DCT INDUSTRIAL

# Citi 2009 Global Property CEO Conference

March 2-4, 2009

# Forward Looking Statements

The Company makes statements in this document that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions. The Company intends these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with those safe harbor provisions. These forward-looking statements reflect the Company's current views about its plans, intentions, expectations, strategies and prospects, which are based on the information currently available to the Company and on assumptions it has made. Although the Company believes that its plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, the Company can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond its control including, without limitation: the competitive environment in which the Company operates; real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets; particularly in light of the current economic slowdown in the U.S. and internationally, decreased rental rates or increasing vacancy rates; defaults on or non-renewal of leases by tenants; acquisition and development risks, including failure of such acquisitions and development projects to perform in accordance with projections; the timing of acquisitions and dispositions; natural disasters such as hurricanes, fires and earthquakes; national, international, regional and local economic conditions, including, in particular the current economic slowdown in the U.S. and internationally; the general level of interest rates and the availability of debt financing, particularly in light of the recent disruption in the credit markets; energy costs; the terms of governmental regulations that affect the Company and interpretations of those regulations, including changes in real estate and zoning laws and increases in real property tax rates; financing risks, including the risk that the Company's cash flows from operations may be insufficient to meet required payments of principal and interest; lack of or insufficient amounts of insurance; litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; the consequences of future terrorist attacks; possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by the Company; and other risks and uncertainties detailed from time to time in DCT Industrial Trust's filings with the Securities Exchange Commission. In addition, the Company's current and continuing qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, or the Code, and depends on its ability to meet the various requirements imposed by the Code through actual operating results, distribution levels and diversity of stock ownership. The Company assumes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

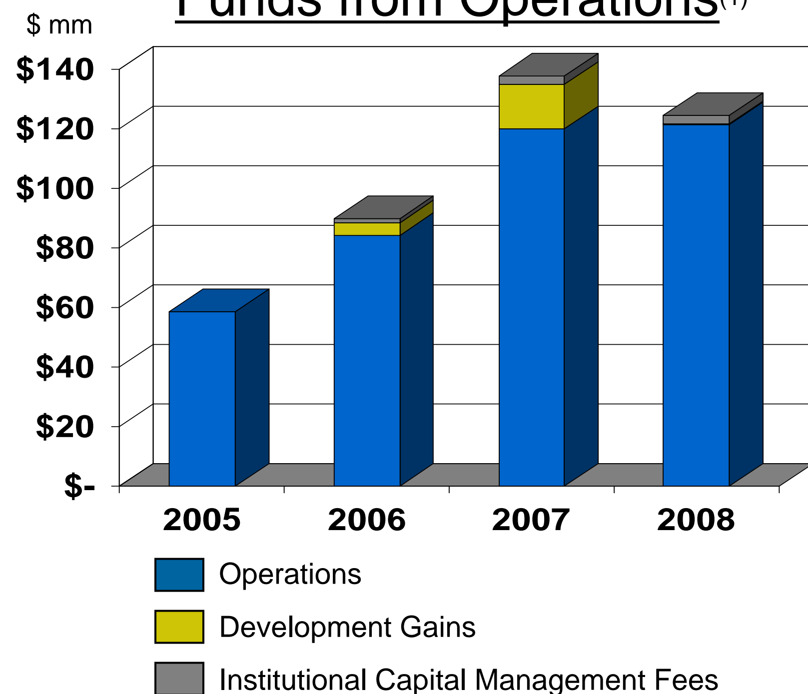
In addition, please refer to our 2008 Annual Report on Form 10-K, filed with the Securities and Exchange on March 2, 2009 for more information. Reconciliations of our FFO, debt to book value and fixed charge coverage are contained in our earnings press release for the three and twelve months ended December 31, 2008, available in the Investor Relations section of our website at www.dctindustrial.com.

