



45 YEARS IN BUSINESS
25 YEARS PUBLICLY TRADED
100 PERCENT INDUSTRIAL FOCUSED
500 INCLUDED IN PRESTIGIOUS S&P INDEX

2017

ANNUAL REPORT

FINANCIAL HIGHLIGHTS

(in thousands, except per share amounts)

	2017	2016	2015
Consolidated revenues	\$ 868,119	\$ 903,227	\$ 981,981
Net income (loss) attributable to common shareholders	1,634,431	312,143	615,310
Funds from operations (FFO) - diluted	459,980	432,666	303,955
Core FFO - diluted	449,566	429,820	412,172
Adjusted FFO (AFFO) - diluted	398,658	378,094	354,710

PER SHARE:

Net income (loss) - diluted	\$ 4.56	\$ 0.88	\$ 1.77
FFO - diluted	1.27	1.21	0.86
Core FFO - diluted	1.24	1.20	1.17
Regular dividends paid	0.77	0.73	0.69
Special dividends paid	0.85	—	0.20

AT YEAR END:

Common stock price	\$ 27.21	\$ 26.56	\$ 21.02
Total market capitalization	12,229,918	12,444,365	10,672,926

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 2017 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.



Camp Creek 3909 | Atlanta, GA

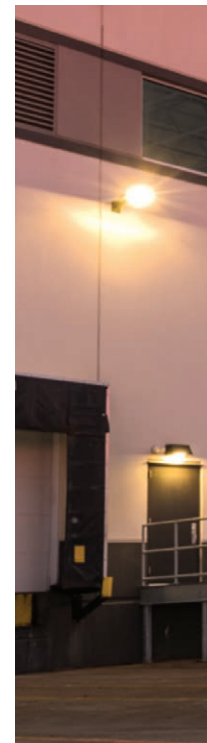
Front Cover:

3300 Indian Avenue | Perris, CA

Lockport 16508 | Chicago, IL

Interstate 95 Center of Commerce | Fort Lauderdale, FL

LETTER TO SHAREHOLDERS





Jim Connor | Chairman and Chief Executive Officer
Mark Denien | Chief Financial Officer
Nick Anthony | Chief Investment Officer
at 1 Catherine in Teterboro, NJ

2017 was a year of milestones and accomplishments for Duke Realty. We proudly celebrated our 45th year in business, neared our silver anniversary as a publicly traded company on the New York Stock Exchange, earned inclusion in the S&P 500 Index and, for the first time since our founding, were 100 percent focused on only one segment of commercial real estate – bulk industrial properties.

This narrowed focus, in turn, was evident in our performance – outstanding operational results, steady industrial portfolio growth through strategic development and quality acquisitions, and further strengthening of our already sound balance sheet. What’s more, our efforts have solidly positioned Duke Realty as the leading pure-play, domestic-only industrial REIT in the country with a portfolio that’s second to none in terms of quality and age.

Without a doubt, strong consumer confidence, increased consumption, the ongoing shift to online purchasing and accelerated delivery expectations provided a favorable environment for our business. Bulk warehouse space was in high demand across the country as users sought to modernize their operations, improve logistical efficiencies, increase warehouse capacity and get closer to their customers.

The greatest factor influencing our success in 2017 was the Duke Realty team. Our associates across the country, whether interacting with brokers and clients or providing critical behind-the-scenes support, deserve recognition and thanks for their contributions throughout the year.

I also am extremely grateful for our outstanding Board of Directors and the insightful guidance they provided as we streamlined our business, grew our industrial assets and improved our financial strength. I would particularly like to express appreciation to Jack Shaw, who after 14 years of service, will not be standing for reelection to the Board of Directors at our 2018 Annual Meeting of Shareholders.

As mentioned, our overall strong performance resulted in Duke Realty being added to the prestigious S&P 500, an index that has been long regarded as the most accurate gauge of the best performing companies. We also maintained our credit ratings of BBB+ and Baa1, respectively, from Standard and Poor’s and Moody’s Investor Service.

