

25 August 2005

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Dear Sir/Madam

DB RREEF Trust (ASX: DRT)
Delivers initial distribution of \$281m; building blocks in place

DB RREEF Funds Management Limited, as responsible entity for DB RREEF Trust (DRT), is pleased to announce the full year results for the year ending 30 June 2005.

For further information, please contact

- Institutional Investors: Tony Dixon (02) 9249 9040
- Retail Investors: Karol O'Reilly (03) 9270 4419
- Media inquiries: Megan Owen (02) 9249 9904

Yours sincerely



John Easy
Company Secretary

25 August 2005

DB RREEF Trust (ASX:DRT)

Delivers initial distribution of \$281m; building blocks in place

DB RREEF Funds Management Limited (**DRFM**), as responsible entity of DRT, announces today the distribution for DB RREEF Trust (**DRT**) for the period to 30 June 2005 is \$281.3m. This represents 10.50 cents per stapled security, approximately 42% tax advantaged, which is in line with the Explanatory Memorandum and Product Disclosure Statement (**EM**) dated 30th August 2004.

Earnings on a grouped accounting basis for the four listed entities, consistent with the EM disclosure, is \$280.8m before capital items. Earnings, as reported in the statutory accounts for the group, which adopts DB RREEF Diversified Trust as the parent entity, are \$241.0m before capital items. Consolidated pre acquisition earnings form part of the group distributions for the interim reporting period as security holders are entitled to the earnings of the group from 1 July 2004.

The key financial results for DRT are summarised in the table below:

| Statutory Accounts 30 June 2005¹ | | EM Forecasts¹ | Actual – Grouped 30 June 2005¹ |
|--|--|-------------------------------------|--|
| \$241.0 | Net Profit before capital items (m) ² | \$278.9 | \$280.8 |
| 12.1 | Earnings per Security (cps) | 10.5 | 10.5 |
| 10.5 | Distribution per Security (cps) | 10.5 | 10.5 |
| \$219.5 | Net Profit Attributable to Security Holders (\$m) ³ | \$260.2 | \$261.3 |
| 10.1 | Earnings Per Security (cps) | 9.8 | 9.8 |

¹The "actual grouped" figures reflect the aggregation of the four Trusts for the initial period to 30 June 2005. This accounting treatment is consistent with the disclosures as outlined in the EM and represent the summation of the results for the four Trusts comprising the stapled entity. It should be noted that investors in DRT have been entitled to the returns of the underlying Trusts from 1 July 2004.

For statutory reporting purposes, DB RREEF Diversified Trust (**DDF**) has been deemed as the head entity. Accordingly, the other three listed entities comprising DB RREEF Office Trust (**DOT**), DB RREEF Industrial Trust (**DIT**) and DB RREEF Operations Trust (**DRO**) are consolidated as subsidiary entities for accounting purposes. The financial statements reflect twelve months of DDF results and nine months of DOT, DIT and DRO results. The earnings per stapled security per the 30 June 2005 accounts are 10.1 cents (based on the weighted number of units on issue for DDF from 1 July 2004 to 30 June 2005). This is calculated based on the reported net profit after capital items.

² Capital items comprise net profit from asset sales and costs associated with the restructure.

³ Net Profit Attributable to Security Holders reflects the writing off of transaction costs and includes capital profits.

Operating results

Total assets of DRT as at 30 June 2005 are \$7.0bn, with securityholders equity of \$3.5bn. The resultant NTA per security is \$1.29, which is an increase of 7 cents per security (6%) since December 2004. Gearing, net of cash, at 30 June 2005 is 39%, an improvement on EM forecasts.

Mr Victor Hoog Antink, CEO said, "We have achieved the EM forecast while improving key metrics such as gearing and NTA. The result supports our restructure initiatives undertaken last year, and positions us to continue to deliver the broader strategies as outlined for DRT. The Board and management remain focused on delivering our stated targets and continuing to build our global real estate platform as envisaged in last year's restructure."

