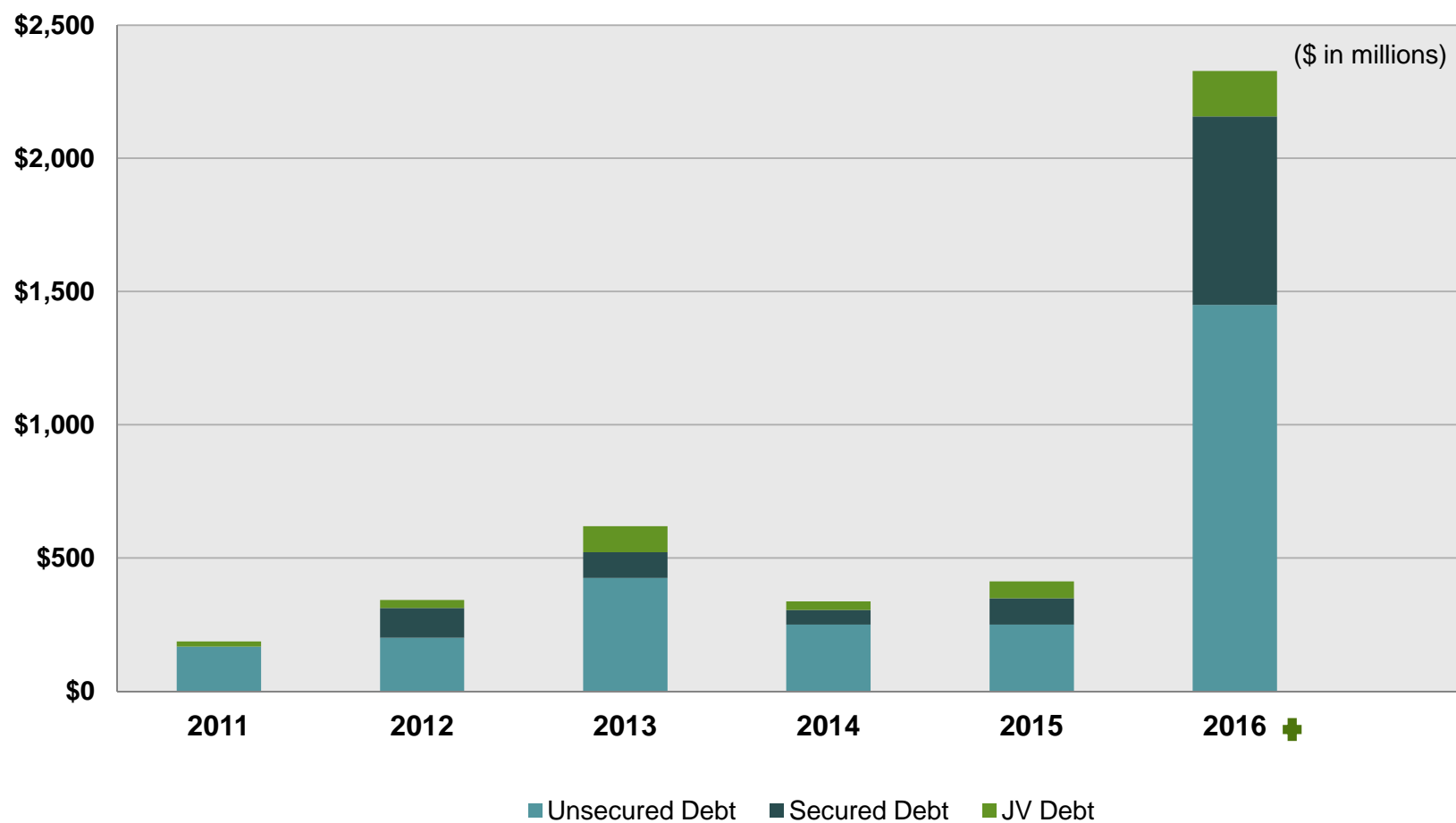
CAPITAL SOURCE	2007	2008	2009	2010	2011	TOTAL
Common Stock	\$230	-	\$575	\$311	-	\$1,116
Preferred Stock	-	\$300	-	-	-	\$300
Unsecured Debt	\$300	\$325	\$500	\$250	-	\$1,375
Secured Debt	-	-	\$270	-	-	\$270
Asset Dispositions	\$785	\$475	\$300	\$533	\$1,650	\$3,344
<b>TOTAL</b>	<b>\$1,144</b>	<b>\$1,051</b>	<b>\$1,466</b>	<b>\$1,094</b>	<b>\$1,650</b>	<b>\$6,405</b>

- Investment grade rated debt for over 15 years
- Proven access to multiple capital sources
- Available line of credit - \$850 million capacity
- Dividend covered by AFFO

## Continue to strengthen balance sheet

Note: 2011 includes projected closing of \$1.08B office portfolio sale to Blackstone

## Liquidity Position



## Manageable debt maturities

## 2011 Range of Estimates

### 2011 RANGE

Metrics	2010 Actual	3Q YTD	Pessimistic	Optimistic	Key Assumptions
Core FFO Per Share	\$1.15	<b>\$0.86</b>	\$1.13	\$1.15	
AFFO Payout Ratio	89%	<b>88%</b>	100%	85%	• Annual dividend maintained at \$0.68 per share
Average Occupancy	88.2%	<b>89.4%</b>	87.5%	90.5%	• Solid performance • Pick-up from short-term leases • Q4 decline anticipated
Same Property NOI	0.9%	<b>2.1%</b>	(3.0%)	1.0%	• Rental rate pressure remains • Coming off higher year
Building Acquisitions	\$919	<b>\$359</b>	\$200	\$400	• Aligned with long-term strategy • Focus on industrial and medical office
Building Dispositions	\$499	<b>\$520</b>	\$400	\$600	• Strong backlog of non-strategic assets under contract including \$1.08 billion sale to Blackstone • Includes \$275 million sale to CBRERT
Land Dispositions	\$35	<b>\$5</b>	\$20	\$50	• Selling identified non-strategic parcels • Local market demand still sluggish
Construction and Development Starts	\$313	<b>\$462</b>	\$200	\$400	• MOB development \$112 million • BTS Bulk/Office development \$180 million • Aerospace TPC start \$170 million
Construction Volume	\$751	<b>\$571</b>	\$600	\$800	• BRAC volume consistent with 2010
General and Administrative Expenses	\$41	<b>\$29</b>	\$45	\$40	• 2011 total overhead expenses flat • Good leasing absorption

## Leasing actions continue to drive upside





## 2010 PERFORMANCE

- ✓ \$560 million of capital raised
- ✓ Retired \$100 million of unsecured bonds
- ✓ Fixed charge ratio of 1.79x and debt to EBITDA of 7.31x
- ✓ Repurchased ~ \$280 million par value of bonds and more than \$112 million face amount of Series O preferred stock

## 2011 GOALS

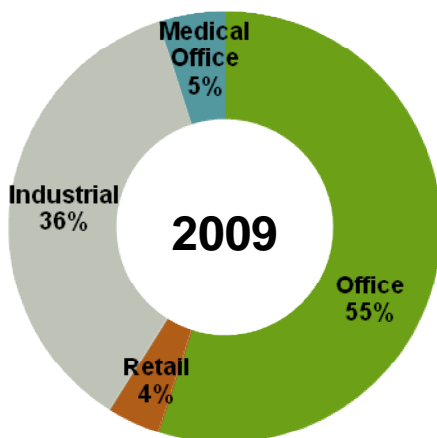
- Opportunistically access capital markets
- Continue improving coverage ratios
- Maintain minimal balance on line of credit

**Strong balance sheet ... executing according to strategy**

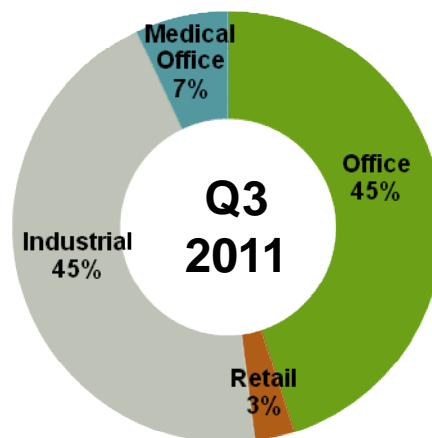
# **\$1.08B PORTFOLIO SALE OVERVIEW**

# Blackstone Office Sale

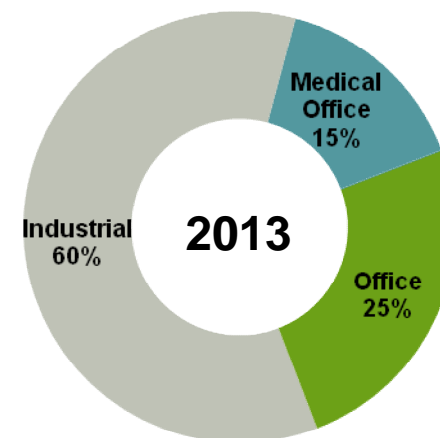
Portfolio by product type  
September 30, 2009



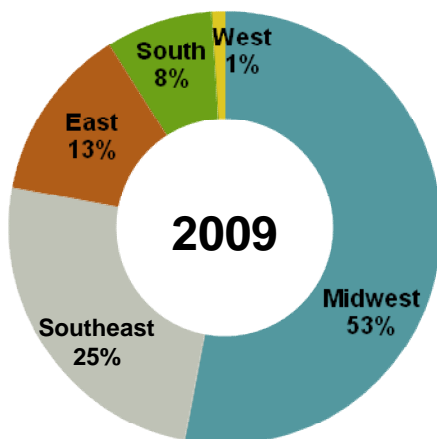
Portfolio by product type  
September 30, 2011