Our shareholders also benefited from our strong operating results and balance sheet. In October, our Board of Directors voted, for a third consecutive year, to raise our dividend to shareholders by more than 5 percent, increasing it from \$0.19 to \$0.20 per share, which translates into \$0.80 per share on an annualized basis.

Our asset recycling activities, primarily the sale of properties in connection with our exit from the medical office sector, were a significant contributor to 2017 shareholder returns. In December, shareholders were paid an \$0.85 per share special dividend driven by taxable gains on sales of \$2.85 billion of assets.

Now let’s review our accomplishments and the key metrics that are most reflective of our operating strength.

OPERATIONAL ACHIEVEMENTS

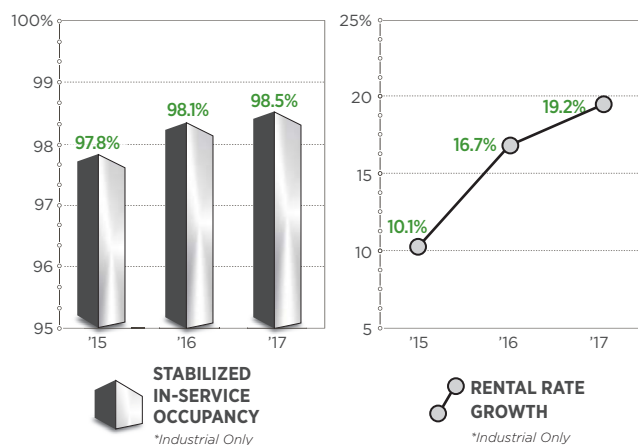
In 2017, we recorded strong results in our property operations thanks to the diligent efforts of our property management, leasing and development professionals who represent our company in 21 logistics markets nationwide. Across the board, they worked to quickly backfill vacated space as well as lease new buildings coming into our portfolio. They also were awarded an impressive number of build-to-suit development projects. During the year, our team signed nearly 24.0 million square feet of leases, of which 13.7 million square feet were new leases and 10.0 million square feet were renewals, which translated into a 80.5 percent tenant retention rate.

Occupancy in our stabilized in-service portfolio stood at 98.5 percent at year-end 2017, up from 98.1 percent in 2016. Even with the high occupancy level in our stabilized portfolio, we have ample opportunity to grow earnings and lease additional space in our unstabilized portfolio. This group of properties is comprised of speculative developments placed in service and newly developed, unleased properties acquired during the year. Interest in these new properties is strong, and we are confident in our team's ability to quickly execute leases given our historical experience of stabilizing new projects within seven months of being placed in-service on average.

Our leasing team also continued to successfully increase rental rates on new and renewal leases executed. As a result of their focus on this metric, as well as sustained demand for quality industrial space, we were able to record a 19.2 percent increase in rental rates for 2017, compared to 16.7 percent in 2016.

We continued to achieve strong growth in same-property net operating income as well. The improvement in this metric stemmed largely from our ability to grow rental rates at significant levels since, for most of the past two years, we operated at peak occupancy levels in our same-property portfolio. Same-property net operating income grew by 4.0 percent for the 12 months ended December 31, 2017, compared to 6.7 percent for the same period in 2016.

Despite the temporary dilution in earnings from the sale of more than \$3.0 billion of assets in 2017, our continued strong property operations resulted in an increase in both Core Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO). For 2017, our FFO increased 3.3 percent to \$1.24, up from \$1.20 in 2016, while our AFFO on a share-adjusted basis increased 3.8 percent. With our current annualized dividend of \$0.80 per share, we have a conservative AFFO payout ratio of 70 percent.





INVESTMENT ACTIVITIES AND OUTCOMES

Consistent with our strategy of transitioning to an industrial-only REIT, in 2017 we elected to harvest the significant value we had created in our medical office operations by selling our assets and platform. Interest in this business was extremely high, which enabled us to ultimately sell our entire medical office portfolio and platform at pricing that was better than experts expected, resulting in a combined gain of more than \$1.4 billion and demonstrating the significant value that was created for our shareholders.