Completion of restructure

The twelve months to June 2005 include the first nine months of operations as DRT, following the successful restructure to reposition and expand the listed property platform in Australia to include:

- the stapling of the listed property trusts;
- the partial internalisation of the management platform, through the acquisition of a 50% stake in DRFM from Deutsche Australia Limited;
- the delivery of a platform to access global real estate opportunities, expertise and partners, as demonstrated through the acquisition of an 80% interest in a \$US1bn industrial portfolio, located across 18 major US markets.

1. DRT operational results – strong property performance

All asset classes have performed well as evidenced by the table below:

| | 30 June 2005 | | 30 June 2004 | |
|----------------------|------------------------|-------------------------------------|------------------------|-------------------------------------|
| | Vacancy ¹ % | Avg Lease ² Expiry (yrs) | Vacancy ¹ % | Avg Lease ² Expiry (yrs) |
| Commercial | 6.4 | 5.9 | 9.0 | 5.6 |
| Industrial | 1.6 | 5.1 | 5.0 | 4.3 |
| US Industrial | 11.5 | 3.4 | 13.0 | 3.1 |
| Retail | 0.5 | 6.1 | 0.5 | N/A |

¹Statistics based on net rentable area

²Statistics based on income

Commercial portfolio

In the twelve months to June 2005, net income from the commercial portfolio increased by 5% to \$215.3m from \$205.6m over the corresponding period to June 2004. Comparable rental growth reflected the continued challenges in major office markets, and was lower by 2%.

New leases, lease renewals and heads of agreement, accounting for more than 86,600 square metres (sqm) (16% of portfolio area), were secured.

Including current heads of agreement occupancy has increased to 93.6% compared to 91.4% as at 30 June 2004. As a result the portfolio's average lease term (by income) to expiry now stands at 5.9 years, in line with the previous year.

Construction of the Lumley Centre, a fully leased office project in Auckland, New Zealand, continues with completion expected in September 2005.

Industrial portfolio

The industrial portfolio contributed \$105.4m in net income, an increase of 8% over the corresponding twelve month period to June 2004.

Leasing activity in the industrial portfolio has remained robust with new leases, lease renewals and heads of agreement accounting for more than 175,000 sqm (15% of portfolio area).

As a result, portfolio occupancy remains in excellent condition at 98.4% (compared to 95.0%), while average lease term to expiry (by income) is 5.1 years, compared to 4.3 years previously.

During the period, over 60,000 sqm of development projects were completed, with a further 50,000 sqm under development.

Retail Portfolio

During the year DRT completed the creation of a six centre, \$1.6bn geographically diverse regional retail portfolio jointly owned with, and managed by, the Westfield Group.

This portfolio contributed \$44.2m in net income, an increase of 21% over the corresponding period to June 2004.

The \$64m West Lakes development is complete, with a yield of approximately 8.8% on capital expenditure. The first stage of the \$60m development at Mt Druitt is complete with the balance of the development due for completion early in 2006.

The moving annual turnover in the portfolio for the period ended June 2005 is summarised as follows:

| | Centre T/O \$'psm | Specialty T/O \$ psm | Centre MAT Growth | Specialty MAT Growth | Specialty Occupancy Cost |
|---------------|-------------------------|----------------------------|-------------------------|----------------------------|--------------------------------|
| Whitford City | 5,933 | 7,636 | 4.0% | (0.3)% | 13.7% |
| West Lakes | 5,387 | 8,198 | 0.5% | (7.5)% | 12.5% |
| Plenty Valley | 8,328 | 6,479 | 1.2% | 6.9% | 10.0% |
| North Lakes | 5,240 | 6,233 | 25.9% | 25.1% | 12.3% |
| Mt Druitt | 5,939 | 7,717 | 38.9% | 4.6% | 15.1% |
| Hurstville | 5,901 | 8,266 | 2.9% | 2.7% | 17.8% |

US industrial portfolio

The US industrial portfolio contributed \$88.0m in net income in the period to June 2005, which represents nine months ownership. This amount is in line with the EM forecast, with income support for the period slightly below forecast levels.

