



BUILDING ON OUR **STRENGTHS**

2019 ANNUAL REPORT



FINANCIAL HIGHLIGHTS

(in thousands, except per share amounts)

	2019	2018	2017
Consolidated revenues	\$ 973,759	\$ 947,987	\$ 868,119
Net income (loss) attributable to common shareholders	428,972	383,729	1,634,431
Funds from operations (FFO) – diluted	514,860	488,454	451,154
Core FFO – diluted	530,023	484,945	449,566
Adjusted FFO (AFFO) – diluted	476,393	428,080	398,658

PER SHARE:

Net income (loss) – diluted	\$ 1.18	\$ 1.07	\$ 4.56
FFO – diluted	1.40	1.34	1.25
Core FFO – diluted	1.44	1.33	1.24
Regular dividends paid	0.88	0.82	0.77
Special dividends paid	—	—	0.85

AT YEAR END:

Common stock price	\$ 34.67	\$ 25.90	\$ 27.21
Total market capitalization	15,796,029	12,054,670	12,229,918

This annual report contains a number of forward-looking statements that are not necessarily indicative of future results. For more information, refer to the company's fourth quarter and full-year 2019 results and SEC filings on the Investor Relations section of our website. This report also references non-GAAP financial measures including funds from operations or FFO and Core FFO; adjusted funds from operations or AFFO; and net operating income or NOI. These financial measures are commonly used in the real estate industry, and we believe they provide useful information to investors when used in conjunction with GAAP measures. For a definition of these non-GAAP measures and reconciliations to their most directly comparable GAAP measures, refer to the company's fourth quarter and full-year results on the Investor Relations/Financials page at www.dukerealty.com.



DEAR FELLOW SHAREHOLDERS

Executing on our straightforward strategy of owning the best-located, highest-quality logistics assets, while maintaining a strong balance sheet and allocating capital to drive cash flow growth and value creation, were at the core of our operational focus in 2019.

Our keen attention to these integral areas of our business paid off for our company and shareholders, with tremendous results in virtually every aspect of our business. Strong leasing activity and rental rate growth, high occupancy levels and a steady stream of state-of-the-art, value-creating development projects translated into significant growth in net operating income, higher same-property operating results and increased funds from operations.

These solid metrics drove a 10.2 percent increase on a share-adjusted basis in our 2019 AFFO and enabled us to raise the quarterly dividend paid to our shareholders for the fifth consecutive year. In the third quarter, we increased our quarterly dividend by 9.3 percent to \$0.235 per share, which represents an annualized dividend rate of \$0.94 per share.

We also maintained our commitment to corporate responsibility, making strides in the environmental, social and governance (ESG) aspects of our business. Specifically, we began more than \$850 million in new development projects on which we are pursuing Leadership in Energy and Environmental Design (LEED®) certification from the U.S. Green Building Council. Looking ahead, we also announced our plan to develop only LEED-certified projects going forward. To help fund our sustainability initiatives, we became the first industrial REIT to issue a green bond for the purpose of financing future or refinancing recently completed eligible green projects in the United States. In another first, Duke Realty earned Nareit's inaugural Diversity and Inclusion award for the leadership we have demonstrated in ensuring a diverse and inclusive management team, Board of Directors and workforce. In the governance arena, we modified our Code of Business Ethics to help ensure that audiences of this important document can more easily understand and comply with its intent. To help ensure our continued ESG progress, we hired a new Vice President of Corporate Responsibility to oversee our initiatives, garner support from all of our stakeholders and monitor our progress. Additional details of our ESG progress in 2019 will be provided in our full Corporate Responsibility Report which we plan to publish in May.

To help us further establish Duke Realty as the preferred logistics real estate partner for our stakeholders, Steve Schnur was promoted to Executive Vice President and Chief Operating Officer in September. A 16-year associate with a proven record of success, Steve now has direct responsibility for all of Duke Realty's real estate operations, as well as our Corporate Responsibility program.

Throughout Duke Realty's nearly 50-year history, our people have been our greatest strength. 2019 was no exception. Our local teams who serve as the face of Duke Realty and our behind-the-scenes associates who provide critical operational support continued to be instrumental in our daily efforts to deliver excellence in logistics real estate.

Jim Connor | Chairman and Chief Executive Officer

Mark Denien | Chief Financial Officer

Nick Anthony | Chief Investment Officer

Steve Schnur | Chief Operating Officer

(In front of Duke Realty's new corporate headquarters in Indianapolis, Indiana)



Airport Logistics Center I | Chicago, Illinois

Also integral to our success in 2019 was our Board of Directors. The thoughtful guidance and acute insight provided over the past year have been of great value to me and the entire Executive Committee and are greatly appreciated. We look forward to their invaluable contributions going forward.