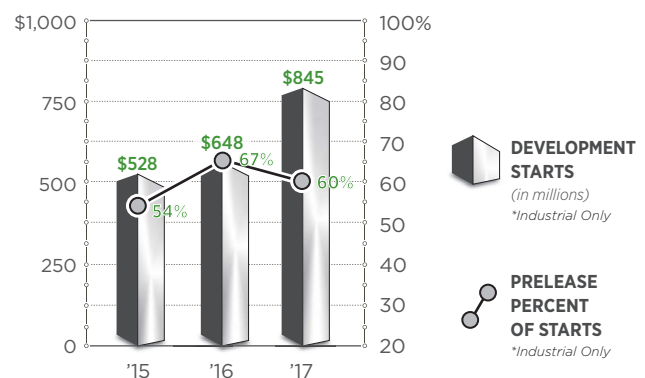
As a result of the medical office disposition and the sale of other assets that were not in line with our quality specifications and return targets, our dispositions in 2017 totaled \$3.1 billion at an average in-place cap rate of 4.8 percent. We strategically redeployed the capital generated from these dispositions to further improve our balance sheet, as well as grow our industrial portfolio through value-creating development projects and the acquisition of quality, strategically located industrial assets with high cash flow growth potential.

In 2017, we started \$845 million of new industrial developments totaling 10.8 million square feet that were 60 percent preleased in the aggregate, with estimated profit margins of more than 20 percent. While many of our new development projects were build-to-suit or significantly preleased before construction began, we also embarked on a number of speculatively developed buildings in markets where occupancy in our properties was near or at capacity, and demand for new, first-class space is high. We continued our conservative approach to development, adhering to our self-imposed guidelines for speculative exposure and pipeline size. During the year, we placed 9.8 million square feet of development projects in service that were 79 percent leased at year-end and have a stabilized GAAP yield of 7.1 percent. Through our development projects and sales of nonstrategic parcels, we were able to monetize \$292 million of land.

We also were active in the acquisition arena, purchasing \$986 million of top-quality industrial properties primarily in Tier 1 logistics markets. In 2017, we bolstered our position in New Jersey, Southern California, South Florida, Atlanta, Chicago and Houston by 7.9 million square feet. Given the supply/demand characteristics of the markets where these acquired properties are located, we anticipate that the stabilized cap rates of these assets will exceed those of the medical office properties which were sold and have stronger long-term growth potential.

Both our development and acquisition efforts this year were focused on expanding our presence in high-barrier, high-demand markets. At the end of 2017, 59 percent of Duke Realty industrial assets were located in Tier 1 markets compared to 50 percent at year-end 2016.

We also purchased approximately 400 acres of land for future development in markets where we anticipate ongoing strong demand. With these strategic positions and our existing land bank, we are in an excellent position to embark on development projects that will create long-term net asset value.





Butterfield 2865 | Chicago, IL



960, 980 & 1000 ePort | Perth Amboy, NJ

BALANCE SHEET STRENGTH

With the proceeds from our medical office sale and other dispositions this year, we further reduced our leverage and bolstered our on-balance sheet financing capacity. During 2017, we used funds generated from dispositions to pay down \$787 million of debt.

The majority of the remaining disposition proceeds were reinvested in new development projects and property acquisitions in top industrial markets. These acquisitions not only allowed us to quickly grow and improve the quality of our industrial holdings, but also are expected to be highly accretive to our FFO upon stabilization, since we anticipate the stabilized returns will be in excess of the cap rate achieved on the medical office disposition. As part of the medical office disposition, we also have \$400 million in interest-bearing notes receivable maturing at various points through January 2020, providing a steady source of funding for future development or acquisitions.