# DCT Business Plan

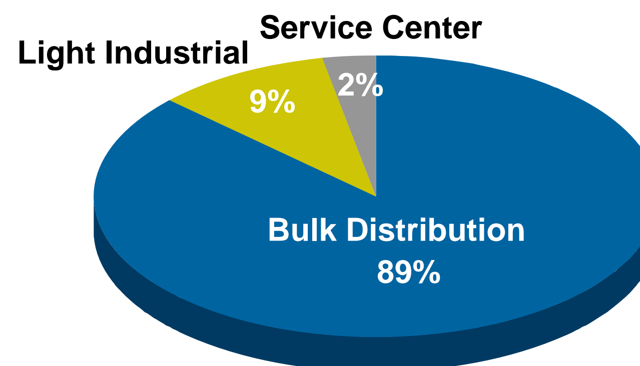
- Maintain solid balance sheet
- Maximize operating cash flows
- Manage development pipeline
- Recycle capital out of stabilized, non-strategic assets for reinvestment into higher growth opportunities
- Expand institutional capital management program
- Create value in Mexico

# Quality Earnings and Industrial Property Portfolio

## Funds from Operations(1)




## Industrial Portfolio Composition




Bulk distribution properties greater than 200,000 square feet:

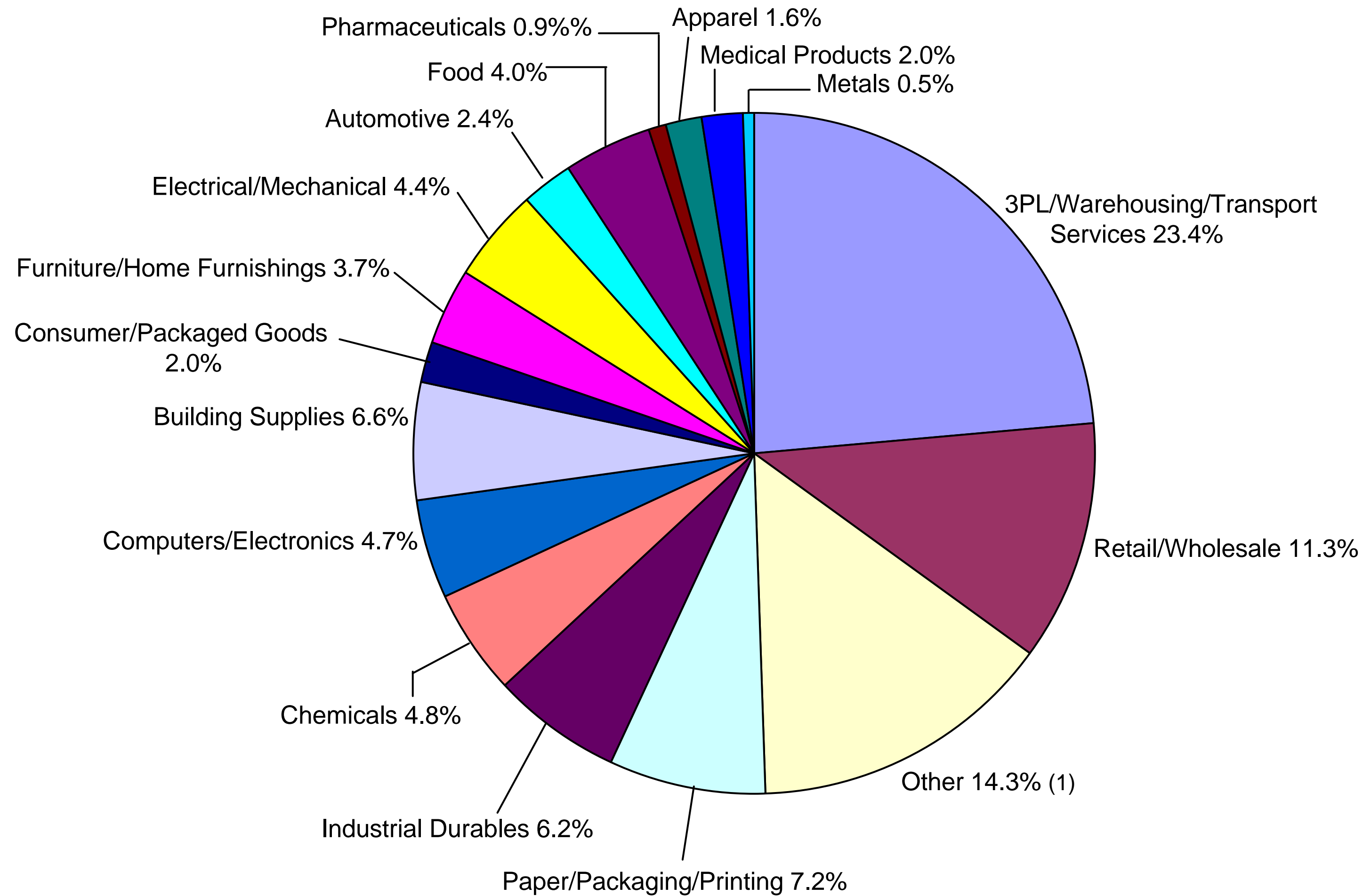
- 95% clear height of 24’ or greater
- 93% truck court of 120’ or greater
- 85% ESFR sprinkler