The broad based recovery in the US industrial markets continues, and DRT's US industrial portfolio is benefiting from this improvement. In the period to June 2005, new leases and lease renewals accounting for more than 1.4 million square feet (7% of portfolio area) were secured, increasing the portfolio occupancy to 88.5%. The average term to expiry of the portfolio is currently 3.4 years by income.

Sales and acquisitions

The sales and acquisitions involving DRT outlined in the EM have been completed, including the retail joint venture referred to above. Further sales completed during the period have included 144 Edward Street, Brisbane; Axxess Corporate Park, Seven Hills; McDowell Street, Welshpool; Edward Street, Brisbane; and Redwood Gardens, Dingley.

In addition, DRT acquired 343 George Street, Sydney for a consideration of \$44.5m. As well as providing DRT with a value adding opportunity it is proposed that DRFM occupy three floors of the building following completion of refurbishment in November 2005.

2. Treasury, capital management and hedging

Gearing as at 30 June 2005 is 39%, as measured by interest bearing debt (net of cash) to total assets (net of cash). Capital management initiatives undertaken during the period include:

Issue of RENTS

In June 2005, DRFM issued \$204m of RENTS, or Real-estate perpetual Exchangeable Step-up Securities at an issue price of \$100 each. RENTS offer investors a quarterly distribution expected to be 90% tax deferred at a margin of 1.3% above the 90 day bank bill rate. RENTS commenced trading on 16 June 2005 under the ASX code DRRPA.

Debt facilities

The underwritten \$900m syndicated bank debt and bridging facilities referred to in the EM have been established and the proceeds used to re-finance existing unsecured debt and to fund the acquisition of new assets.

During the period DRT agreed to issue a private placement of notes totalling US\$200m to US Investors. US\$160m of the notes settled in December 2004, with the balance settling in March 2005.

Duration and interest rate hedging

As a result of these initiatives, the weighted average duration of debt facilities stands at 3.0 years. For the year to June 2006, the hedging profile for US debt is approximately 78% of debt which is hedged at a blended cost, inclusive of fees and margins, of 4.53%.

Approximately 89% of Australian debt is hedged at a blended cost of debt, inclusive of fees and margins, of 6.22%.

Foreign income hedging

For the year to 30 June 2006, over 90% of forecast US earnings has been hedged.

Distribution Reinvestment Plan

Take-up of the June 2005 Distribution Reinvestment Plan was 31%, or \$45m, resulting in the issue of approximately 33.7m securities at \$1.3477 each.

3. Funds management business

At 30 June 2005, DB RREEF Funds Management managed over \$10.6bn of assets, of which \$3.6bn are owned by third party funds. Revenue from the funds management business for the nine months to 30 June 2005 was \$40m at the DB RREEF Holdings Pty Limited level (50% owned by DRO) generating a contribution before tax to DRT of \$6.8m.

4. Senior management platform

The management platform continues to be restructured to better reflect a client orientated approach to the total funds management business, comprising responsibility for both listed and unlisted funds. The platform adopts a client account management approach whereby a range of service provider functions across property, capital management, financial, legal and operational services are provided to each of the dedicated funds. A number of senior appointments have been made to strengthen the revised management structure, with incremental appointments continuing to be made.

5. Future direction and strategy

- DRT's focus going forward is to manage, at an operational and strategic level, our existing assets to extract greater returns while seeking new investment opportunities. These opportunities will be sourced for both our third party managed funds and DRT, from both Australia and overseas.
- Barring unforeseen circumstances, the Directors believe the trust is on track to achieve the previously forecast distribution of 11.0 cents per security for the full year to June 2006.