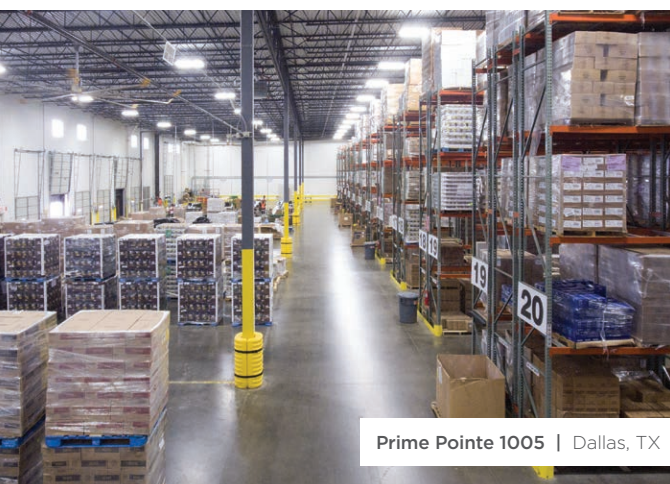
The extension of our unsecured revolving credit facility this year further shores up our future financing capabilities. This facility, which we renewed at a five basis point interest rate reduction, provides us with a \$1.2 billion line of credit at a rate of LIBOR plus .875 percent (subject to adjustment) through January 2022.

We ended the year with no borrowings on our line of credit and have the liquidity and balance sheet capacity to fund additional real estate investments of approximately \$1.4 billion while maintaining leverage metrics within our current credit ratings level. Our fixed-charge coverage ratio stood at 4.5 times in 2017 compared to 3.5 times in 2016, and our debt to EBITDA was 4.5 times in 2017 compared to 5.2 times in 2016. Our debt-to-market capitalization was 20 percent at the end of the year compared to 24 percent at the start of 2017.





Lockport 16328 | Chicago, IL



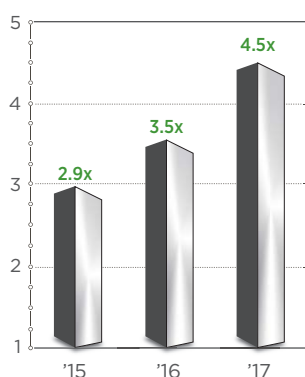
Prime Pointe 1005 | Dallas, TX



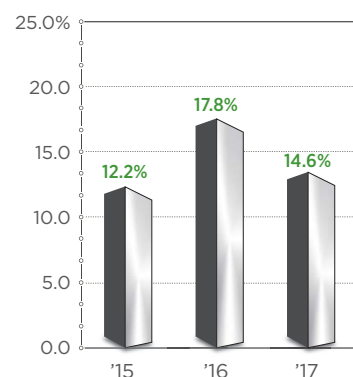
Morgan Business Center 400 | Savannah, GA

LOOKING FORWARD

The milestones we celebrated in 2017 provided us with an excellent opportunity to reflect on Duke Realty's history and accomplishments. But they also serve as an impetus for us to maintain our strong momentum going forward. We are optimistic about what lies ahead for our company given strong economic trends in the logistics real estate business, the quality of our portfolio, our strong balance sheet and the capabilities and commitment of our team of professionals across the country. And though we can't control external factors that may impact our business in the future, we will keep a pulse on legislation, world affairs and the overall economy and make adjustments as needed.