(1) 2006 FFO excludes a one-time internalization charge of $173.2mm; 2008 FFO excludes $10.7mm of non-cash impairment charges

Includes consolidated, unconsolidated and asset-managed only properties as of December 31, 2008

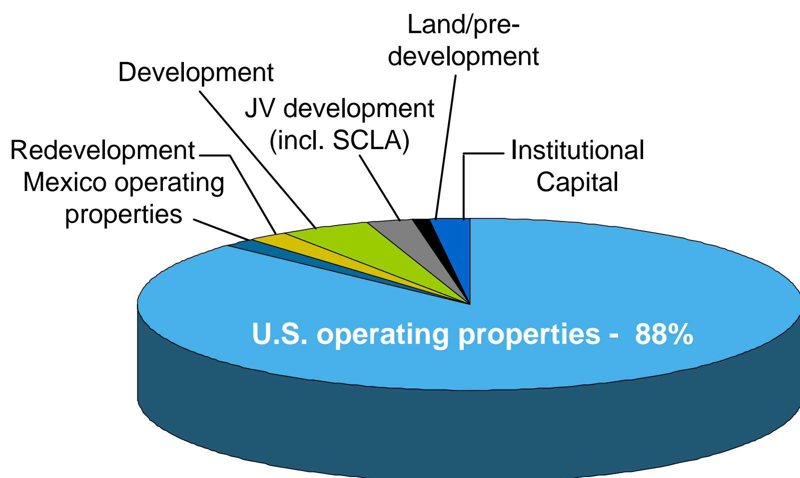
# Diversified Customer Base

Operating portfolio (based on square feet as of 12/31/08)



# Strong Balance Sheet

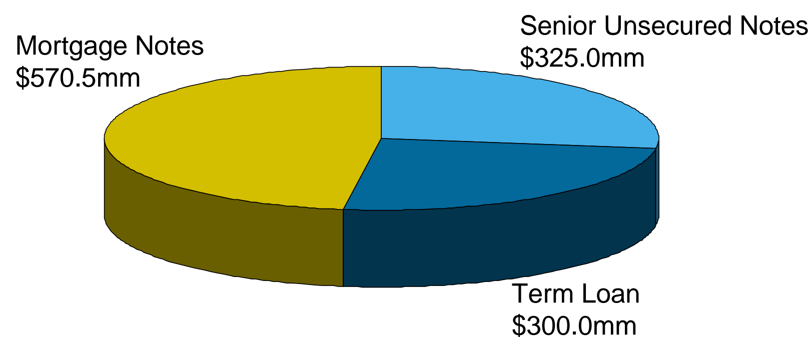
## Invested Capital




$3.0 billion of invested capital

- 91.5% operating properties; 94.3% occupied
- Debt to book value of 38.4%
- 8.9% of invested capital under development / redevelopment

