



# REITWeek: NAREIT Investor Forum

## New York

June 3 – 5, 2014

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NYSE: DCT

# Forward-Looking Statements

The Company makes statements in this report 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 and includes statements regarding our anticipated yields. We intend 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 our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we 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 our control including, without limitation: national, international, regional and local economic conditions, including, in particular, the strength of the United States economic recovery and global economic recovery; the general level of interest rates and the availability of capital; the competitive environment in which we operate; real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets; 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, dispositions and development; natural disasters such as fires, floods, tornadoes, hurricanes and earthquakes; energy costs; the terms of governmental regulations that affect us and interpretations of those regulations, including the cost of compliance with those regulations, changes in real estate and zoning laws and increases in real property tax rates; financing risks, including the risk that our cash flows from operations may be insufficient to meet required payments of principal, interest and other commitments 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 or civil unrest; 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 us; and other risks and uncertainties detailed in the section of our Form 10-K filed with the SEC and updated on Form 10-Q entitled “Risk Factors.” In addition, our current and continuing qualification as a real estate investment trust, or REIT, involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, or the Code, and depends on our ability to meet the various requirements imposed by the Code through actual operating results, distribution levels and diversity of stock ownership. We assume 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 2013 Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 21, 2014 for more information. Reconciliations of our Same Store NOI, FFO and fixed charge coverage for the quarters ended March 31, 2014 and 2013 are contained in our earnings press release for the period ended March 31, 2014, and are available in the Investors section of our website at [www.dctindustrial.com](http://www.dctindustrial.com). Reconciliations of our adjusted FFO for the years ended December 31, 2013, 2012, and 2011 are contained in our 2013 annual report on Form 10-K to shareholders available in the Investors section of our website at [www.dctindustrial.com](http://www.dctindustrial.com) under the SEC filings tab.

# Investment Highlights

## High-quality industrial portfolio located in major distribution markets

- 64.5 mm square feet of consolidated assets, 2.6 mm square feet of pro rata share in joint ventures
- 409 buildings, ~ 900 customers
- Buildings sized to fit heart of leasing market (average building size of 158,000 square feet)
- Well-located buildings in 21 major U.S. distribution markets

## Strong market-based teams

- 12 regional market offices with highly regarded and experienced real estate professionals

## Delivering results through excellent leasing and operating performance

- 4.9% cash same store NOI growth in 2013
- Consolidated operating property occupancy 92.8% as of March 31, 2014
- Q1 2014 positive GAAP releasing spreads of 15.1%

## Creating value through disciplined capital deployment

- Acquire quality assets that generate favorable returns using a disciplined approach
- Focus on well-located assets in markets with above average growth profile (coastal, high-barrier/infill)
- Pursue value-add activities such as development, underleased assets, and redevelopment
- Recycle capital out of lower return, non-strategic assets and markets to upgrade portfolio and cash flow growth