Throughout the year, excitement grew as construction progressed on our new corporate headquarters in Indianapolis. In early February 2020 we moved into this state-of-the-art facility and are already reaping the benefits of working in a modern, more collaborative space, as well as enjoying its highly accessible location and many nearby amenities. In keeping with our commitment to sustainable development, we are pursuing LEED Silver and Fitwel certifications on the building.

Now let's review some specifics surrounding our 2019 accomplishments.

OPERATING OUTCOMES

Ongoing e-commerce growth and supply chain reconfigurations, along with a healthy economy, continued to drive the industrial real estate sector in 2019. Across the country, particularly in the leading logistics markets, demand was high, but the availability of modern, strategically located facilities was limited, driving higher rents and creating the need for new building deliveries.

This backdrop was the perfect setting for Duke Realty to leverage its strengths. Our existing portfolio of high-quality properties, which are concentrated in the top-performing submarkets of each of the markets in which we operate, coupled with our industry-leading development and construction capabilities and the diligent efforts of our leasing and property management professionals, put us in a unique position to meet clients' needs. As a result, we were successful in retaining many of our valued tenants, quickly re-leasing vacated space, filling newly delivered buildings and being selected for build-to-suit projects.

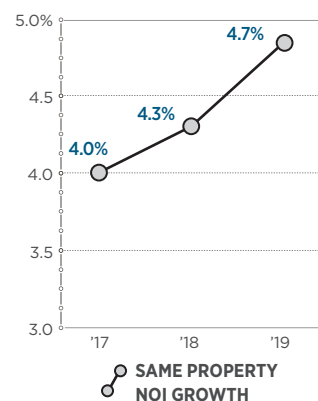
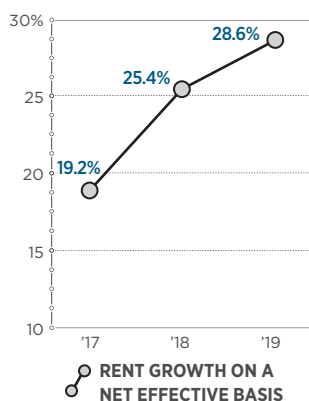


In 2019, our team signed 25.6 million square feet of leases, of which 14.4 million were new leases. The balance was renewals, which translated into a 77 percent tenant retention rate. Our leasing during the year was broad based, spread across all of our markets and a range of sizes and achieved 28.6 percent rent growth on a net effective basis and 12.0 percent on a cash basis.

Our strong leasing activity resulted in 97.8 percent occupancy in our stabilized in-service portfolio at year end. Though this metric is a solid gauge of our performance and an indicator of the quality of our properties and tenants and the stability of our cash flow, filling remaining available space in our unstabilized portfolio is essential to ongoing earnings growth. Given our strong development pipeline, our history of a less than one-year average to lease speculatively developed space and that the majority of our available space is located in high-demand submarkets, we anticipate quickly leasing these assets at favorable rental rates, driving increased cash flow and even higher net operating income.

The combination of strong occupancy, annual rent escalations and rent growth on new leases and renewals generated strong same-property net operating income. For the 12 months ended December 31, 2019, same-property net operating income grew 4.7 percent, compared to 4.3 percent for the same period in 2018.

Another reflection of our positive operating performance in 2019 was increases in our Core Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO). For 2019, Core FFO per share was \$1.44, up 8.3 percent from last year, while AFFO on a share-adjusted basis increased 10.2 percent from 2018. In turn, we were able to retain a significant amount of cash flow for reinvestment in our business plus increase the quarterly dividend paid to our shareholders while maintaining a very conservative 68 percent AFFO payout ratio.

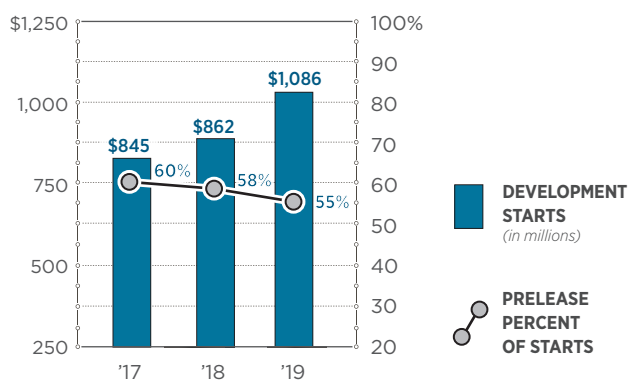




CAPITAL MANAGEMENT

Generating capital through the sale of assets on which we believe we have maximized our returns and using these proceeds to self-fund high value-creating development projects and quality acquisitions continue to be integral components of our capital management strategy.