## Simple Financing Structure




$1.2 billion of debt

- Annual 2008 fixed charge coverage of 2.9x
- Weighted average interest rate of 4.9%
- Fixed rate 81%; variable rate 19%

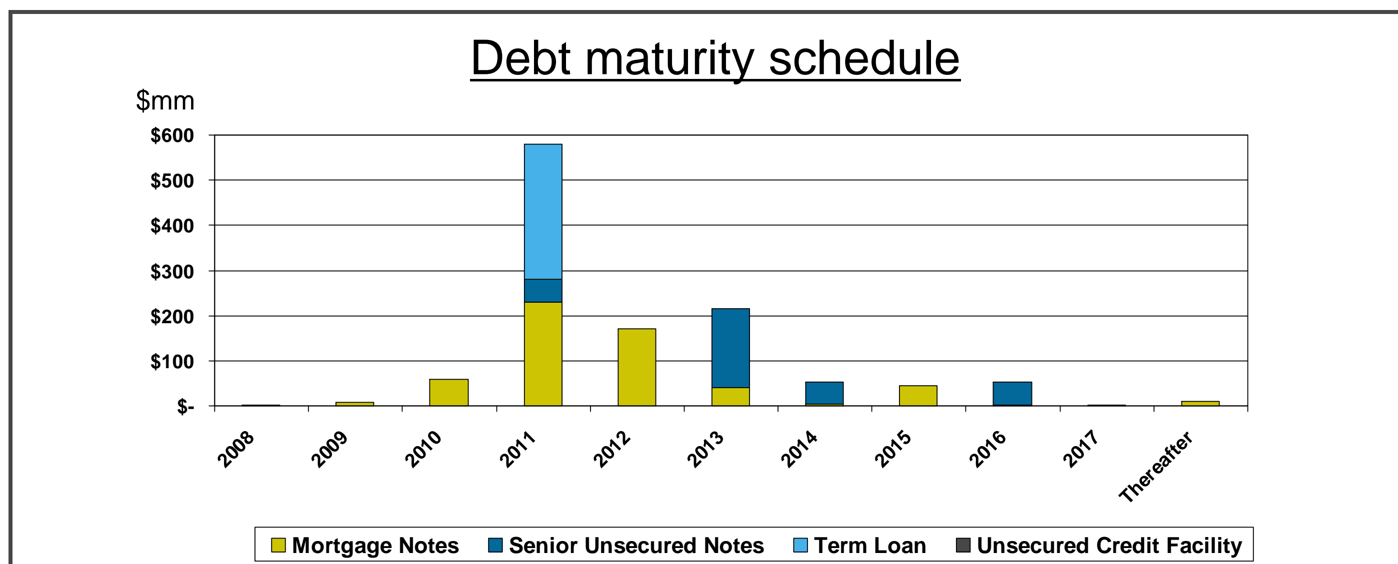
All numbers are as of 12/31/08

# Manageable Capital Commitments (1)

| Capital commitments through 2010 | |
|---|---|
| Remaining development funding | $24.5mm |
| Construction loans (pro rata) | 91.0mm |
| Mortgage note maturities | 53.0mm |
| Capital management maturities | - |
| | $168.5mm |

| Capital availability | |
|---|---|
| Cash | $20.0mm |
| Unsecured credit facility | 284.8mm |
| | $304.8mm |

Positive cash flow before investing activity




(1) All numbers are as of 12/31/08 and assume exercise of extension rights

# Refinancing Strategy – 2011 Maturities

## Planning Ahead

- Maintain financial flexibility
- Unsecured borrowing bias
- Proactive discussions with lenders
- Expanding relationships