## Simple, NOI-based operating model

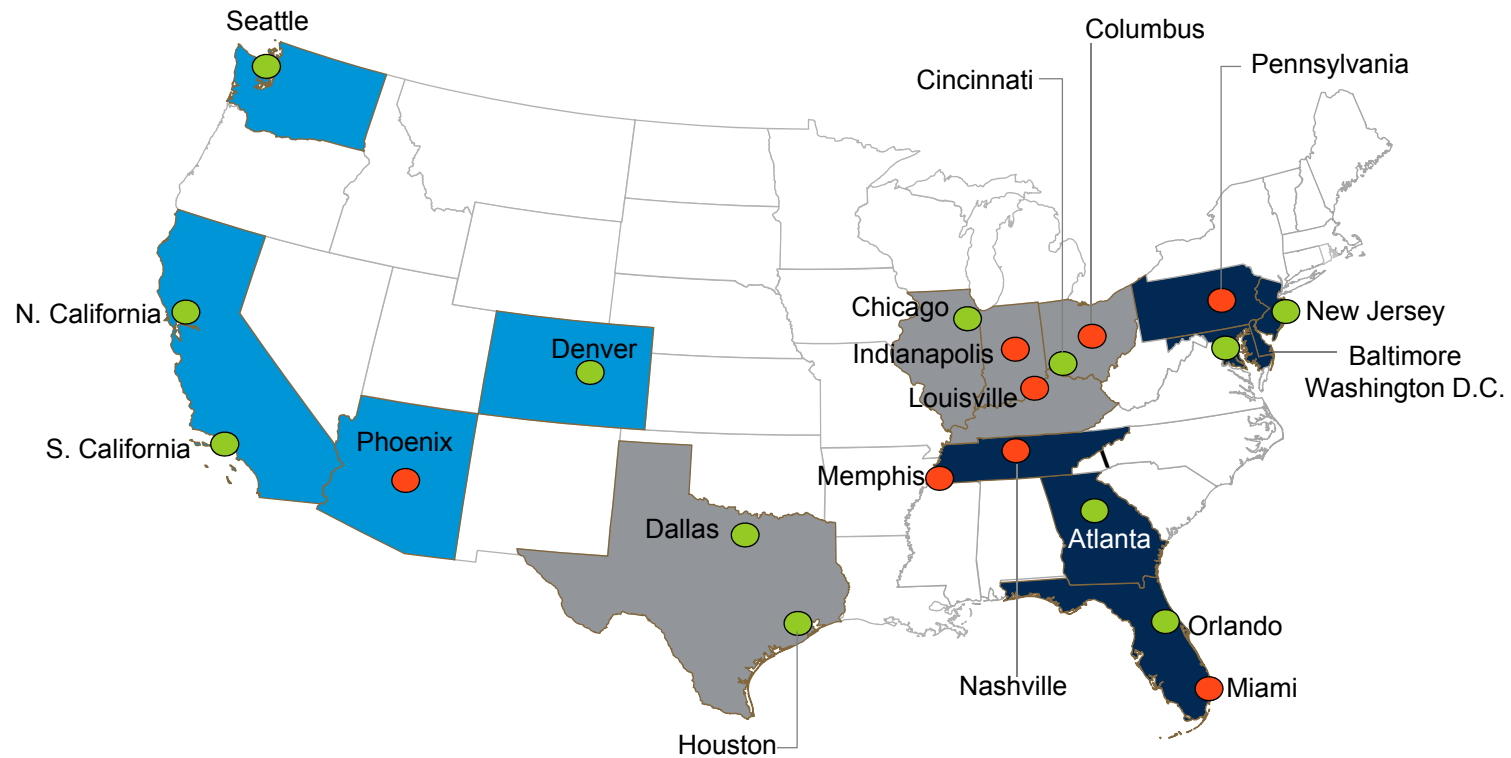
- 95% of gross assets wholly owned

## Strong balance sheet and prudent financial management

- Fixed charge coverage of 2.6x<sup>1</sup> and Net debt to EBITDA of 6.8x in Q1 2014
- Well-laddered debt maturity schedule
- Proven access to multiple sources of capital
- Simple and conservative debt structure provides flexibility

<sup>1</sup> Based on rating agency definitions

# High-Quality Portfolio in Key Logistics Markets



West Region

DCT market offices

Central Region

DCT market presence

East Region

Reflects consolidated properties only

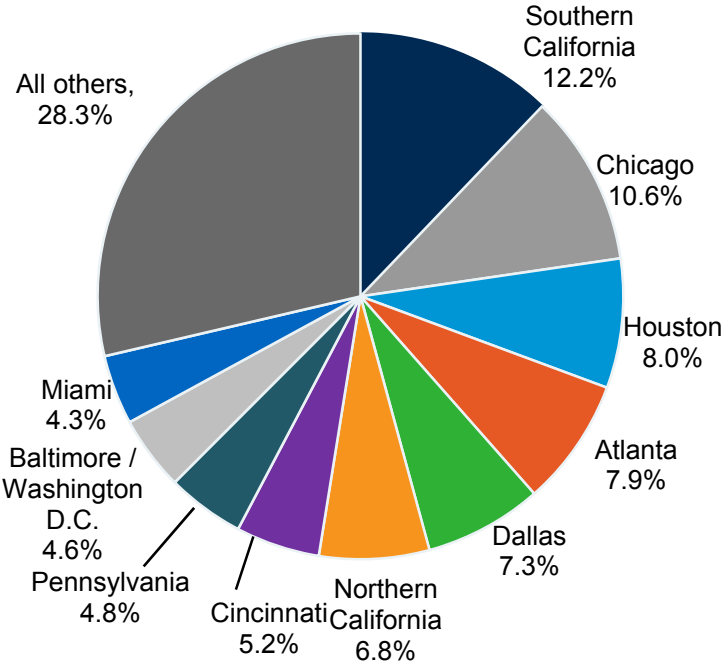
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# High-Quality Portfolio in Key Logistics Markets

## Portfolio Overview

- 64.5 mm square feet of consolidated assets
- 2.6 mm square feet of pro rata share in joint ventures
- 409 buildings ~ 900 customers <sup>1</sup>
- Buildings sized to fit heart of leasing market (average building size of 158,000 square feet)
- Well-located buildings in 21 major U.S. distribution markets
- Regionalized operating structure with 12 market offices

## Top 10 Markets <sup>2</sup>



Source: Company filings as of 3/31/14

<sup>1</sup> Reflects consolidated properties only

<sup>2</sup> Based on annualized base rent. Reflects consolidated properties only