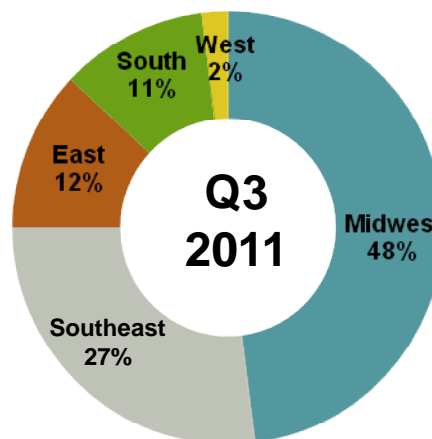
Portfolio by product type  
2013



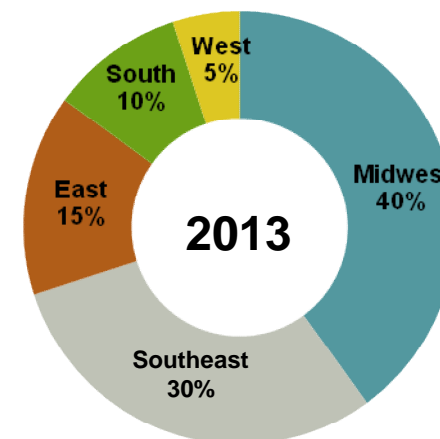
Portfolio by region  
September 30, 2009



Portfolio by region  
September 30, 2011



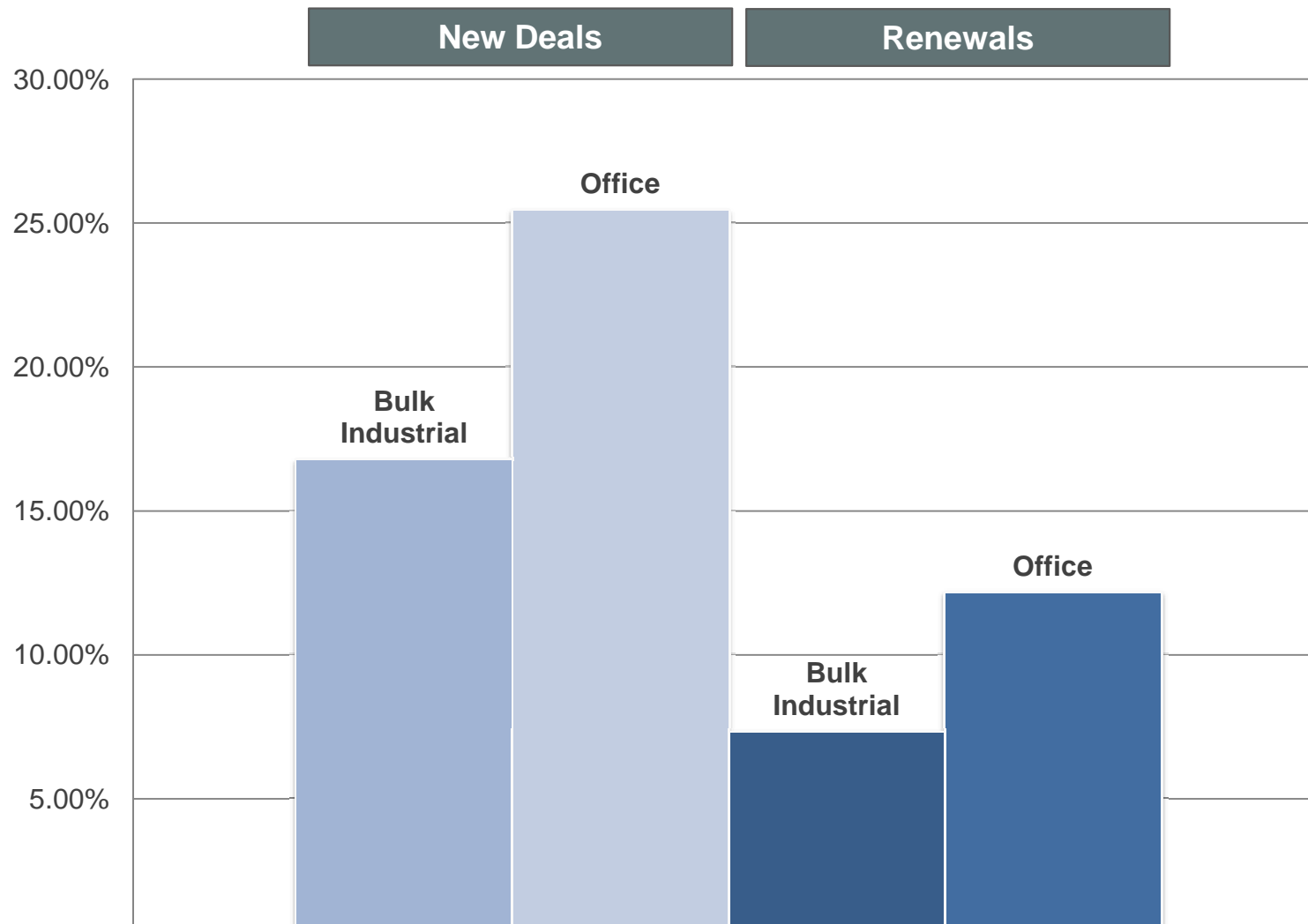
Portfolio by region  
2013



Transaction consistent with asset strategy objectives

# Blackstone Office Sale

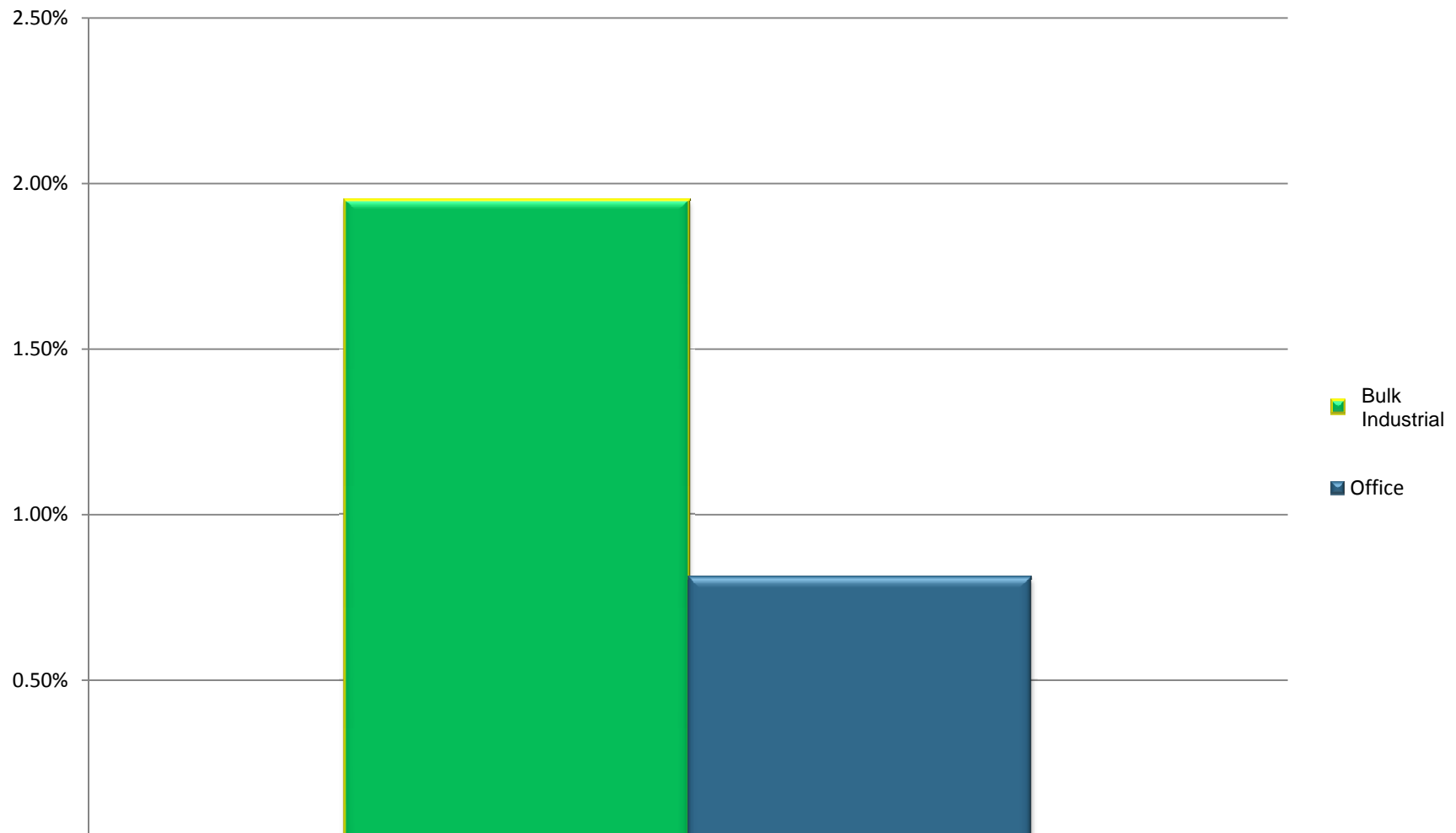
## 10 Year Average Cap Ex as a % of NER



**Provides opportunity to improve AFFO**

## Blackstone Office Sale

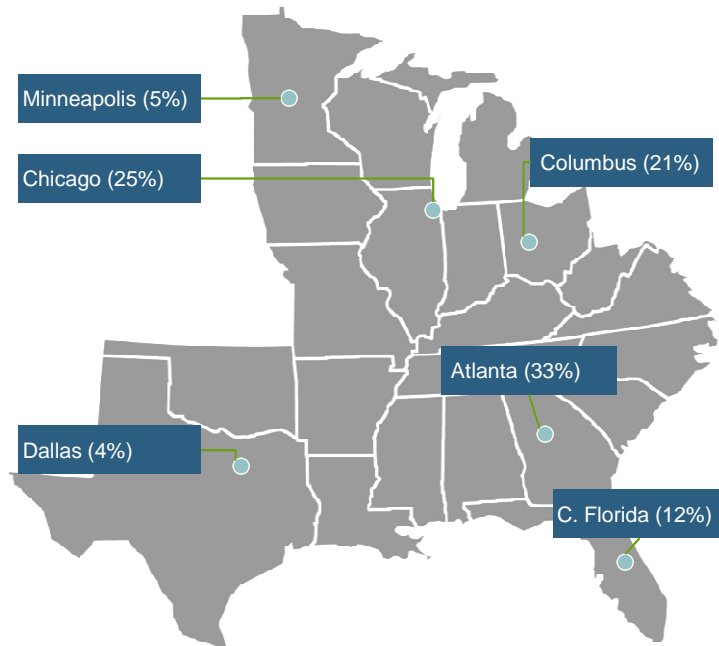
### 10 year Average Renewal Rental Rate Growth