## 2011 Maturities $592.4mm

- Unsecured term loan $300.0mm(1)
- Mortgage debt $226.9mm
- Unsecured notes $50.0mm
- Construction debt $15.5mm
- CMBS none

Debt Covenants Summary

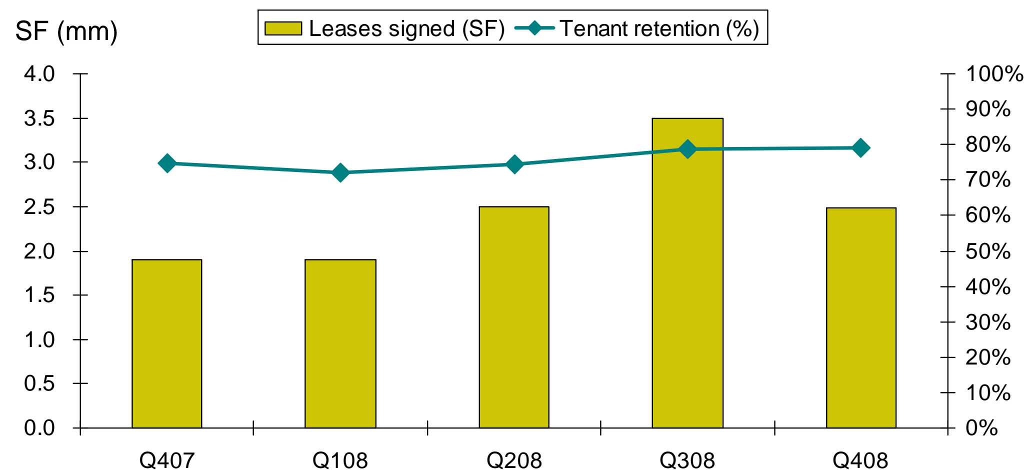
| | As of December 31, 2008 | |
|---|---|---|
| | Threshold | Actual Ratio |
| Consolidated Leverage Ratio | < 60% | 47% |
| Consolidated Fixed Charge Coverage Ratio | > 1.5x | 2.6x |
| Consolidated Unsecured Leverage Ratio | < 60% | 44% |

(1) Assumes the exercise of extension rights

# Maximizing Returns from Operating Portfolio

Strong operating results:

- 2008 GAAP rent growth of 10.5%
- Turnover costs of $1.64 per square foot compared to $2.07 in 2007
- Occupancy of 93.2% as of 12/31/08
- 10.4 million square feet of leases signed in 2008



# Continued Focus on Leasing

| 2008 Leasing | *(Square feet)* | *% of Total Available* |
| --- | --- | --- |
| Leased as of 12/31/07 | 50.6mm | 94.2% |
| New leases | 4.1mm | |
| Expirations and early terminations | (4.4mm) | |
| Acquisitions, dispositions, other, net | (1.4mm) | |
| Leased as of 12/31/08 | 48.8mm | 93.6% |

- 2008 expirations were 10.2mm square feet as of 12/31/07
  - Retained 76.3%
- 2009 expirations total 9.6mm square feet
  - Retention expected to be near 75%
  - Average lease expiration of 44,000 square feet
  - Atlanta has largest exposure with 13% of total expirations

# Managing Our Development Pipeline

| | 2009 Stabilizations | 2010 Stabilizations | Forward Commitments | Total |
|---|---|---|---|---|
| Square Feet (in thousands) | 2,135 | 5,246 | 354 | 7,735 |
| Currently Leased | 59% | 3% | - | 19% |
| | | Projected Cost ($ millions) | | |
| Consolidated | $52.4 | $92.5 | - | $144.9 |
| Unconsolidated | 31.6 | 166.1 | 17.5 | 215.2 |
| | $84.0 | $258.6 | $17.5 | $360.1 |
| Pro Rata Share | $82.9 | $210.5 | $17.5 | $310.9 |

- Development pipeline represents 7.0% of DCT's invested capital
- Remaining cost to complete is $52.5 million