**FIXED-CHARGE
COVERAGE**



**3-YEAR CUMULATIVE AFFO
GROWTH RATE (ON A
SHARE ADJUSTED BASIS)**

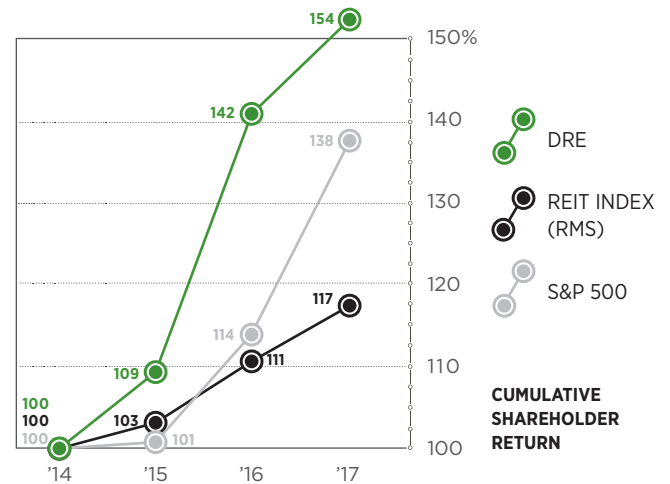
Now that we have successfully completed the transition of our portfolio and are 100 percent focused on bulk industrial real estate, our strategy is straightforward. We plan to continue growing our industrial assets through new development, leveraging the power of our platform and attractive land positions. We also will consider future acquisitions to help us further grow our presence in Tier 1 industrial markets. In addition, we are confident that our track record of delivering high-quality, state-of-the-art industrial facilities for today's logistics leaders will lead us to new and repeat business.

Our solid financial footing puts us in an excellent position for the future. Our leverage levels, coupled with our liquidity and borrowing capacity, will allow us to comfortably fund our growth. Our strong operating platform and cash flow growth potential from the stabilization of high-quality developments and acquisitions will accelerate our ability to grow FFO and AFFO which, in turn, will enable us to increase our dividends to shareholders.

All of us at Duke Realty are greatly appreciative of your investment and support of our company. Rest assured that we will continue our efforts to further strengthen our company so that we can increasingly provide you with greater shareholder value.



James B. Connor
Chairman and Chief Executive Officer



Camp Creek 3707 | Atlanta, GA



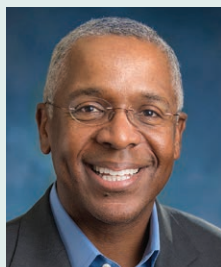
It is my privilege to serve as the Lead Independent Director for Duke Realty shareholders and to provide you with an overview of our key areas of focus in 2017.

STRATEGIC OVERSIGHT

Duke Realty's Board of Directors has a wealth of experience and expertise that lends itself well to thoroughly understanding the company's business. Throughout the year, our directors were actively engaged with Duke Realty's executive leadership team, evaluating strategies, sharing perspectives and providing advice. Our work this year included the decision to completely exit the medical office sector and become a pure-play industrial company, and then subsequently determine the best use of proceeds to benefit the company's long-term performance.

BOARD REFRESHMENT

Following the retirement of one Board member and the decision by another to resign due to career obligations, we engaged in an intensive search to add individuals to our Board with skills that are complementary to our industry, and could also bring diversity of thought. In 2017, we added two new members, Norman Jenkins and David Stockert, to the Duke Realty Board, each with skills, experiences and backgrounds that will provide significant value to the Board as a whole, management and shareholders.



Norman K. Jenkins
President and Chief
Executive Officer,
Capstone Development



David P. Stockert
Retired CEO,
Post Properties

PROXY ACCESS

Duke Realty's Board of Directors voted to amend and restate its bylaws to implement "proxy access." Proxy access allows long-term shareholders to have their own director nominees included in a company's proxy materials. Proxy access became first available in connection with the 2018 annual meeting of shareholders.

BOARD DIVERSITY POLICY

This new policy is designed to advance the company's goal of having a diverse and inclusive Board with directors of different professional backgrounds as well as of varying race, ethnicity and gender. Duke Realty's Board Diversity Policy recognizes the value of nominating for election to the Board individuals who bring a variety of diverse opinions, perspectives, skills, experiences, backgrounds and orientations to its discussions and decision-making processes.

Duke Realty's Board of Directors remains committed to best-in-class corporate governance policies and practices that are designed and routinely assessed to enable the company to operate its business responsibly, with integrity and in the best interests of its shareholders. On behalf of the entire Board, thank you for your support and vote of confidence.