**Provides opportunity to achieve increased rental rate growth**

# Blackstone Office Portfolio Sale - \$1.08 Billion

## Geographic Footprint



- ▶ **10.1 million square feet (82 Assets)**
- ▶ **All wholly owned assets in each market**
- ▶ **54% concentration in Midwest Region**

## Asset Snapshots



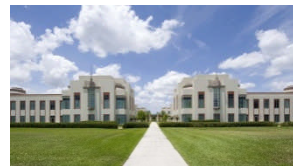
Northwinds  
Atlanta



Sugarloaf  
Atlanta



Highland Oaks  
Tampa



Celebration  
Orlando



Executive Towers  
Chicago



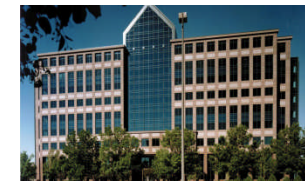
Riverway  
Chicago



Tuttle Crossing  
Columbus



Duke Bridges  
Dallas



1600 Tower  
Minneapolis

**Accelerates portfolio repositioning strategy**



## Blackstone Sale – Portfolio Analysis

	Blackstone Portfolio	Remaining Portfolio
Total Square Feet	10.1 M	23.3 M
# of Properties	82	204
Average Size	126,000	115,000
Average Tenant Size	12,000	12,000
Average Age	15	13
Average Lease Term	6.5	7.2
Lease Expirations (% of total)		
2012	13%	9%
2013	19%	12%
2014	11%	8%

## Blackstone Office Sale

Cap rate based on annualized first nine months of NOI	8.2%
Cap rate based on annualized third-quarter NOI	8.5%
Price per square foot	\$107
Estimated replacement cost per square foot	\$125 - \$135
Average age of properties	15 Years

**Quality portfolio at solid pricing**

## Blackstone Office Sale – Use of Proceeds

- Transaction generates \$1.05 billion of capital to redeploy:

Pay off line of credit	\$ 284 Million
Repay December debt maturities	\$ 168 Million
Net fourth quarter acquisitions	\$ 250 Million
Redeem Series “M” Preferred stock	<u>\$ 168 Million</u>
	\$ 870 Million
Available cash for future acquisitions	<u>\$ 180 Million</u>
 TOTAL Proceeds	 <u>\$1.050 Billion</u>

**Use of proceeds to delever and invest in high quality industrial and medical office assets**

## Blackstone Office Sale – Effect on Earnings

- No significant effect on 2011 earnings
- 2012 Earnings Effect:
  - Core FFO per share – dilution of \$0.10 to \$0.12 per share
  - Core AFFO per share – dilution of \$0.02 to \$0.03 per share
- Focused on AFFO per share and dividend coverage / payout ratio

## Summary

- 1 Consistent with our long term asset strategy of decreasing our investment concentration in suburban office assets, primarily in Midwest markets
- 2 55% of targeted asset population is concentrated in Midwest markets and 45% is concentrated in Southern markets; disposes of 100% of wholly owned office properties in respective markets
- 3 Generates \$1.05 billion of capital that can be redeployed into industrial and medical office assets as well as used to further delever
- 4 Provides opportunity to improve AFFO per share over the long term
- 5 Demonstrates our ability to execute

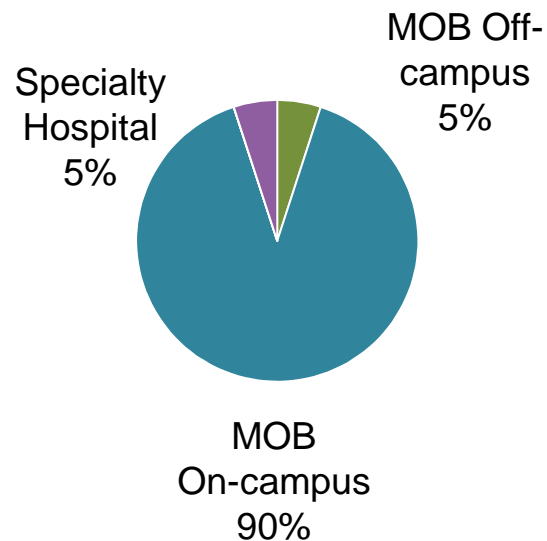
**Strategic disposition of suburban office properties in alignment with our objectives**

# MEDICAL OFFICE STRATEGY & Performance Update



# Medical Office Portfolio and Market Specific Asset Strategy

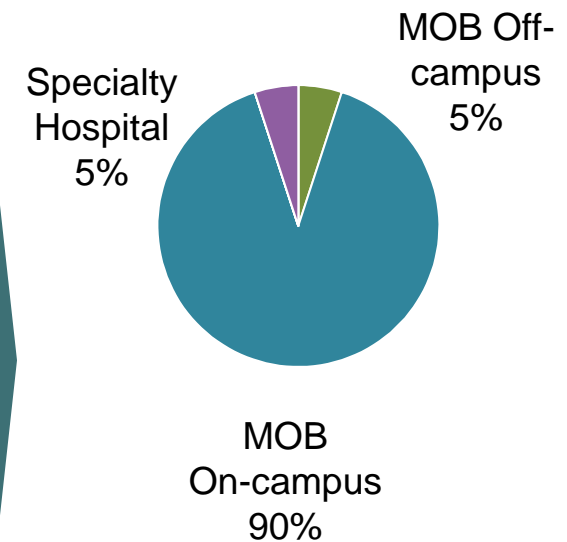
## TODAY



\$623 million

- Focus on “core” assets (on-campus)
- Focus on national and regional Hospital system relationships
- Focus on Duke Realty office locations
- Focus on demographic healthcare growth cities

## 2013

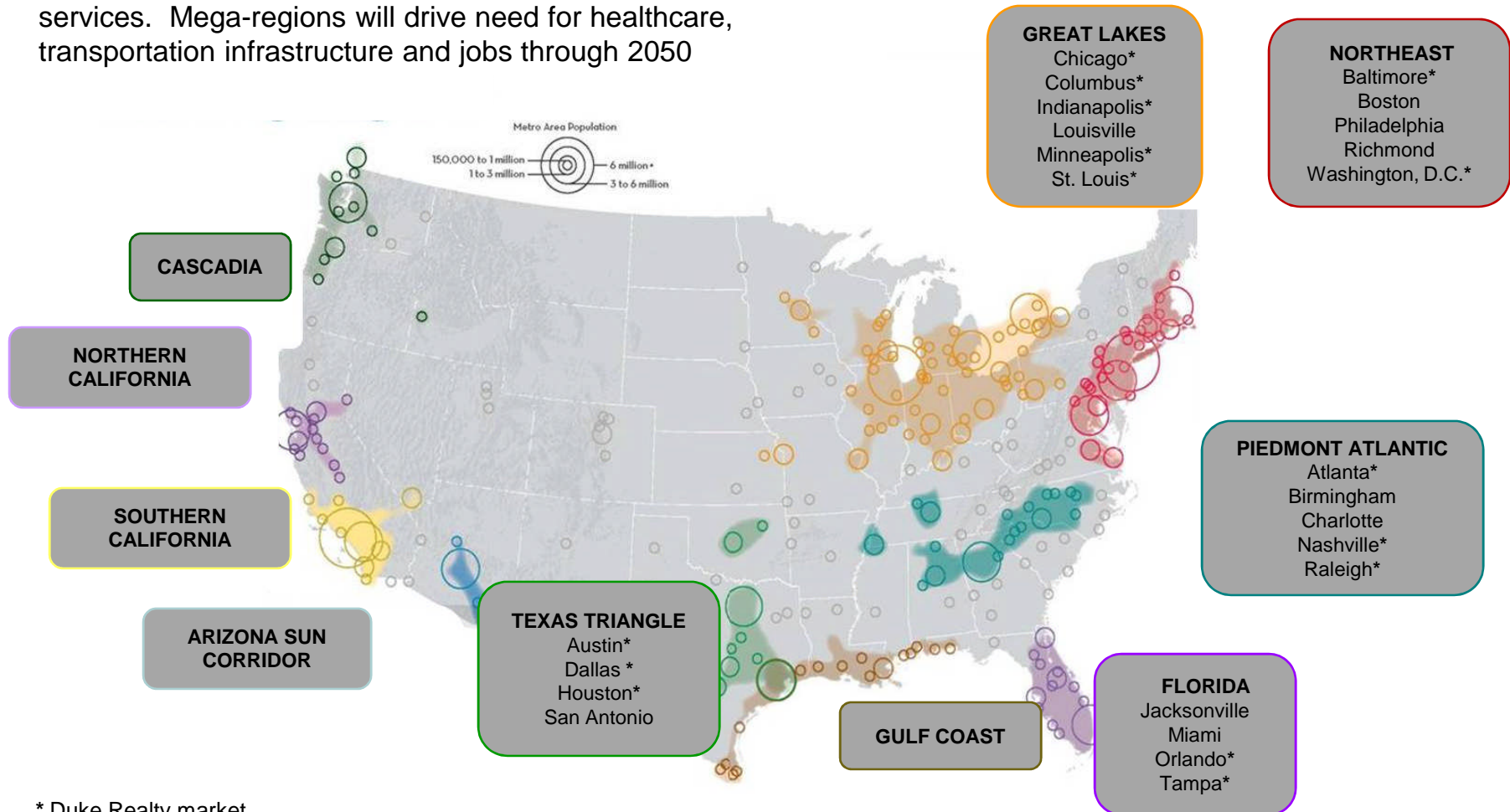


\$1.25 billion

**Doubling size of medical office presence**

# Duke Realty Markets: Demographic Focus

**Megaregions by 2050:** Populations in contiguous regions with major cities that produce more than \$100 billion in goods and services. Mega-regions will drive need for healthcare, transportation infrastructure and jobs through 2050