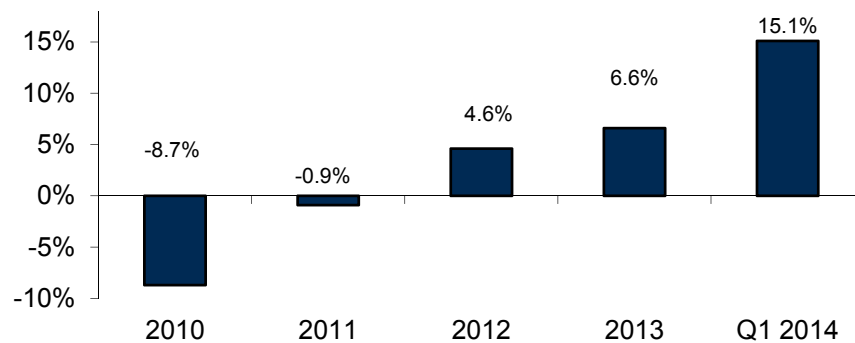
# Proven Operating Organization

- Highly-regarded, experienced industrial real estate professionals
- Market teams lease/manage portfolio, and source capital deployment opportunities
- Accountability at market level increases local competitiveness
- DCT property management maintains excellent customer relationships

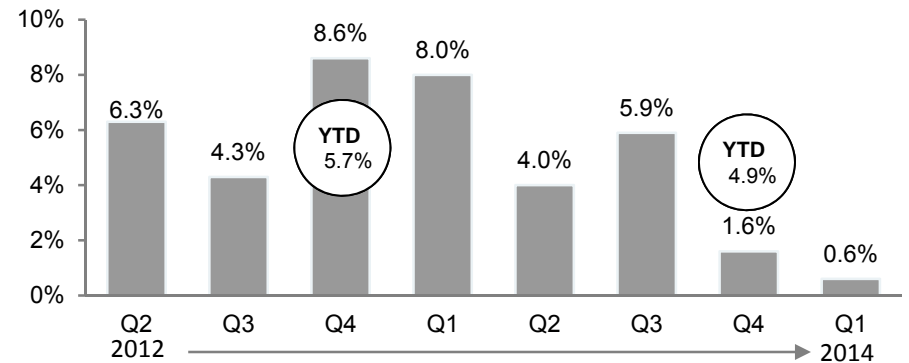
# Delivering Strong Operating Results

## Operating Portfolio – Stats for Period Ending

### GAAP Basis Re-leasing Spreads on Signed Leases

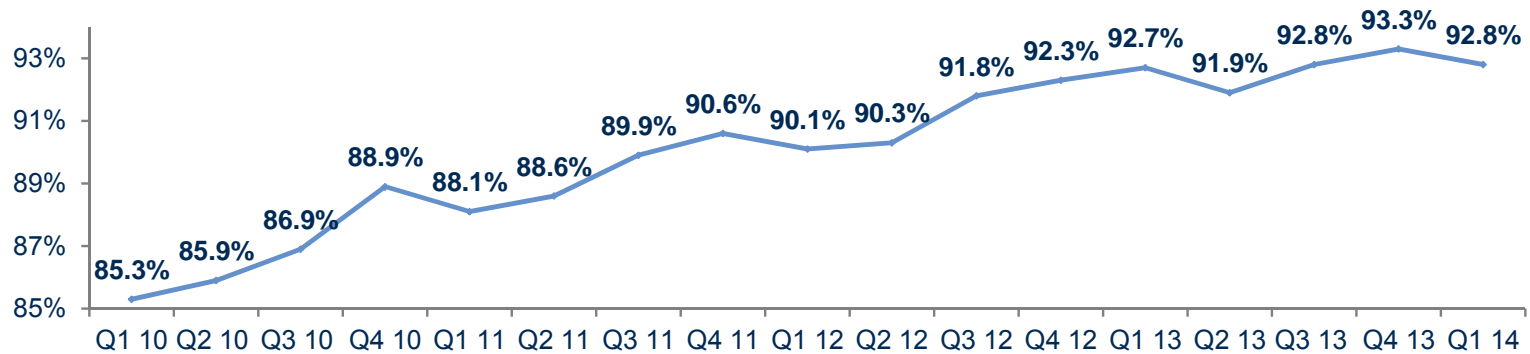


### Same Store Cash NOI Growth



2014: 81% of expiring leases commenced after 1/1/09

### Operating Occupancy Levels



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# Focused Capital Deployment Strategy

Execute multiple strategies to continue growth

## Acquisitions

- Acquire quality assets that consistently generate favorable returns
- Disciplined approach
- Focus on quality, well-located assets in markets with above average growth profile
  - Coastal
  - High-barrier/infill