In 2019, we effectively used dispositions to further enhance our portfolio's quality, location and growth potential, as well as increase our asset allocation in targeted, high-demand submarkets. The \$500 million raised from asset sales was redeployed into new development projects or the acquisition of well-located, high-quality assets with highly favorable prospects for strong cash flow returns.



New development remained our primary focus due to the value we can create for our shareholders. We began construction on a record \$1.086 billion of new logistics facilities that were 55 percent preleased in the aggregate. More than 40 percent of our construction starts were build-to-suit projects, and we also began the development of 5.5 million square feet in speculative space following thorough evaluations of submarket demand/occupancy and our pipeline's exposure and size. The square footage of our development projects was broad, ranging from 67,000 square feet to 1.1 million square feet depending on our tenants' needs and/or the nature of the submarket.



21202 24th Avenue South | Seattle, Washington

In keeping with our strategy of growing our portfolio in coastal Tier 1 markets, 73 percent of our new development starts in 2019 were in Southern California, South Florida, Northern California, and New Jersey – all markets that we entered less than 10 years ago. Of these, 64 percent were redevelopment projects given the scarcity of land available for new construction. Our redevelopment capabilities, including our proficiency in dealing with zoning, entitlement and remediation challenges, enable us to enter high-barrier-to-entry, high-demand markets and develop new, Class A industrial buildings, creating significant value for our shareholders.

During the year, we placed in service \$715 million of new developments totaling 8.0 million square feet, of which 79 percent were leased at year end and had a stabilized GAAP yield of 6.6 percent. We were successful in leasing our speculatively developed properties at rents higher than our original underwriting projections and more quickly than our original estimated timelines.

The acquisition market in 2019 was extremely competitive and characterized by aggressive pricing and compressed cap rates, so we limited our purchases to only strategically located assets with a strong probability of solid returns. Acquisitions for the year totaled \$217 million and expanded our presence in four of our targeted growth markets: Seattle, Northern California, Pennsylvania and South Florida.

Our focus on new development and acquisitions in coastal Tier 1 markets has resulted in a notable shift in the geographic concentration of our portfolio. At year-end 2019, 32 percent of our portfolio on a gross asset value was located in coastal Tier 1 markets, compared to 26 percent at the end of 2018. We are pleased with our ability to transition our portfolio primarily through development and without compromising our balance sheet quality.

In 2019, we monetized \$356 million of land through new development projects and sales of non-strategic parcels. In anticipation of future development, we purchased \$232 million of land in submarkets where we want to grow our portfolio. We continue to be conservative when it comes to our land bank, adding only well-located parcels for which we have a definitive development timeline. Between these new sites and our existing land bank, we believe we are well-positioned to add both size and value through the development of new assets.



Turnpike Crossing 6711 | West Palm Beach, Florida

FINANCIAL STRENGTH

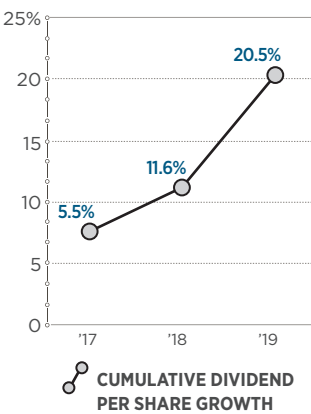
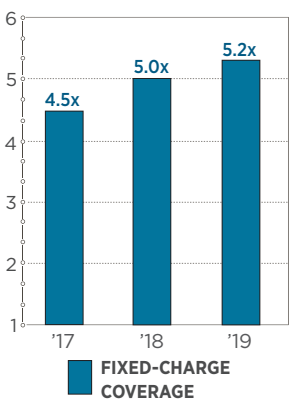
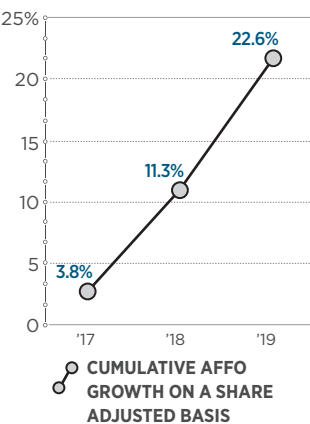
In 2019, we remained committed to maintaining a strong balance sheet to support our value-creating development program and be positioned to expeditiously respond to attractive investment opportunities that might arise.