\* Duke Realty market

Map Source: ATLANTA REGIONAL COMMISSION MEGAREGIONS REPORT

## Healthcare Data Points

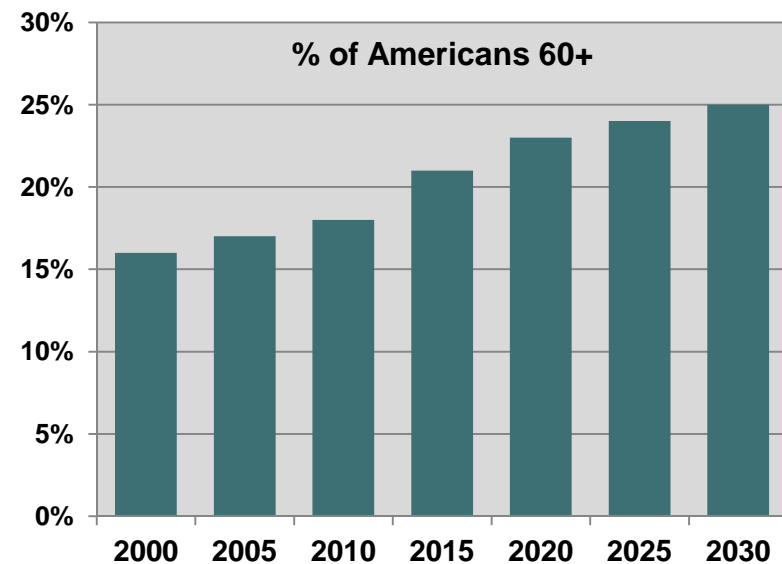
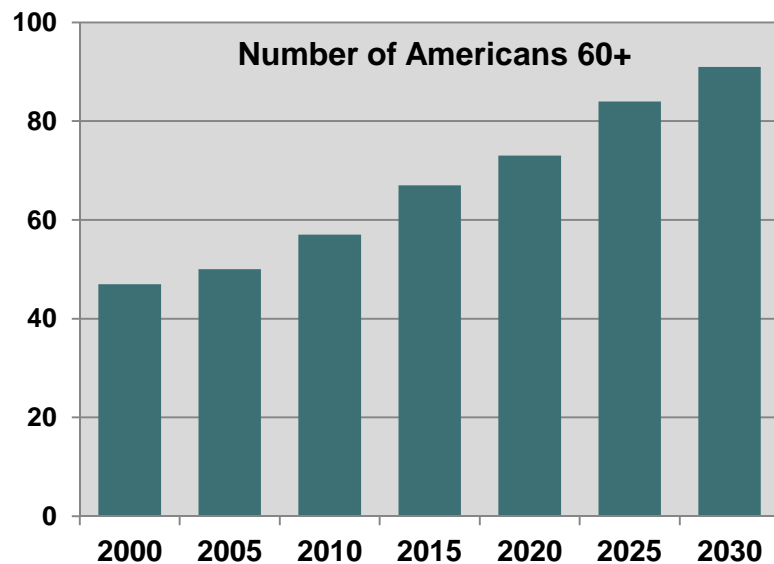


- The nation's largest industry
  - Represents more than 17% of GDP, predicted to exceed 23% by 2020
  - Americans spend more than 5% of pre-tax income on healthare. Lower income brackets pay 15% or more (\$7,800 per capita health expenditures in 2008/2009)
- Reform
  - Increased number of people insured expected to increase by 30 to 50 million – **increased demand for care**
  - Number of physicians will increase – **more space demand**
  - Hospitals expect margin pressure and need to increase market share – **Hospitals seeking capital partners for “non-core assets”**
  - May reduce reimbursements – **real estate efficiency a priority** – larger deals and floor plates
- Healthcare systems growing and physician employment changing

## Demand Driver

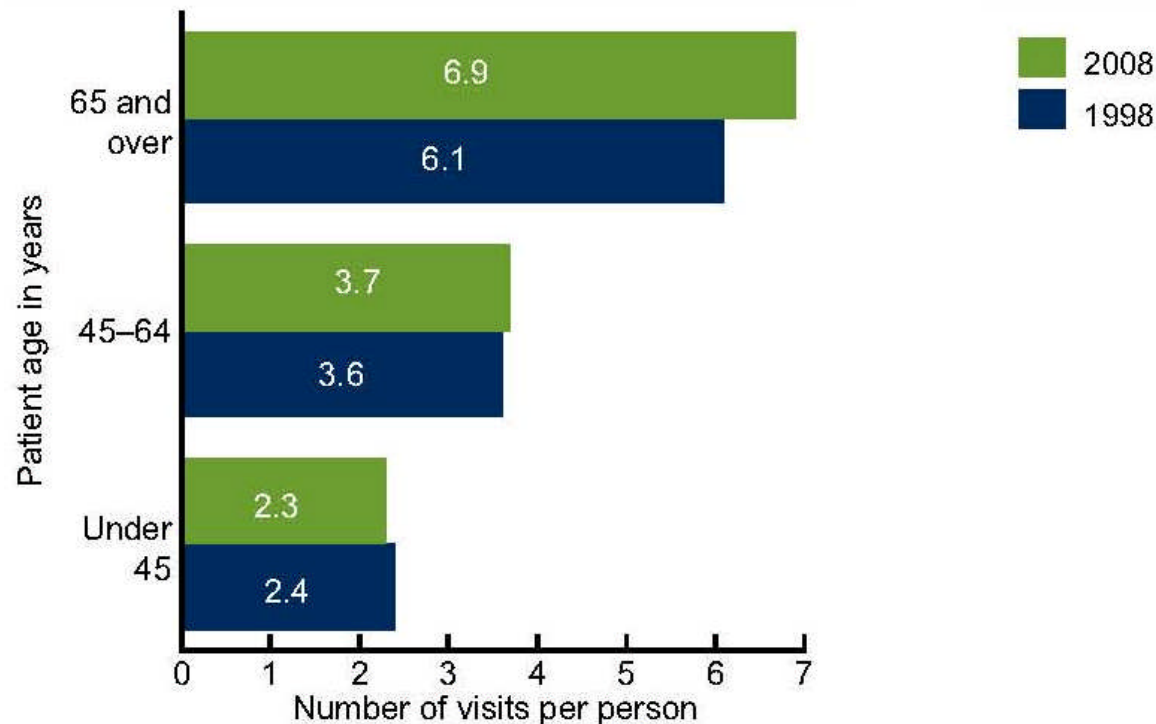
### THE AGING OF AMERICA

- 60+ age group continues to grow at greater than 3% annually through 2030
- Fact: Baby Boomers (60 + years old) seek more medical treatments than all others
- Growth of 60+ age group is creating demand for healthcare services through 2030



## Demand Driver

- Aging Population (continued)
  - Growth in aging population, increasing propensity for physician visits and focus on costs will drive strong demand for more efficient medical office space



## Demand Driver

---

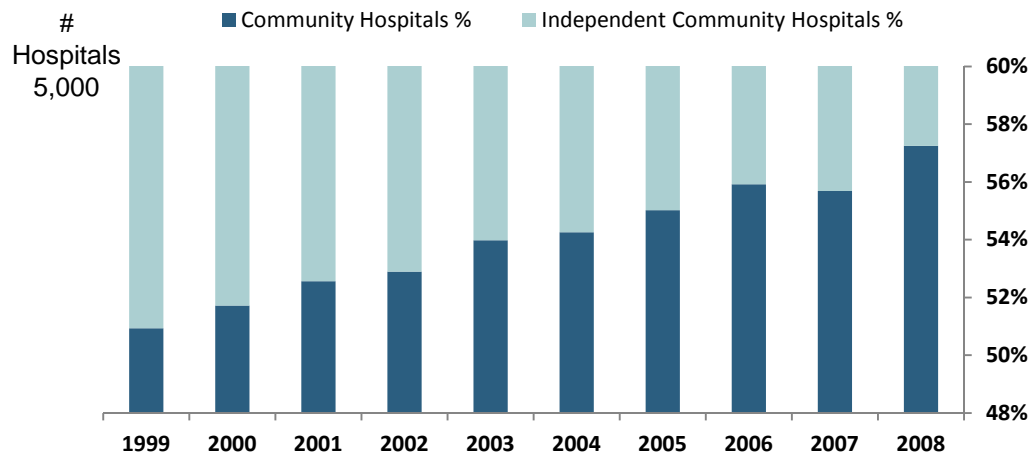
### THE OUTMIGRATION OF CARE

- Demand for outpatient services is projected to increase by 22% by 2019 while demand for inpatient services will remain flat
- Ambulatory surgery center (ASC) and diagnostic imaging center (DIC) visits increasing at a rate of 8.4 percent annually
- Physician office visits rising by 7.9 percent annually
- Outpatient care yields higher profit margins than inpatient care
- Outpatient services can be on or off campus



## Demand Drivers

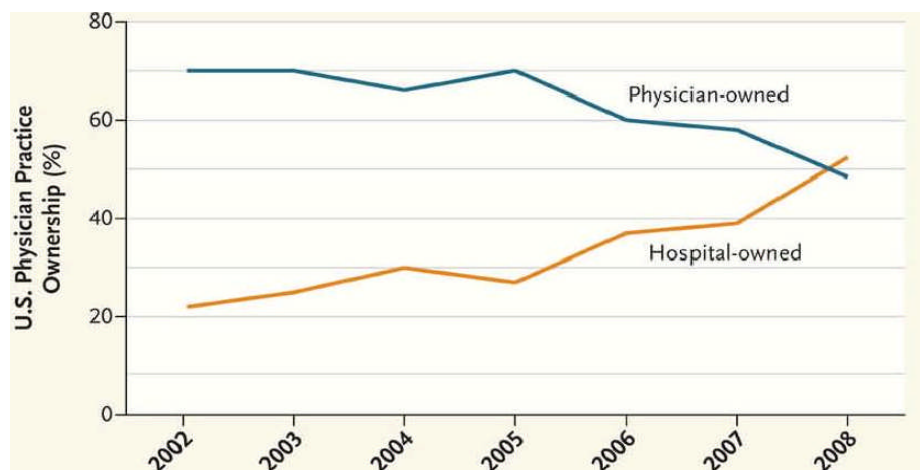
### Fewer Independent Community Hospitals



### Healthcare Systems

- Consolidation of hospitals into systems continues
- Hospitals need capital and must grow market share
- Healthcare systems are drivers for more strategically located outpatient facilities

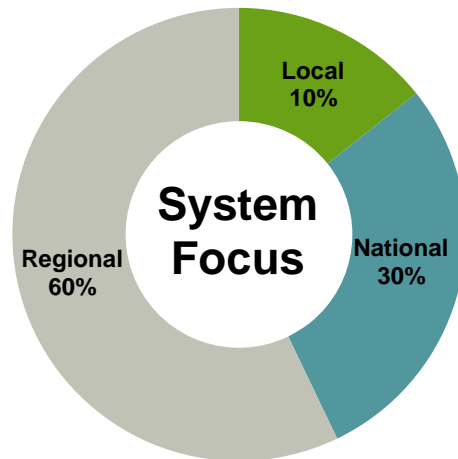
### More Physician's Aligning with Hospitals