## Development

- Strong in-house development capabilities
  - Local teams have extensive experience
- Focus on land that can be put into production quickly
  - Deliver the right product at the right time with greater visibility into market fundamentals
  - One or two building projects only, not a land-banker
- Risk management orientation

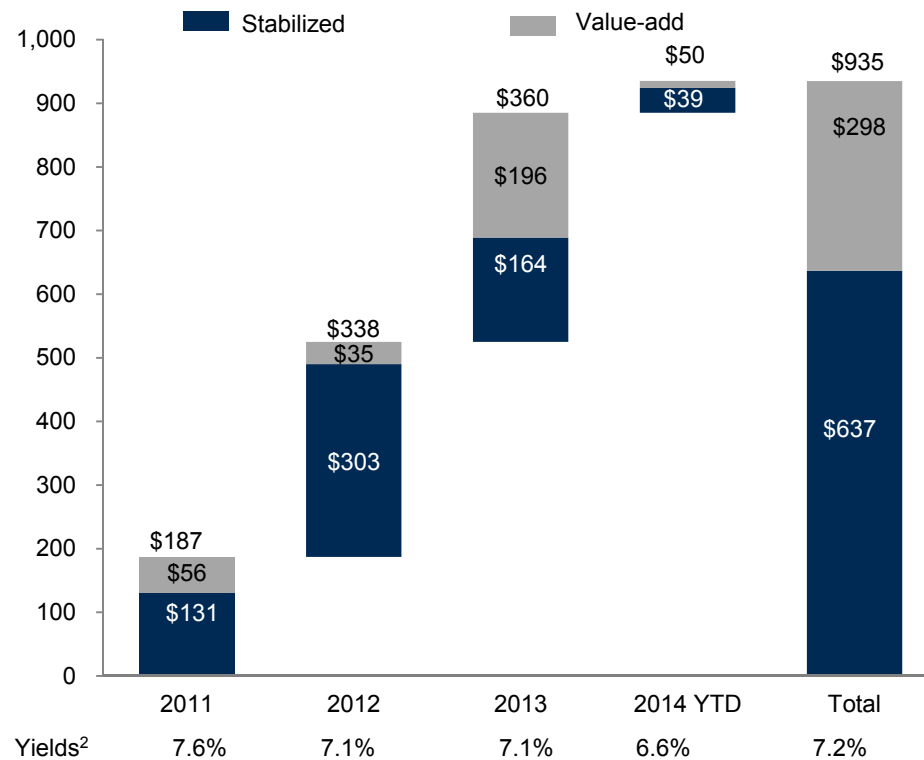
## Dispositions

- Important component of DCT's investment strategy
  - Upgrade portfolio and cash flow growth by selling non-strategic assets
  - Dispositions contribute to funding deployment
  - Very competitive source of capital at current point in cycle