In addition to proceeds generated from dispositions and cash flow from our operations, we issued a total \$575 million of unsecured notes at a 2.9 percent effective interest rate and \$266 million of equity under our ATM program at an average price of \$33.30 per share to prefund our development activity. We also redeemed \$250 million of unsecured notes which were scheduled to mature in February 2021, eliminating any significant debt maturities until June 2022.

Our most notable issuance, however, was a \$400 million green bond, part of the previously mentioned unsecured notes. Consistent with our increased focus on sustainability, we felt it was prudent to have funds specifically earmarked for green buildings, energy efficiency initiatives and renewable energy projects.

We ended 2019 in a strong financial position with \$111 million of cash on hand, \$1.7 million of cash held in escrow for near-term, tax-deferred exchange transactions and no outstanding borrowings on our \$1.2 billion line of credit.

In 2019, our fixed-charge coverage ratio was 5.2 times compared to 5.0 times in 2018, and our debt-to-EBITDA stood at 4.6 times compared to 4.8 times in 2018. Our debt-to-market capitalization improved to 19 percent at the end of the year compared to 22 percent at the start of 2019. Going forward, we anticipate maintaining leverage metrics in line with our current credit ratings from Standard and Poor's and Moody's.





5 Ethel Boulevard | Wood-Ridge, New Jersey

2020 AND BEYOND

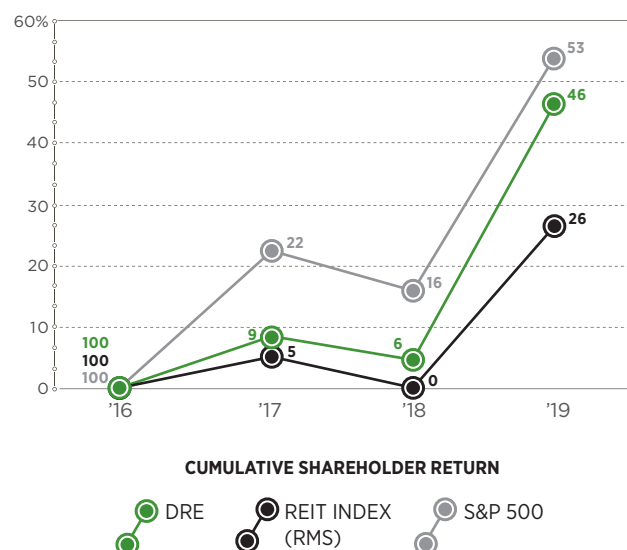
Analysts who study the industrial sector remain confident that e-commerce sales will continue to grow and traditional users of distribution space will make ongoing changes in their supply chains to address changing consumer habits. This bodes well for Duke Realty since our portfolio is the youngest, most modern in the industry and located close to consumers.

Though there is some concern about the long-term impact of trade tensions and tariffs, unrest in foreign countries and potential for an economic downturn, we believe Duke Realty is well-positioned to weather possible disruptions and maintain positive momentum.

Looking ahead, we are confident that the groundwork we laid in 2019 favorably positions us for solid financial performance in the future. As the development projects we began this year come online and are leased, we'll benefit from increased cash flow and net operating income. We have available capital, land in the best locations, and a development platform staffed by experienced and conscientious professionals that continues to be a significant source of value creation. We are secure in our ability to meet both existing and potential tenants' space needs and increase rental rates given that the concentration of our assets are in high-performing submarkets. And lastly, lease expirations in our portfolio are spread fairly evenly over the next several years helping mitigate any lease expiry shocks.

The entire Duke Realty team is grateful for your continued support and investment in our company. We pledge to do everything possible to continue to grow and strengthen our company so that we can retain your trust and confidence and increase the dividends you receive. We look forward to sharing with you the progress we make and our results in 2020.

James B. Connor
Chairman and Chief Executive Officer



LEAD INDEPENDENT DIRECTOR'S LETTER

As Lead Independent Director, it is my privilege to share the practices followed by Duke Realty's Board of Directors to ensure that the voices and interests of shareholders are heard and protected. We take our oversight responsibilities seriously and are committed to the highest standards of corporate governance and building sustainable, long-term value for our shareholders.

OVERSIGHT

Duke Realty's Board of Directors has a wealth of experience across strategy-critical domains, including real estate, finance and logistics. Combining unique perspectives, the Board brings a balanced approach to strategy evaluation, risk management and important investment decisions.