A handwritten signature in black ink, reading "William Cavanaugh III".

William Cavanaugh III
Lead Independent Director

BOARD OF DIRECTORS



William Cavanaugh III
Lead Director; Retired Chairman
and Chief Executive Officer,
Progress Energy, Inc.



Alan H. Cohen
Retired Co-Founder
and Chairman,
The Finish Line



James B. Connor
Chairman and
Chief Executive Officer,
Duke Realty



Ngaire E. Cuneo
Partner,
Red Associates, LLC



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



Norman K. Jenkins
President and Chief Executive Officer,
Capstone Development



Melanie R. Sabelhaus
Senior Principal,
Jerold Panas, Linzy & Partners



Peter M. Scott
Retired Chief Financial Officer
and Executive Vice President,
Progress Energy, Inc.



Jack R. Shaw
Past President, The Regenstrief
Foundation and Retired Managing
Partner, Ernst & Young
in Indianapolis, Indiana



David P. Stockert
Retired CEO,
Post Properties



Michael E. Szymanczyk
Retired Chairman and
Chief Executive Officer,
Altria Group



Lynn C. Thurber
Former Non-Executive Chairman,
LaSalle Investment Management

ELECTRONIC DEPOSIT OF DIVIDENDS

Registered holders of Duke Realty Corporation's common stock may have their quarterly dividends deposited to their checking or savings account free of charge. Call the Investor Relations department at 317.808.6005 to sign up for this service.

MARKET PRICE AND DIVIDENDS

New York Stock Exchange: DRE

The table to the right sets forth the high and low prices of the company's common stock for the periods indicated and the dividend paid per share during such period.

HOLDERS OF COMMON STOCK

As of February 19, 2018, there were 5,406 record holders of the company's common stock.

2017

Quarter Ended	High	Low	Dividend
December 31	\$ 29.58	\$ 26.65	\$ 0.200
September 30	30.14	27.23	0.190
June 30	29.25	26.17	0.190
March 31	27.28	23.93	0.190

2016

Quarter Ended	High	Low	Dividend
December 31	\$ 27.26	\$ 22.97	\$ 0.190
September 30	28.99	26.18	0.180
June 30	26.69	21.11	0.180
March 31	22.70	18.52	0.180

On January 31, 2018, the company declared a quarterly cash dividend of \$0.20 per share, payable as of February 28, 2018 to common shareholders of record on February 15, 2018.

LEADERSHIP TEAM



Jeffrey D. Turner

Executive Vice President, West Region

J. Samuel O'Briant

Executive Vice President, East Region

Nicholas C. Anthony

Chief Investment Officer

Mark A. Denien

Chief Financial Officer

James B. Connor

Chairman and Chief Executive Officer

Denise K. Dank

Chief Human Resources Officer

Steven W. Schnur

Senior Regional Executive Vice President

Pete D. Harrington

Executive Vice President, Construction

Ann C. Dee

General Counsel

HOW TO REACH US

Corporate Headquarters

600 East 96th Street, Suite 100
Indianapolis, Indiana 46240
317.808.6000

Transfer Agent and Registrar

EQ Shareowner Services
1110 Centre Point Curve, Suite 101
Mendota Heights, Minnesota 55120
877.838.2877 (US)
651.450.4064 (Outside US)
www.shareowneronline.com

Investor Relations

Duke Realty Corporation
Attn: Investor Relations
600 East 96th Street, Suite 100
Indianapolis, Indiana 46240
317.808.6005 or 800.875.3366
317.808.6794 (fax)
IR@dukerealty.com
www.dukerealty.com

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.



Duke Realty's 45-year history is chronicled on its "History of Reliable Real Estate Solutions" wall at its corporate headquarters in Indianapolis.



600 East 96th Street, Suite 100 | Indianapolis, IN 46240 | 317.808.6000 | dukerealty.com