### Employment of Physicians

- More physicians are being employed by hospitals
- Hospitals and physicians are forming multi-specialty practices to prepare for improved quality and reduced reimbursement
- Hospitals are driving more medical office space needs for physicians

## Development Focus



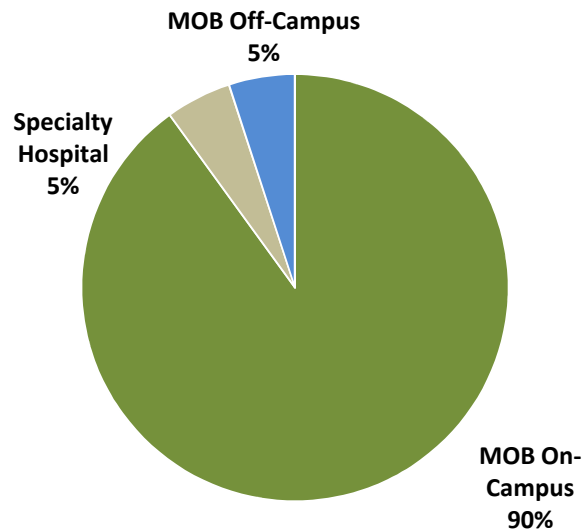
### ACTION PLAN

- National brand awareness
- Be “Experts”
  - Speak at national conferences (ASHE, BOMA)
  - Third party references
- National system relationships
  - Ascension
  - Tenet
  - HCA
  - Adventist
- Regional system relationships
  - Baylor Health
  - Rex Healthcare
  - Carolina Healthcare Systems
  - Advocate

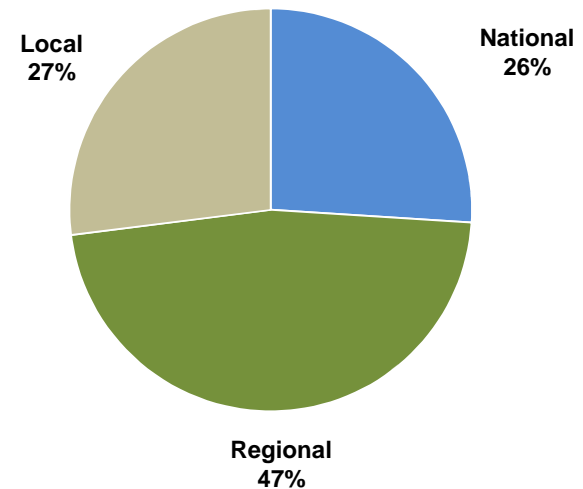
## Medical Office Portfolio at September 30, 2011

	In-Service	Under Development	Total
Total Properties	25	6	31
Total Investment \$	\$467 M	\$156 M	\$623 M
Total Square Feet	2.66 M	595 K	3.25 M
Total Occupancy	88%	86%	87%

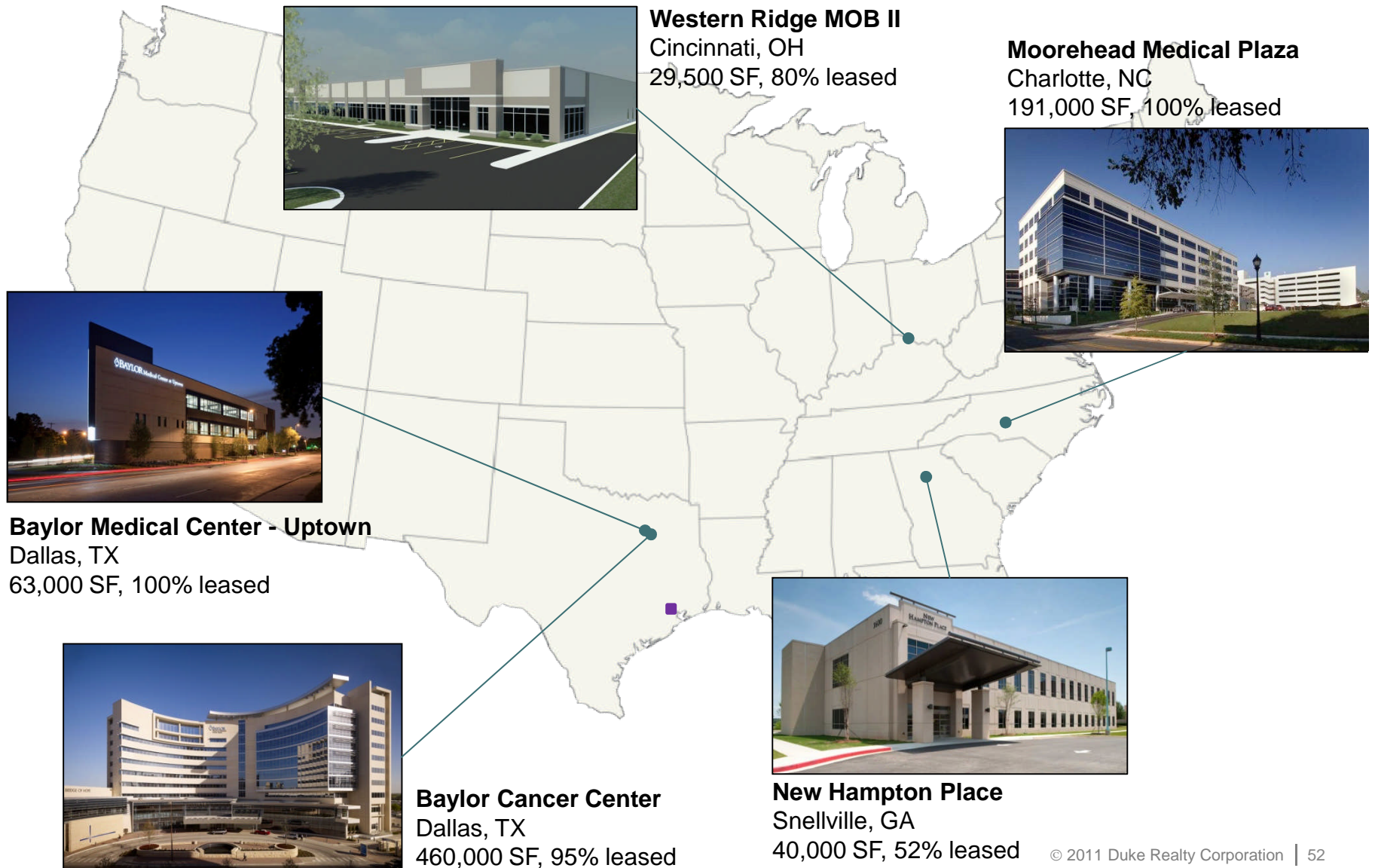
**Portfolio investment by product**



**Portfolio investment by hospital system**



# Projects Delivered/Acquired Past Twelve Months



## CHRISTUS St. Catherine Portfolio Acquisition



**Medical Plaza I & II**

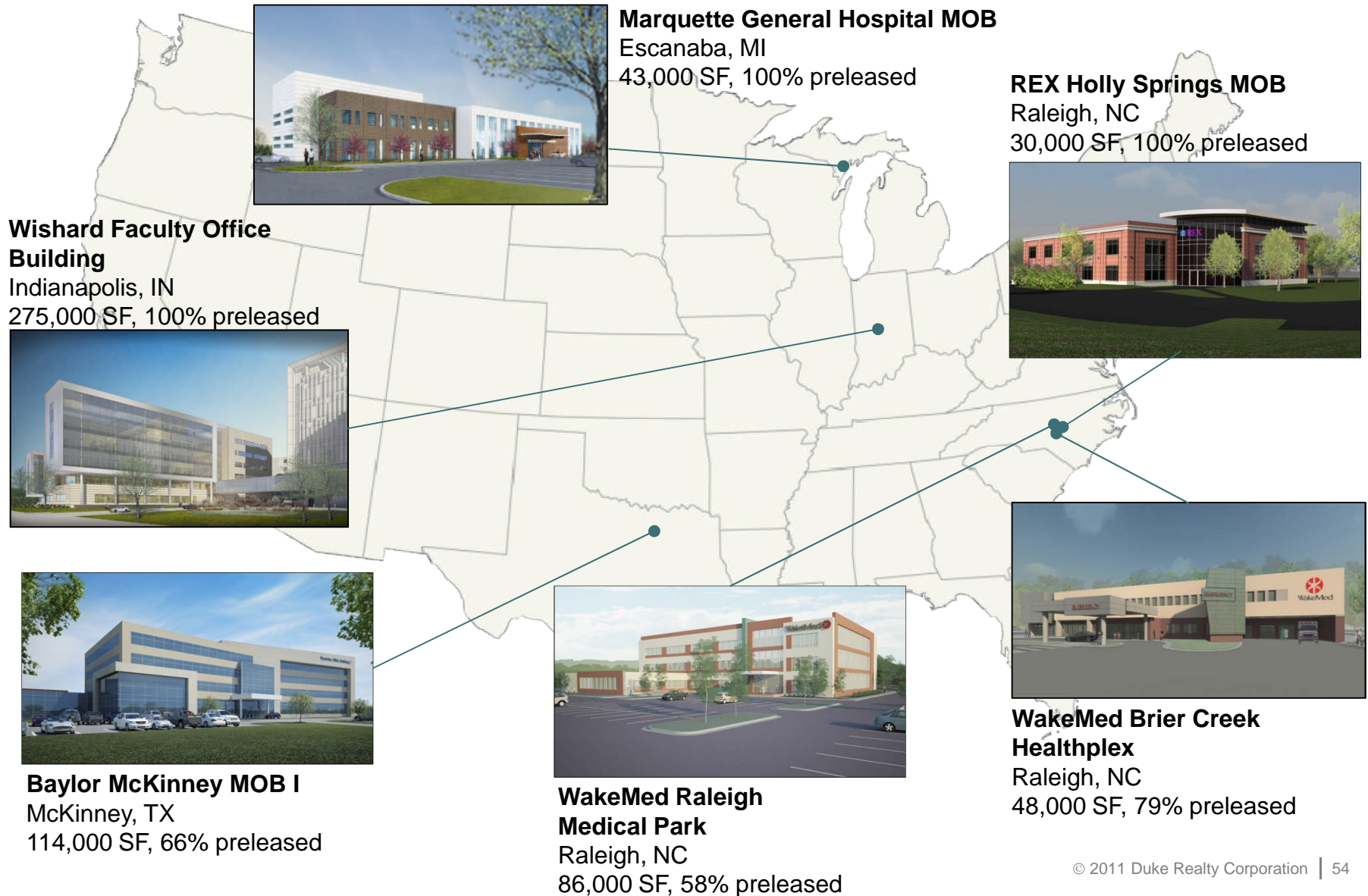


**Medical Plaza III**

- Houston, Texas
- 3 Class A medical office buildings on campus
- Total square footage: 169,000 SF
- \$38.75 million purchase price
- 95% leased
- Fourth medical office building being planned