# SCLA (Southern California Logistics Airport)

- 50/50 joint venture – Stirling Capital Investments (SCI)
  - Master developer of SCLA
  - In-house development capability
- More than 4,000 acres of land controlled (supporting more than 60 million square feet of new industrial development)
  - No carry cost on land until acquired
  - Below market land basis
  - Infrastructure provided by redevelopment authority

# SCLA Phase I Progress

- Acquired 356 acres
  - Supports up to 6.5 million square feet of industrial development
- 408,000 square foot build-to-suit for Newell-Rubbermaid completed Q3 2007
- Four buildings totaling 1.5 million square feet under development
  - 1 million square foot building to be completed in first half of 2009
  - 296,000 square foot building and two buildings totaling 224,000 square feet shell complete and 22% leased

Land sales

- Recently sold 53 acres to Dr Pepper Snapple Group
- Continued interest from additional users

# Recycle Capital Efficiently

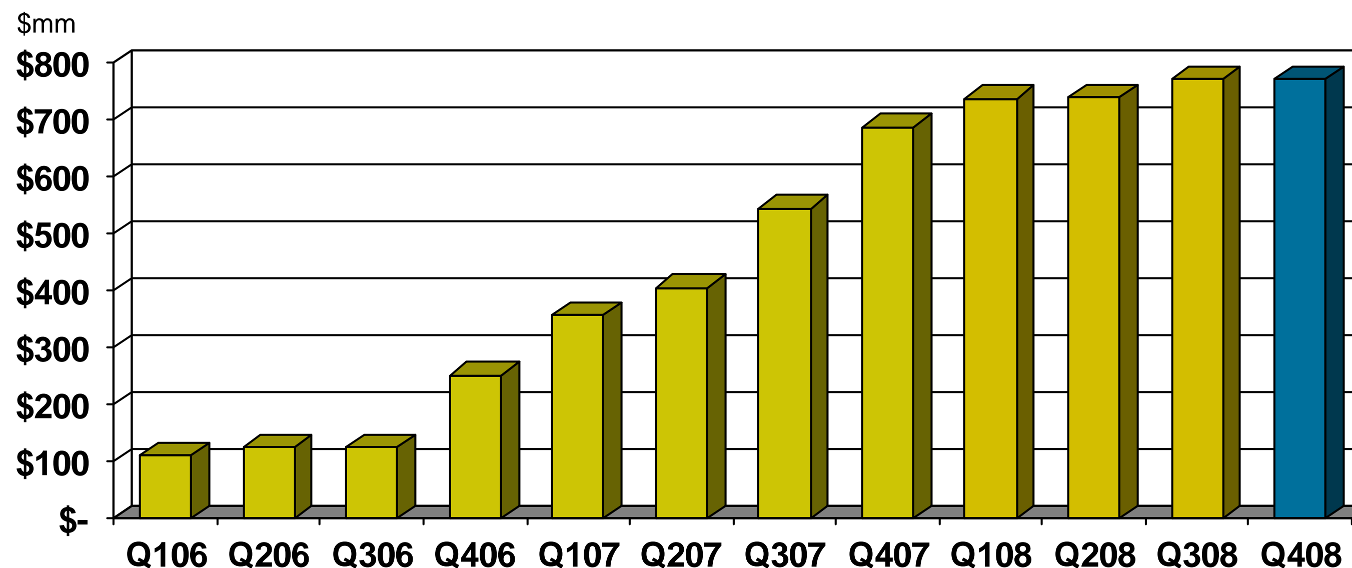
- Patience in today's environment
  - Continue to market non-strategic assets for sale
  - No pressure to act, but will sell in markets where we want to reduce exposure, or at cap rates we consider attractive
- Continuously evaluating high return and value-add opportunities
  - Compelling risk-adjusted returns
  - Better visibility regarding leasing economics, capital markets and cap rates
  - Acquire below replacement cost
  - Focus future deployment in fewer markets