BOARD DIVERSITY AND REFRESHMENT

Board diversity and experience are critical to our effectiveness. We regularly evaluate the strengths and tenure of Board members and are committed to maintaining a Board with the appropriate balance of skills, diversity and experience to provide effective oversight.

In 2019, two Board members — Bill Cavanaugh and Alan Cohen — did not seek reelection. In light of their departures, we took the opportunity to continue enhancing the diversity of our Board with the addition of Warren M. Thompson, an accomplished entrepreneur with public REIT board experience, in February 2019. We also added Tammy Fischer, CEO of National Storage Affiliates Trust, a REIT specializing in self-storage properties, in January 2020.

Our commitment to diversity at the Board level and throughout the company were factors in the selection of Duke Realty and CEO Jim Connor as the Gold Corporate winner and Individual Honoree, respectively, in Nareit's inaugural Dividends through Diversity and Inclusion Recognition awards. Duke Realty has been in the forefront of the diversity and inclusion movement, and we are honored to be recognized.

GOVERNANCE

Duke Realty's Board of Directors believes that they, along with the executive team and all associates, should adhere to the highest standards of ethics and conduct. This year, the Board reviewed and approved the company's revised and renamed Code of Business Ethics. This updated code incorporates plain and concise language and graphics to help ensure that every member of the team has a clear understanding of appropriate business behavior.

As I complete my first year as Lead Independent Director, I am appreciative of the engagement, commitment and contributions of my fellow Board members. Going forward, your Board remains dedicated to serving your interests and appreciates your continued engagement and support of our company.



David P. Stockert
Lead Independent Director

MARKET PRICE AND DIVIDENDS

2019

Quarter Ended	High	Low	Dividend
December 31	\$ 36.04	\$ 33.18	\$ 0.235
September 30	34.24	31.17	0.215
June 30	32.59	29.48	0.215
March 31	31.00	24.88	0.215

2018

Quarter Ended	High	Low	Dividend
December 31	\$ 28.91	\$ 24.67	\$ 0.215
September 30	29.48	27.52	0.200
June 30	29.24	25.29	0.200
March 31	27.40	24.30	0.200

GENERAL INFORMATION

Duke Realty Corporation's Direct Stock Purchase and Dividend Reinvestment Plan provides shareholders with an opportunity to conveniently acquire the company's common stock. Shareholders may have all or part of their cash dividends automatically reinvested, and may make optional cash payments toward the purchase of additional shares of common stock. Information regarding the Plan may be obtained from our transfer agent, EQ Shareowner Services at www.shareowneronline.com or by calling 877.838.2877.

BOARD OF DIRECTORS



Chris T. Sultemeier

Former Executive Vice President Logistics, Walmart Stores and President/Chief Executive Officer, Wal-Mart Transportation, LLC

Lynn C. Thurber

Chairman, LaSalle Income Property Trust

John P. Case

Former Chief Executive Officer and Director, Realty Income Corporation

Charles R. Eitel

Former Chief Executive Officer, WS Packaging Group, Inc. and Former Chairman and Chief Executive Officer, Simmons Bedding Company

David P. Stockert

Lead Independent Director
Former CEO, Post Properties

Norman K. Jenkins

President and Chief Executive Officer, Capstone Development

Warren M. Thompson

President and Chairman, Thompson Hospitality

Peter M. Scott

Former Chief Financial Officer and Executive Vice President, Progress Energy

James B. Connor

Chairman and Chief Executive Officer, Duke Realty

Michael E. Szymanczyk

Former Chairman and Chief Executive Officer, Altria Group

Melanie R. Sabelhaus

Co-Founder, Bridge Street Worldwide (Formerly Exclusive Interim Properties)

Ngaire E. Cuneo

Executive Vice President, Silac, LLC

Tamara D. Fischer

Chief Executive Officer, National Storage Affiliates Trust

LEADERSHIP TEAM



Pete D. Harrington

Executive Vice President, Construction

Ann C. Dee

General Counsel

Jenny E. Bean

Senior Vice President, Human Resources

J. Samuel O'Briant

Executive Vice President, East Region

Steven W. Schnur

Chief Operating Officer

Mark J. Milnamow

Senior Vice President, Chief Accounting Officer

Nicholas C. Anthony

Chief Investment Officer

Mark A. Denien

Chief Financial Officer

James B. Connor

Chairman and Chief Executive Officer

Chris M. Burns

Executive Vice President, Central and West Regions

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