# Projects Under Development at September 30, 2011



## Baylor Relationship



### BAYLOR CANCER CENTER

- 10-story outpatient cancer center
- 250 space underground parking facility
- 95% leased by Baylor and McKesson (US Oncology)
- 460,000 SF



### OTHER BAYLOR PROJECTS

- Baylor Administrative Office Building - Dallas, TX
- Baylor Plano MOB - Plano, TX
- Baylor Orthopedic and Spine Hospital of Arlington - Arlington, TX
- Baylor Uptown Hospital - Dallas, TX
- Baylor McKinney (new development) - McKinney, TX



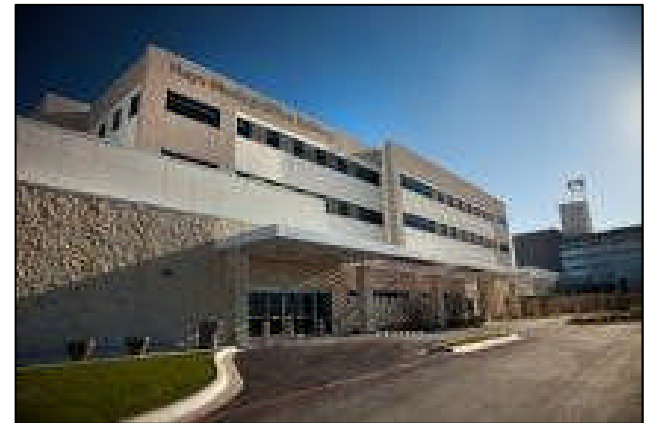
## Goal: Grow Medical Office to \$1.25 Billion by 2013

### ■ Our Plan

- Existing healthcare assets  $\approx$  \$775 Million by 1/31/2012
- Win developments  $\approx$  \$200 Million in 2012 and 2013
- Acquire  $\approx$  \$200-\$250 Million in 2012 and 2013

### ■ Our Focus

- Growth regions (Southeast, South)
- Health system relationships
- On-campus assets
- Class A product (50,000 – 400,000 + square feet)
- National industry expert





# DALLAS MARKET OVERVIEW

# Dallas

## TRANSACTION EXAMPLES



**New Development  
Third Party Build to Suit**  
1.02 million SF  
Whirlpool



**Expansion- Industrial**  
Kingsley Distribution Ctr.  
250,000 SF renewal &  
150,000 SF expansion  
5.4 year term  
Plastipak Packaging



**Renewal Lease - Industrial**  
Crosspoint @ GSW III  
207,000 SF- 3 year term  
Coca Cola



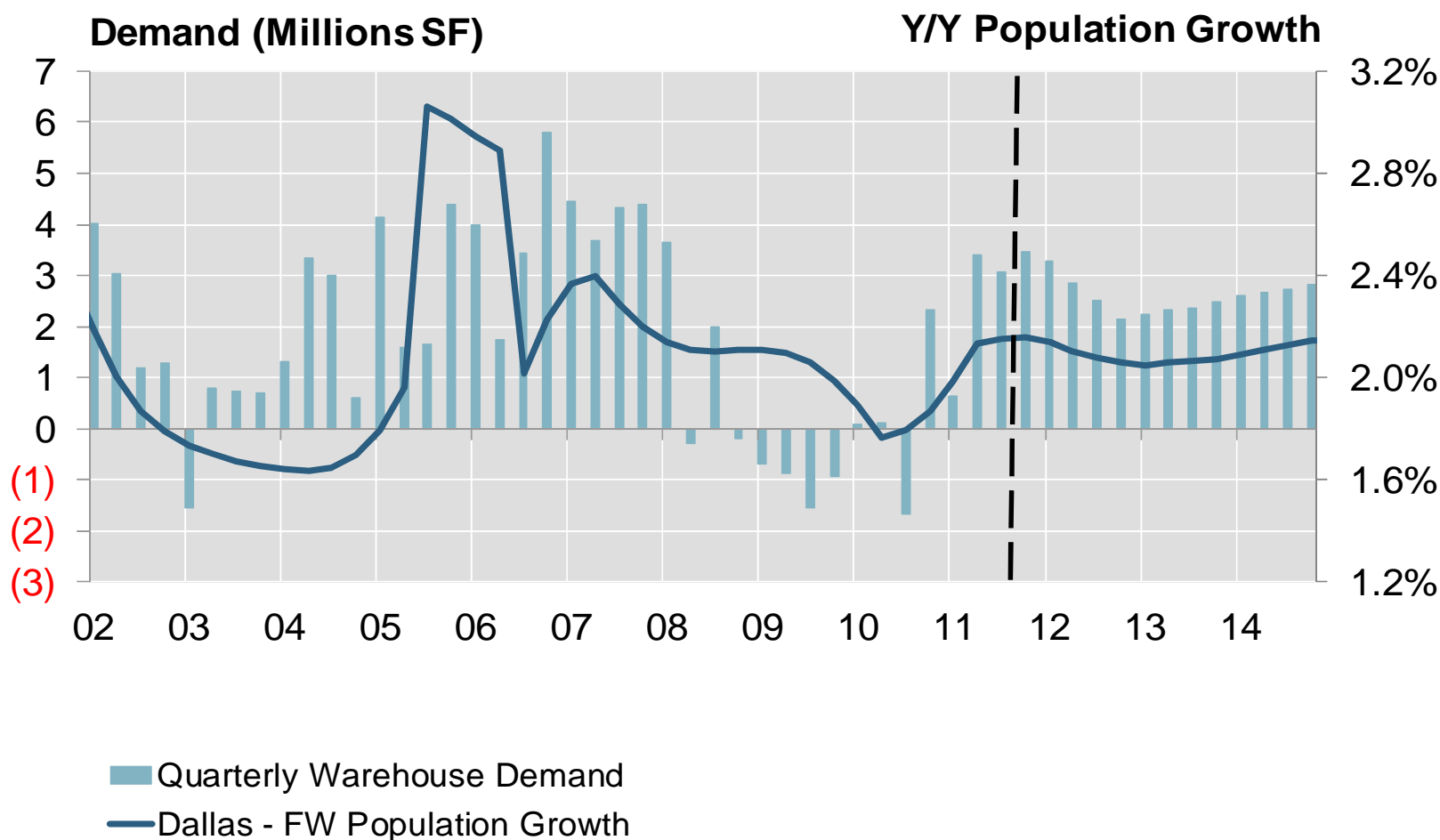
**New Lease - Office**  
Duke Bridges III  
49,000 SF— 7 year term  
Oracle

## MARKET OVERVIEW & KEY POINTS

- Duke Realty one of top 3 owner/developers in Dallas/Ft. Worth
- 24 Fortune 500 headquarters
- Projected fastest growing metropolitan area
- Duke most active developer over last 10 years
- Presence in all major submarkets. DFW Airport submarket is flagship
- Land for 2.4 million square feet of development; 81% industrial
- NAIOP 2010 Developer of the Year, previously awarded to Duke Realty in 2004, 2005 and 2008
- DBJ Best Industrial Deal 2010 – Whirlpool Distribution Center
- 6% of total investment