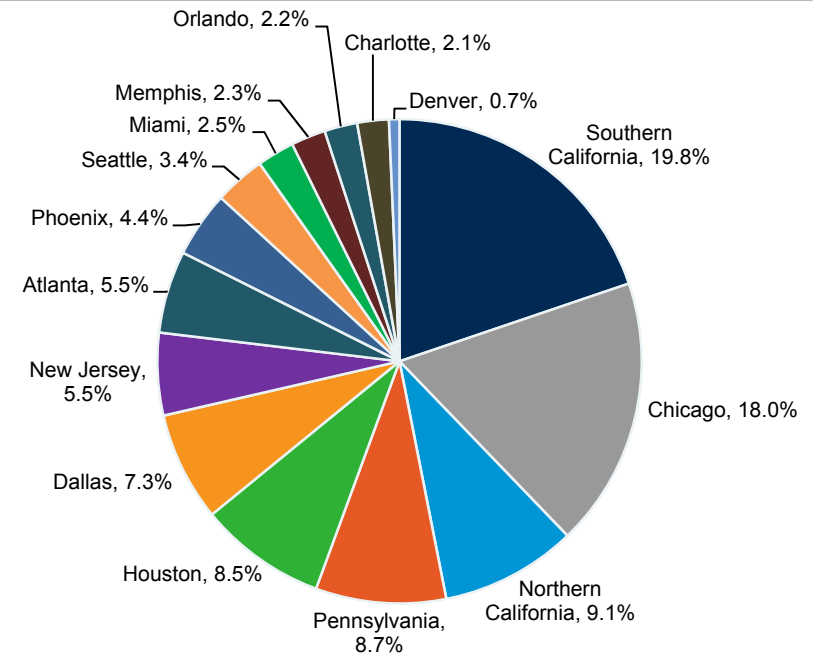


# Acquisition Summary

## Acquisitions since 2011<sup>1</sup>



## Market Breakdown of Acquisitions<sup>1</sup>



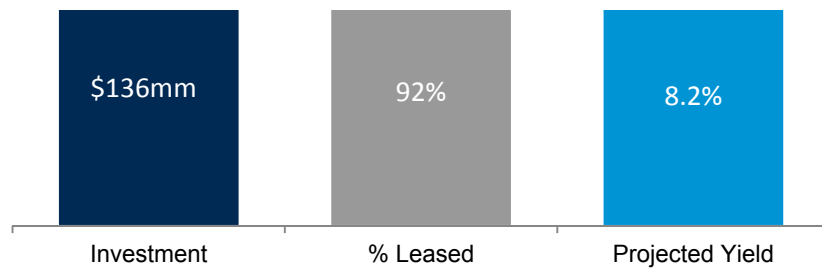
Total Acquisitions since 2011: \$935mm

<sup>1</sup> Represents purchase price excluding acquisition costs (\$mm)

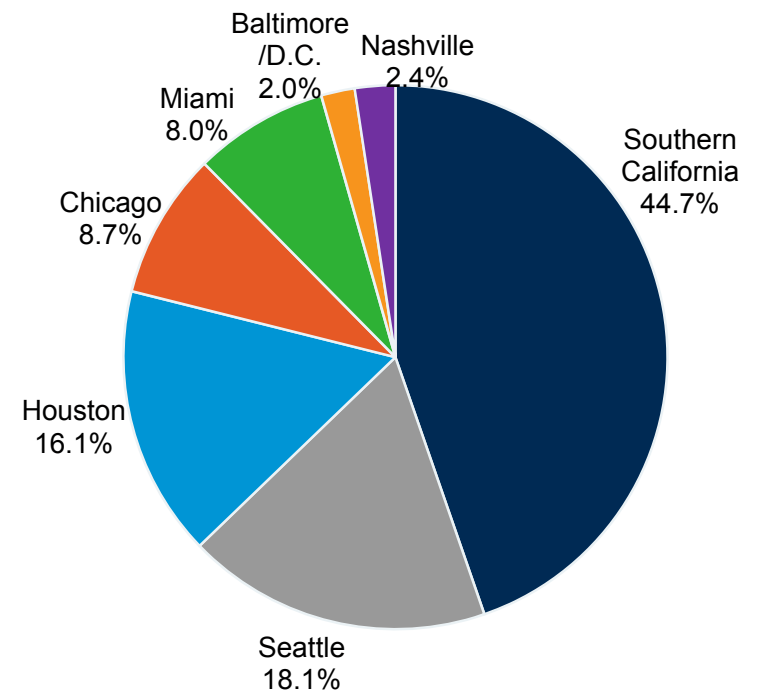
<sup>2</sup> Represents year-one cash yield for stabilized acquisitions and projected stabilized cash yield for value-add acquisitions