2008 Results

- Dispositions of $143.3 million
  - Average stabilized cap rate of 6.5%
  - Net gain of $20 million
- Acquisitions of $23.3 million
  - Acquired to complete like-kind exchange

# Significant Institutional Capital Under Management

Total assets under management of $772 million




- Three capital relationships comprising five ventures
  - Boubyan Bank Venture: $125 million of real estate assets
  - Dividend Capital Total Realty Trust: three ventures with $361 million of assets under management
  - JPMorgan Venture: approximately $286 million of assets under management
- Plan to continue working closely with current partners while looking for new opportunities to deploy capital at attractive returns

# Mexico Summary

## Operating portfolio

- 1.1 million square feet in Guadalajara, Monterrey, San Luis Potosí, and Tijuana
  - 91.2% occupied

## Development

- 413,000 square feet stabilized in 2008 and 100% leased
- 354,000 square feet remaining under forward commitment in Monterrey

# Why DCT?

- Strong balance sheet; no significant debt maturities until 2011
- More than 90% of invested capital and earnings derived from core operations
- Proven operating capability with substantial experience in market downturns
- Well positioned to capture value-add opportunities
- Attractive valuation
  - Implied cap rate of 11.2% [1]
  - Implied value per square foot of $31[1], compared to replacement cost of greater than $60 per square foot

[1] Source: Bank of America/Merrill Lynch (as of February 26, 2009)

# FFO Reconciliation

**(amounts in thousands, except per share data)**

| | Three Months Ended December 31, 2008 | Three Months Ended December 31, 2007 | Twelve Months Ended December 31, 2008 | Twelve Months Ended December 31, 2007 |
|---|---|---|---|---|
| Reconciliation of Net Income (Loss) to FFO: | (unaudited) | | (unaudited) | |
| Net Income (Loss) Attributable to Common Shares | $ (12,634) | $ 5,671 | $ 9,486 | $ 40,112 |
| Adjustments: | | | | |
| Real estate related depreciation and amortization | 34,530 | 28,532 | 119,604 | 115,465 |
| Equity in income of unconsolidated joint ventures, net | (1,084) | (334) | (2,267) | (433) |
| Equity in FFO of unconsolidated joint ventures | 2,273 | 1,250 | 6,806 | 2,742 |
| (Gain) loss on dispositions of real estate interests | 55 | (2,308) | (21,991) | (42,873) |
| Gain (loss) on sale of nondepreciated real estate | (52) | 2,398 | 219 | 15,135 |
| Minority interest in the operating partnership's share of the above adjustments | (5,794) | (5,378) | (17,664) | (14,711) |
| FFO attributable to common shares, basic | 17,294 | 29,831 | 94,193 | 115,437 |
| FFO attributable to dilutive OP units | 3,311 | 6,637 | 19,795 | 22,180 |
| FFO attributable to common shares, diluted | $ 20,605 | $ 36,468 | $ 113,988 | $ 137,617 |
| Adjusted FFO: | | | | |
| Impairment losses | 9,566 | - | 10,746 | - |
| | $ 30,171 | $ 36,468 | $ 124,734 | $ 137,617 |
| FFO per common share, basic | $ 0.10 | $ 0.18 | $ 0.55 | $ 0.69 |
| FFO per common share, diluted | $ 0.10 | $ 0.18 | $ 0.55 | $ 0.69 |
| FFO adjusted for impairment loss | $ 0.15 | $ 0.18 | $ 0.60 | $ 0.69 |
| Weighted average shares outstanding, basic | 174,241 | 168,366 | 171,695 | 168,358 |
| Weighted average shares outstanding, diluted | 207,565 | 205,846 | 207,521 | 200,823 |
| Dividends declared per common share | $ 0.08 | $ 0.16 | $ 0.56 | $ 0.64 |
| Dividend payout ratio - FFO adjusted for impairment loss | 53% | 89% | 93% | 93% |