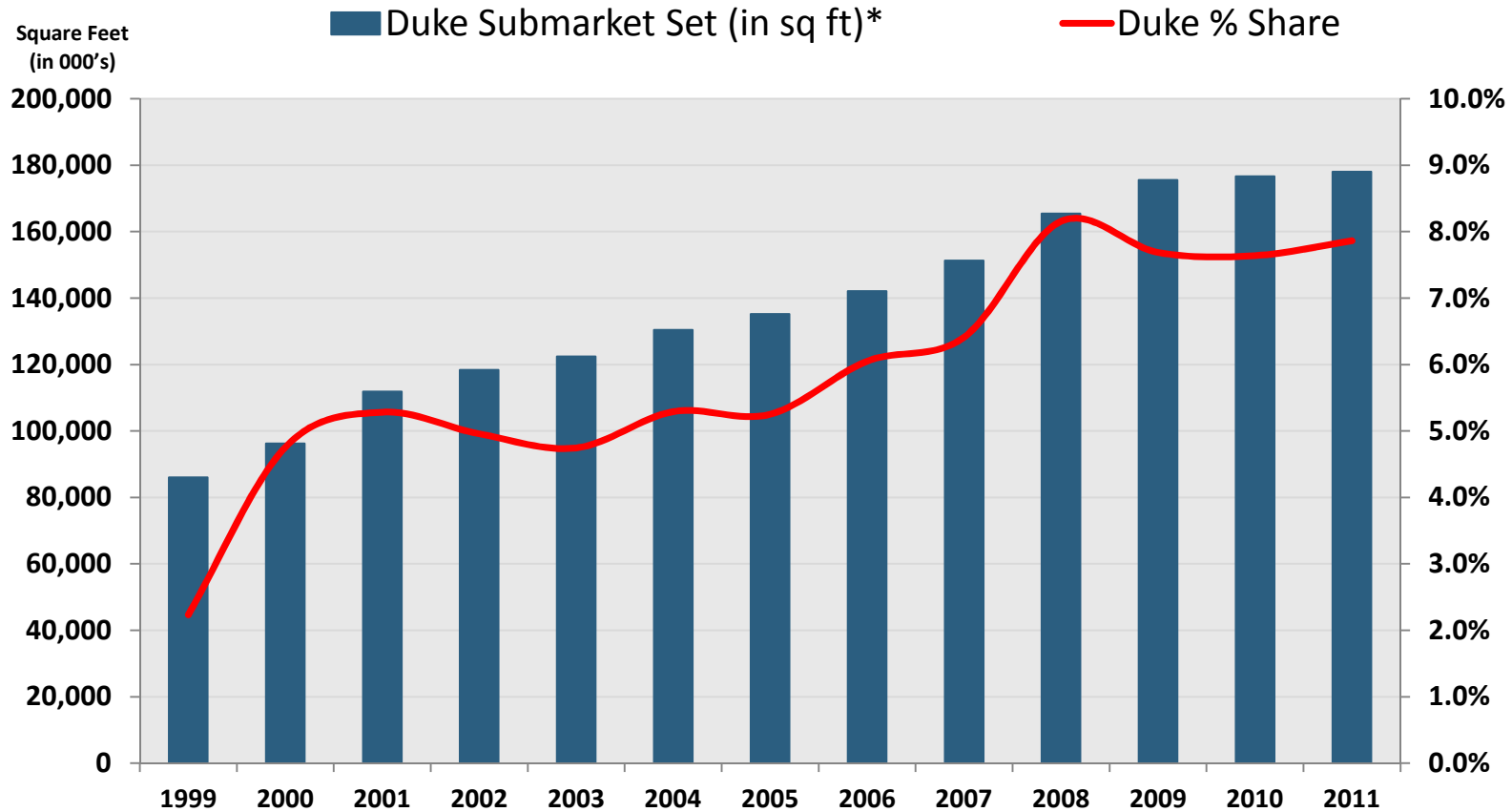
# POPULATION GROWTH DRIVES DEMAND

## DALLAS QUARTERLY WAREHOUSE DEMAND AND POPULATION GROWTH



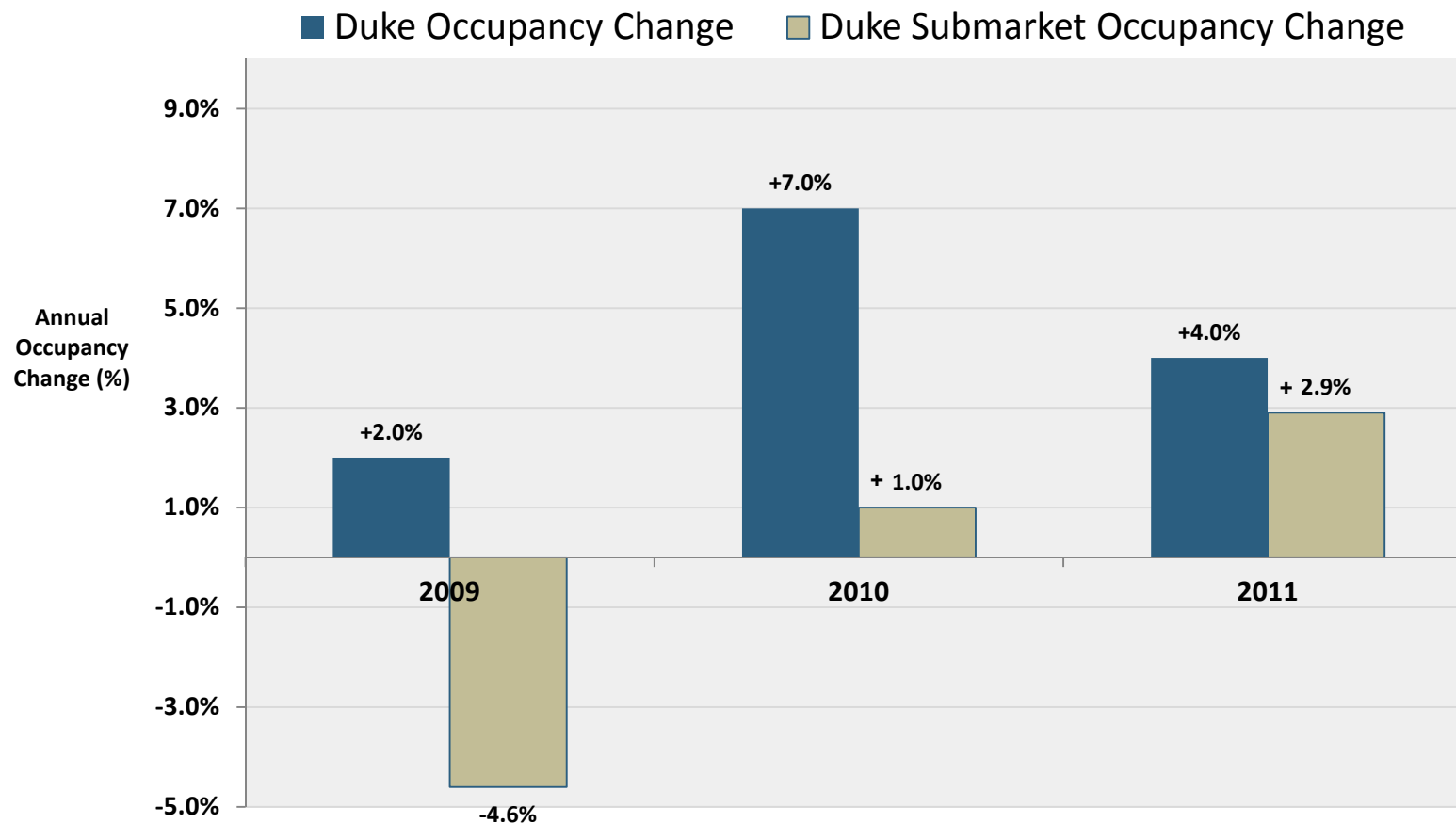
## Dallas Industrial Market

### 670 Million Square Feet – 4th Largest in U.S.



**Duke Realty has major presence in dominant U.S. industrial market ... capturing market share in 20 key submarkets**

## Duke Realty vs. Submarket Set Incremental Occupancy Change since 2008



**2007 and 2008 development deliveries leasing up faster than market**

## Duke Realty Growth Timeline in Dallas

1998: Acquisition - Entered market with 1.5 million square foot portfolio acquisition from MEPC, plus 50 acres of land



2000: Acquisition - Created joint venture with J.P. Morgan Asset Management, brings total portfolio to 4 million SF, plus 80 acres of land



2001–2010: Developed and delivered 28 buildings including 23 industrial and 5 office totaling 11.1 million SF and 775 thousand SF, respectively

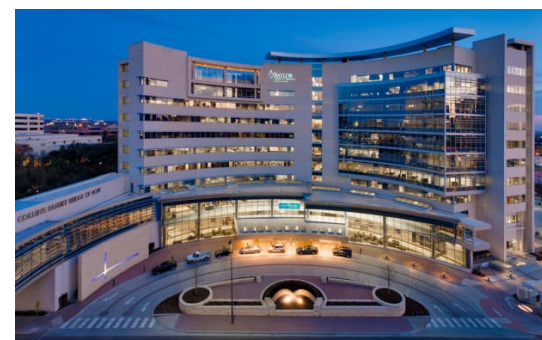


2011: Current industrial portfolio of 13.8 million square feet, plus 103 acres of land

**Market entry via acquisitions ... growth via development**

## Dallas Portfolio Profile

Portfolio average	Bulk Industrial	Suburban Office	Medical Office
Property age	9.4 years	3.3 years	1.2 years
Property size	306,000 SF	183,000 SF	160,000 SF
Lease term	7.5 years	7.5 years	16.1 years
Tenant size	108,000 SF	183,000 SF	37,000 SF



Note: All information as of September 30, 2011 with proposed Blackstone sale assets removed

## Premium asset quality and superior operational capabilities

## Dallas Case Studies



### Freeport IX

- 560,000 SF
- Developed 2001
- First building built in Freeport North
- Building has remained well occupied due to function and location

**Location and  
quality of park**



### Freeport X

- 1,100,000 SF
- Developed in 2003
- Largest BTS done in the Dallas at the time
- Developed building with flexibility to expand by 300K square feet

**Strategy and capability**



### Freeport XIII

- 159,000 SF
- Developed in 2002
- Expandable by 70,000 SF
- Class A corporate setting
- Recent 20 year lease with Genuine Auto Parts

**Tenant relationship and  
quality of park**



## Dallas Case Studies



### Point West VI & VII

- 1,800,000 SF in 2 buildings
- Developed in 2007
- 50% pre-leased development
- Achieved attractive economic rents due to visibility, access and quality of building

**Location and quality of park**



### Whirlpool

- 1,020,000 SF
- Developed in 2010-2011
- Awarded BTS due to:
  - ✓ Development Experience
  - ✓ Knowledge of Submarket
  - ✓ Financial strength and stability

**Achieved NAIOP Developer of the Year**

## Dallas Summary

---



Location: Strongest metro locations among larger owner peers



Quality: Newest, state of the art portfolio



Operations: Consistent operating performance and highly regarded team



Reputation: Ability to execute with Duke management caliber and deep/ready access to capital

# CLOSING REMARKS

## New, High Quality Portfolio with Long-term Leases

Portfolio average	Bulk Industrial	Suburban Office	Medical Office
Property age	10.4 years	13.0 years	2.5 years
Property size	215,000 SF	115,000 SF	106,000 SF
Lease term	7.0 years	7.2 years	11.7 years
Tenant size	70,000 SF	12,000 SF	10,000 SF



## Premier portfolio of assets

Note: All information as of September 30, 2011 with proposed Blackstone sale assets removed

## Positioned for NAV Growth

### KEY NAV GROWTH DRIVERS

---

Lease up  
existing  
vacancy

- Portfolio occupancy of 91%; 200-300 bps below historical levels
- Strong leasing pipeline
- Demonstrated track record of 70 – 80% renewal rate

Increased  
management/  
service fees

- Will benefit from uptick in third party and JV partners development & construction activity
- Property management and leasing fees will be higher as occupancy improves

Accretive  
future  
development

- Current pipeline of 595K SF of medical office, 345K SF of office and 405K SF of industrial
- 2011 development and third party starts of \$462 million
- Attractive basis enhances accretive developments

Upside from  
land holdings

- Future development inventory
- Capitalize on Build-to-Suit opportunities

## WHY DUKE REALTY?

- Quality portfolio improving with asset strategy
- Solid balance sheet improving with capital strategy
- Unmatched ability to execute on daily operations
- Development capabilities in place with existing land bank
- Talent and leadership depth to execute