# Development

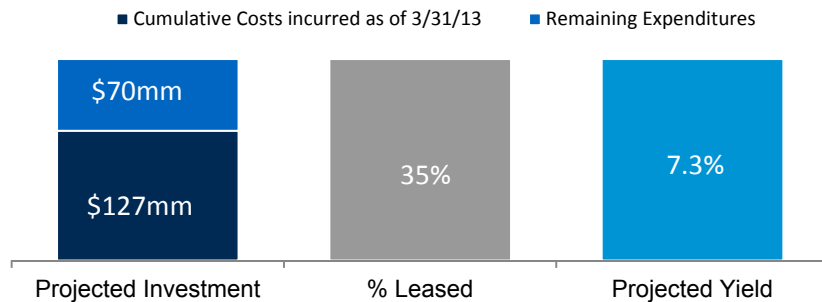
## Stabilized Developments<sup>1</sup>



## Market Breakdown of Developments



## Projects Under Development (In Lease Up and Under Construction)<sup>2</sup>



Total Developments: \$331mm

Source: Company filings as of 3/31/14

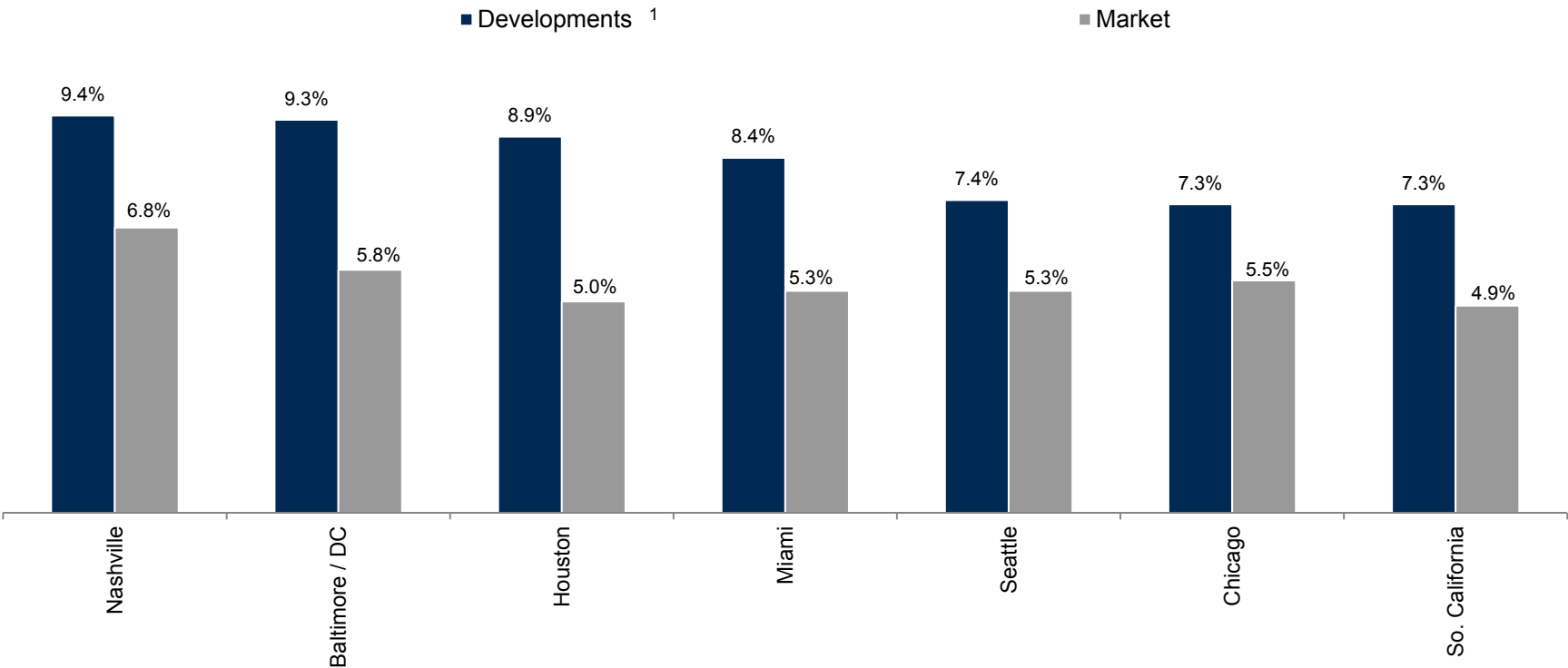
<sup>1</sup> Buildings stabilized in 2012 – 3/31/14

<sup>2</sup> Excludes two build-to-suits for sale totaling \$14 mm

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# Creating Value Through Development

## Development Yields vs Market Yields



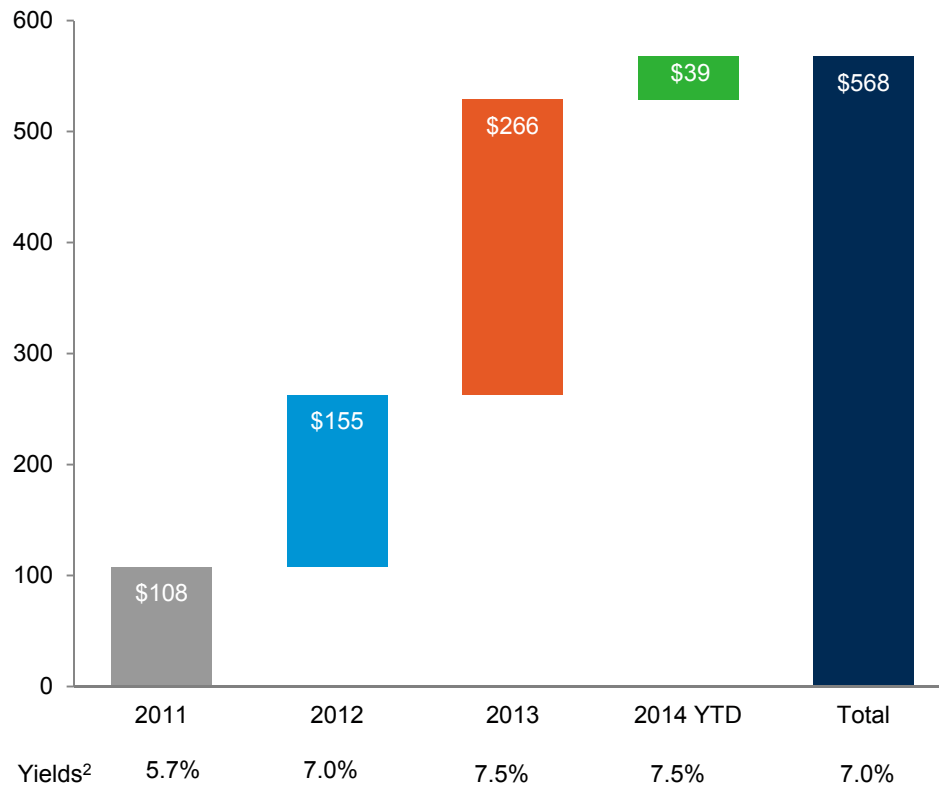
Source: CBRE, midpoint of National Class A Industrial cap rate range by market  
<sup>1</sup> Represents projected yields for current projects under development and projects stabilized in 2012 – Q1 2014 as of 3/31/14