**Delivering on what we say we will do**

# APPENDIX

# MIDWEST OVERVIEW

## Performance Update



# Midwest

## RECENT TRANSACTIONS



**Renewal - Industrial**  
Hebron I – Cincinnati  
646,000 SF  
100% leased to Innotrac  
Term: 6 years



**New Lease - Industrial**  
Butterfield 550 - Chicago  
551,000 SF  
Tenant: Follett Higher Ed  
Term: 11 years



**Acquisition - Industrial**  
Seefried Portfolio - Chicago  
365,000 SF (2 bldgs)  
\$36 million



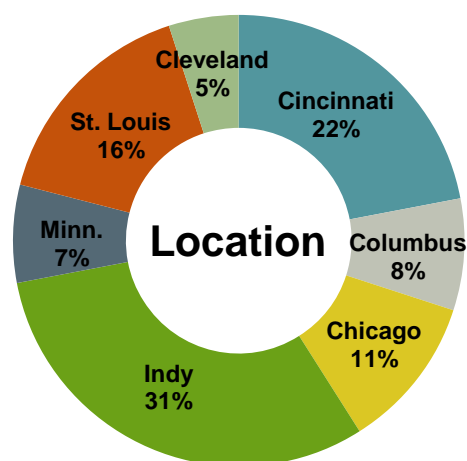
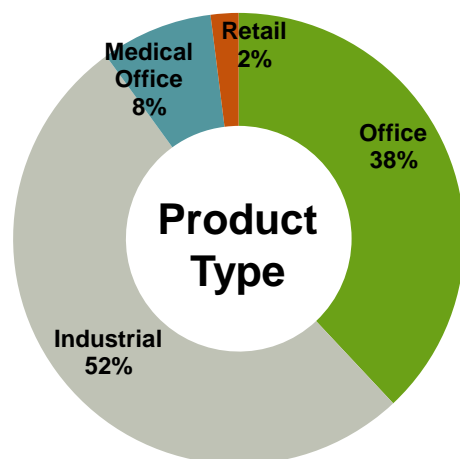
**Renew/Expansion Lease**  
Exec Towers West - Chicago  
154,000 SF  
Tenant: State Farm Insurance  
Term: 6 years

## MARKET OVERVIEW & KEY POINTS

- Strong distribution base: Over 30% of U.S. population within one day's drive
- 74 Fortune 500 headquarters
- High growth and return opportunities, particularly in Chicago, Columbus, and Indianapolis
- Duke Realty's roots and a position of strength
- Original location – since 1972
- Low basis product
- Dominant market position
- 48% of our total investment

**Committed to Midwest because we perform...**  
**Midwest remains a key component to our strategy**

## Midwest Overview



	Industrial	Office
<b>Average Age</b>	11.6 years	16.0 years
<b>Average Building Size</b>	244,000 SF	122,000 SF
<b>Total Square Footage</b>	53.5 million	12.6 million
<b>Current Occupancy</b>	94.9%	83.3%
Indianapolis	95.7%	90.4%
Chicago	98.3%	80.4%
Cincinnati	91.4%	81.2%
St. Louis	94.7%	79.2%
Columbus	97.8%	87.7%
Minneapolis	87.2%	100%

Note: All information as of September 30, 2011 with proposed Blackstone sale assets removed

## Midwest Focus



**DOMINANT POSITION**



**BULK INDUSTRIAL**



**REDUCE OFFICE  
CONCENTRATION**

**Enhancing dominant industrial position in Midwest**

# **EAST & SOUTHEAST OVERVIEW**

## **Performance Update**

## East & Southeast Overview

### RECENT TRANSACTIONS



**Development Start – Office**  
One Primerica Parkway  
Atlanta  
Primerica Life Insurance Co.  
344,000 SF  
100% leased



**New Leases - Industrial**  
3201 Centre Parkway  
Atlanta  
CEVA Freight, LLC  
405,000 SF



**New Leases - Office**  
Cross Roads Business Park 3  
South Florida  
University of Miami  
46,250 SF

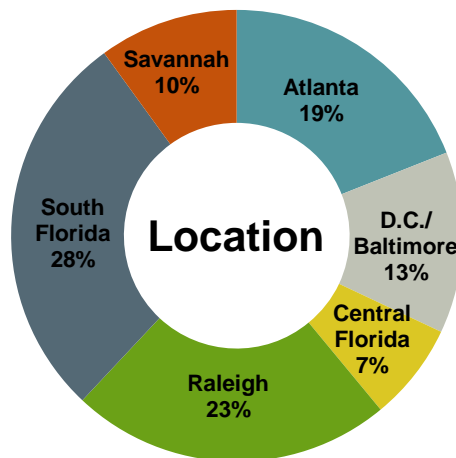
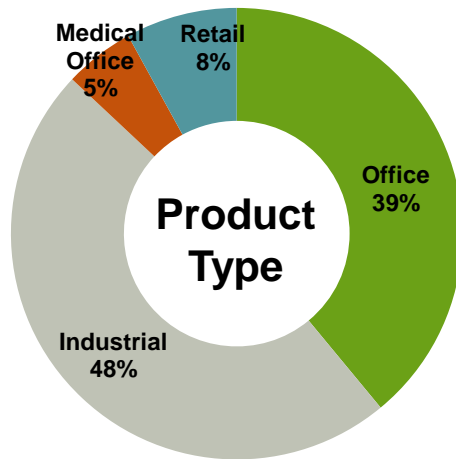


**Renewal - Industrial**  
1000 & 1200 Innovation  
Raleigh  
Flextronics America  
147,000 & 178,000 SF

### MARKET OVERVIEW & KEY POINTS

- Strong presence: entered Southeast in 1999 (Weeks merger) and East in 2006 (acquisition of Winkler portfolio)
- 15 Fortune 500 headquarters
- East and Southeast cities among top growth markets in country... strong in-migration
- Diversified economies; Government, healthcare, finance and education
- Eastern cities maintained highest employment rate through downturn
- Atlanta and Northeast corridor strong in bulk industrial
- 39% of our total investment

## East & Southeast Overview



	Industrial	Office
<b>Average Age</b>	9.3 years	9.9 years
<b>Average Building Size</b>	159,000 SF	108,000 SF
<b>Total Square Footage</b>	28.6 million	9.6 million
<b>Current Occupancy</b>	90.3%	87.7%
Atlanta	88.3%	79.0%
South Florida	84.0%	85.9%
Raleigh	96.4%	91.7%
Washington D.C./Baltimore	95.0%	89.7%
Central Florida	92.4%	82.2%
Savannah	91.8%	NA

Note: All information as of September 30, 2011 with proposed Blackstone sale assets removed



## East & Southeast Focus



**BULK INDUSTRIAL/PORTS**



**LEASE UP AND RENT GROWTH**



**ACQUISITIONS & DEVELOPMENT**

**Maximize assets and market position**

# **SOUTHWEST OVERVIEW**

## **Performance Update**



# Southwest

## RECENT TRANSACTIONS



**Acquisition - Industrial**  
Century Business Center  
Southern California  
323,000 SF  
100% Leased



**Disposition Office**  
Lakeview 3 Bldg Complex  
Nashville  
379,000 SF

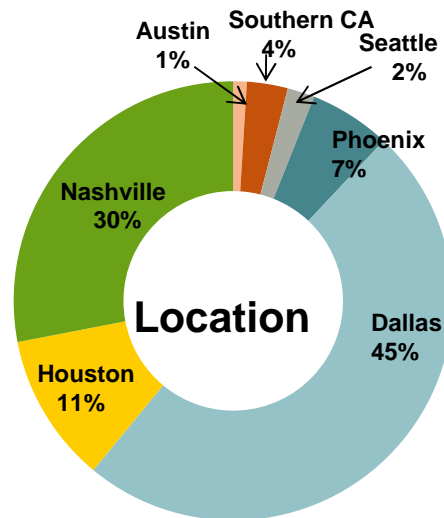
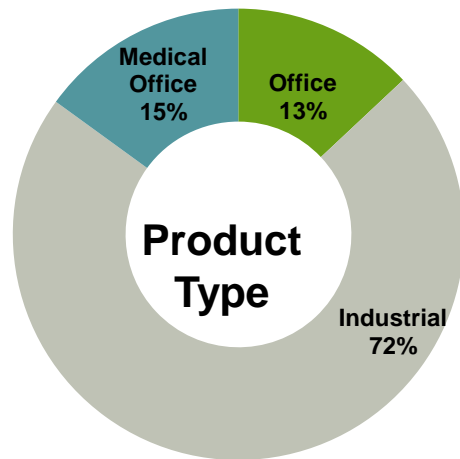


**New Development - Industrial**  
Amazon Expansion at  
Buckeye Logistics Center  
Phoenix  
405,000 SF  
100% Leased

## MARKET OVERVIEW & KEY POINTS

- Duke Realty one of to 3 owner/developers in Dallas/Ft.Worth
- Duke Realty presence since 1999 (Weeks merger)
- 52 Fortune 500 headquarters
- Demographic drivers: modern transportation and infrastructure, population and job growth
- Strong industrial demand expected post-recovery
- Port, inland port and logistics key for bulk distribution markets
- 13% of our total investment
- Expand industrial presence by pursuing select acquisition opportunities in Houston, Phoenix and Southern California

## Southwest Overview



	Industrial	Office
<b>Average Age</b>	8.7 years	7.0 years
<b>Average Building Size</b>	261,200 SF	106,700 SF
<b>Total Square Footage</b>	22.1 million	1.6 million
<b>Current Occupancy</b>	89.3%	95.2%
Dallas	86.1%	100%
Nashville	95.3%	93.4%
Houston	92.1%	100%
Phoenix	94.4%	N/A
Southern California	100%	N/A

## Southwest Focus



**DALLAS LEASE-UP**



**HOUSTON INDUSTRIAL PORT  
DALLAS INLAND PORT**



**SOUTHERN CALIFORNIA  
EXPANSION**

**Grow**

## Forward-Looking Statement

**This slide presentation contains statements that constitute “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934 as amended by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, our statements regarding (1) strategic initiatives with respect to our assets, operations and capital and (2) the assumptions underlying our expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. A number of important factors could cause actual results to differ materially from those contemplated by forward-looking statements in this slide presentation. Many of these factors are beyond our ability to control or predict. Factors that could cause actual results to differ materially from those contemplated in this slide presentation include the factors set forth in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. We believe these forward-looking statements are reasonable, however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. We do not assume any obligation to update any forward-looking statements as a result of new information or future developments or otherwise.**