# Asset Management Process

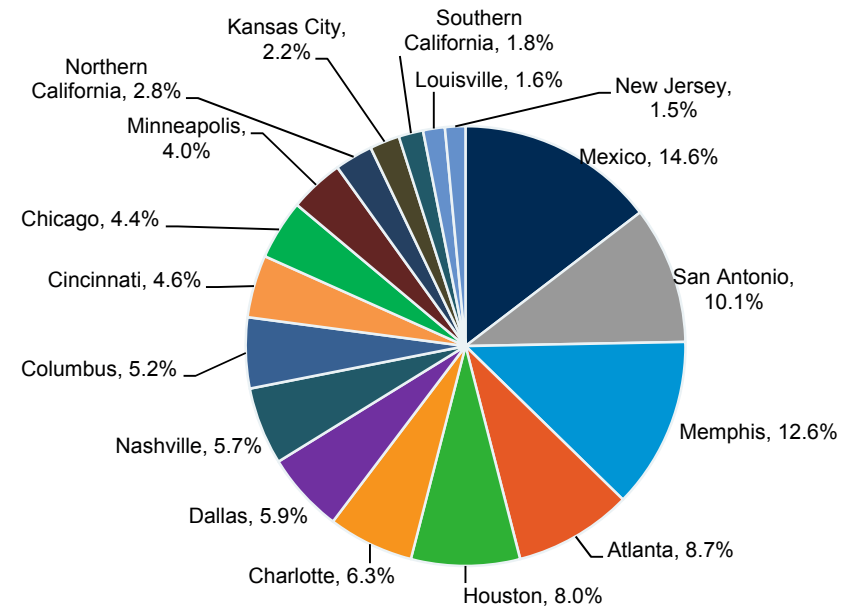
- Understand the cash flow potential of our operating portfolio and resulting long-term return expectations
- Systematically update property-level underwriting by utilizing in-depth perspective of Market Leaders, discussing market and property-level drivers of value:
  - Suite-by-suite market leasing assumptions
  - Anticipated capital investment
  - Market investment pricing expectations
- Return Potential and Growth Metrics
  - 5 Year NOI CAGR
  - 5 and 10 Year IRR
  - Leasing Performance: rent growth, roll-down exposure, lease expirations, economic occupancy
  - Yield Analysis: year one, stabilized and at-market

# Disposition Summary

## Dispositions since 2011<sup>1</sup>



## Market Breakdown of Dispositions<sup>1</sup>



Total Dispositions since 2011: \$568mm

<sup>1</sup> Consolidated assets only, represents sale price (\$mm) and excludes land sales

<sup>2</sup> Represents anticipated year 1 cash yield

- Exited 9 markets: Kansas City, Minneapolis, San Antonio, Salt Lake City and Mexico (5 markets)

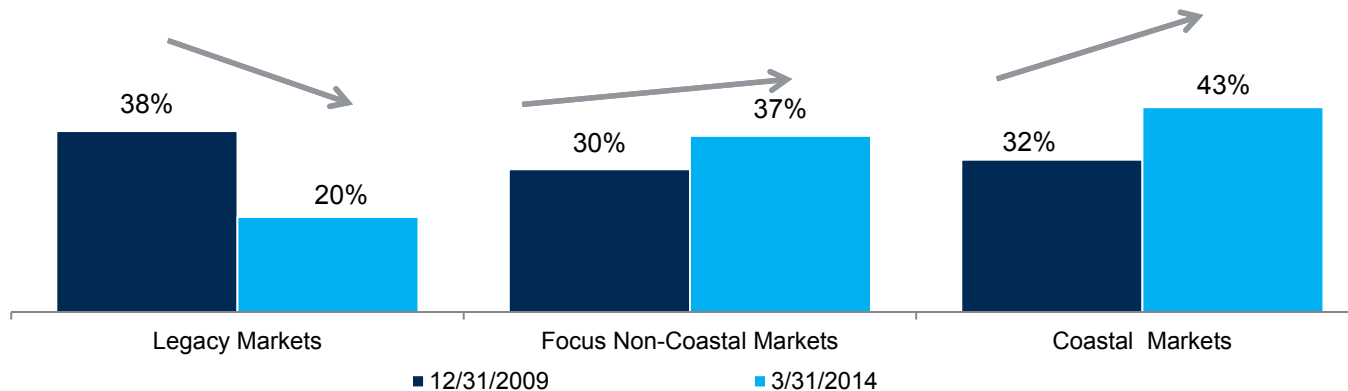
# Portfolio Repositioning

## Top 5 Markets as of 12/31/2009

		<u>% of ABR</u>
1.	Atlanta	9.9%
2.	Dallas	7.7%
3.	Houston	7.4%
4.	Northern California	7.2%
5.	Memphis	7.2%

## Top 5 Markets as of 3/31/14

		<u>% of ABR</u>
1.	Southern California	12.2%
2.	Chicago	10.6%
3.	Houston	8.0%
4.	Atlanta	7.9%
5.	Dallas	7.3%



Note: Based on annualized base rent

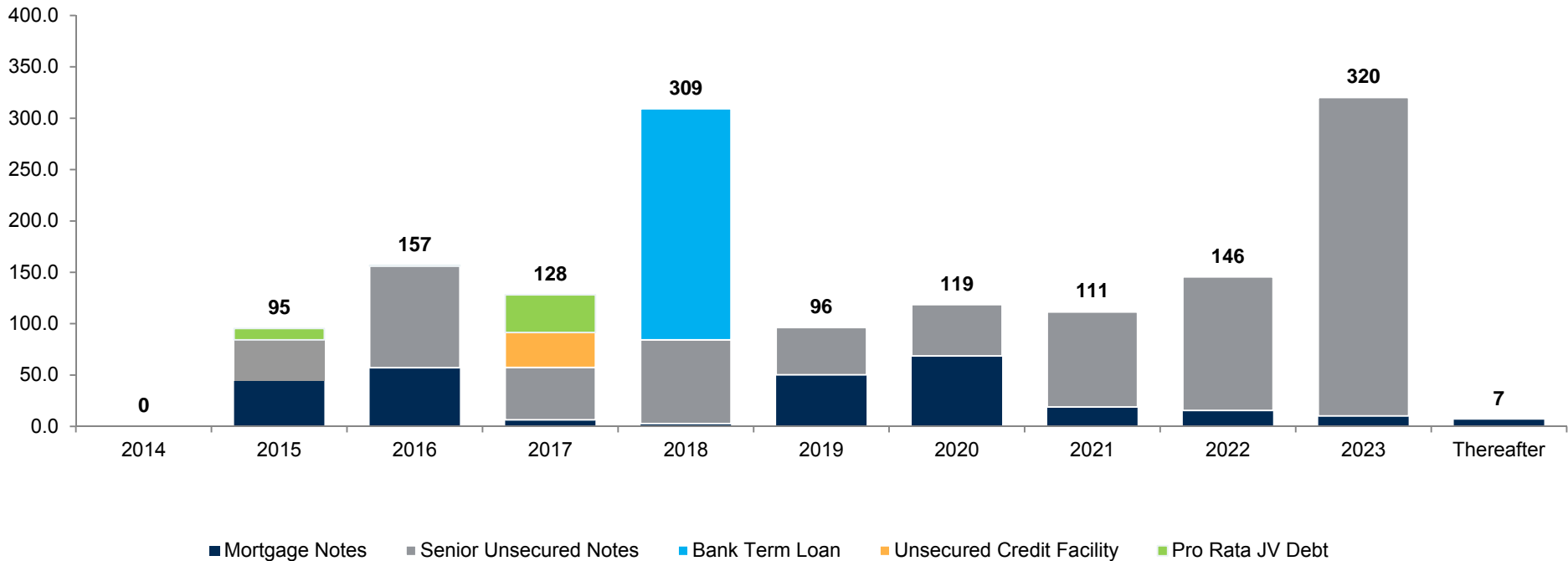
# Strong Balance Sheet

- Excellent credit metrics
  - Fixed charge coverage of 2.6x<sup>1</sup> in Q1 2014
  - Net debt to EBITDA of 6.8x in Q1 2014
- Well-laddered debt maturity schedule
- Proven access to multiple sources of capital
- Simple, conservative debt structure provides flexibility

<sup>1</sup>Based on rating agency definitions

# Balanced Debt Maturities

**DCT maintains a well laddered debt maturity schedule**



Numbers reflect 3/31/14



# Investment Highlights

- High-quality industrial portfolio located in major distribution markets
- Strong market-based teams
- Delivering results through excellent leasing and operating performance
- Creating value for shareholders through disciplined capital deployment
  - Attractive acquisitions
  - Selective development
  - Active capital recycling
- Simple, NOI-based operating model
- Strong balance sheet and prudent financial management

**Positioned to take advantage of current momentum and create long-term growth through customer relationships, strategic investments and our strong balance sheet**