Contact details

For further information, please contact:

- | | | |
|---------------------------|--------------------|----------------|
| • Institutional investors | Victor Hoog Antink | 61 2 9249 9474 |
| | Tony Dixon | 61 2 9249 9040 |
| • Media | Megan Owen | 61 2 9249 9904 |

Annexure 1 - Key Balance Sheet Statistics**Results for the Interim Period Ended 30 June 2005**

| | 30 June 2005 | EM | % Change |
|------------------------------------|---------------------|-----------|-----------------|
| Investment properties | \$6,751 | \$6,266 | 7% |
| Total assets | \$6,997 | \$6,478 | 7% |
| Total borrowings | \$2,792 | \$3,009 | (7%) |
| Total liabilities | \$3,096 | \$3,247 | (5%) |
| Net assets attributable to members | \$3,535 | \$3,158 | 12% |
| NTA per unit | \$1.29 | \$1.20 | 8% |
| Gearing | 39% | 46% | (15%) |

¹Figures in \$AUD Million

Annexure 2 - Property Portfolio

Commercial

Major leasing transactions concluded:

| Property | Area (sqm) | Major Tenants | Lease Term |
|--------------------------------|------------|---|------------|
| 45 Clarence St, Sydney | 20,207 | Hudson Global (6,811) HBOS Australia (5,244) | 7.0 8.0 |
| 321 Kent St, Sydney | 10,583 | Sparke Helmore (10,583) | 10.0 |
| Australia Square, Sydney | 10,700 | Various | |
| Southgate Towers, Melbourne | 10,893 | Dairy Australia (2,157) | 4.0 |
| 44 Market St, Sydney | 9,161 | Tomen Australia (856) | 6.0 |
| 130 George St, Parramatta | 8,640 | NSW Police (7,200) | 5.0 |
| 383 Kent St, Sydney | 5,335 | Custom Call (3,589) | 5.0 |

Industrial

Major leasing transactions concluded:

| Property | Area (sqm) | Tenant | Lease Term |
|---|------------|-----------------------------|------------|
| DB RREEF Industrial Estate, Laverton North, Vic | 43,705 | Coles Myer Ltd | 15.0 yrs |
| Evans Road, Salisbury, SA | 15,272 | Welded Tube/Qld Slitting | 5.0 yrs |
| Birmingham St, Villawood, NSW | 11,401 | Air Sea Land | 7.2 yrs |
| Old Pittwater Rd, Brookvale, NSW | 11,307 | Fujifilm Australia | 3.0 yrs |
| Redwood Gardens, Dingley, VIC | 10,996 | Various | |

US Industrial

Major leasing transactions concluded:

| Property Location | Area (sq ft) | Tenant | Lease Term |
|--|--------------|-------------------|------------|
| 10397 West Van Buren St, Tolleson, AZ | 278,142 | States Logistics | 1.25 yrs |
| 1614 Westbelt Dr, Columbus, OH | 229,200 | United Stationers | 5.0 yrs |
| 9565 Sta Anita Ave, Riverside, CA | 212,300 | Weber Inc. | 5.0 yrs |
| 3601 East Plano Pkway, Plano, TX | 87,195 | Tekelec | 10.0 yrs |
| 912 113th St, Arlington, TX | 79,735 | B&E Industries | 6.0 yrs |
| 11093 Kenwood Rd, Cincinnati, OH | 62,500 | Gateway Dist. | 2.0 yrs |
| 10397 West Van Buren St, Tolleson, AZ | 278,142 | States Logistics | 1.25 yrs |

Annexure 3**Interest Rate Hedging**

The Trust's current interest rate hedging profile is as follows:

| Position as at 30 June | FY06 | FY07 | FY08 | FY09 | FY10 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| A\$m hedged | 1643 | 1518 | 1388 | 978 | 858 |
| A\$ hedge rate ¹ | 6.22% | 6.23% | 6.23% | 6.27% | 6.31% |
| Average rate ² | 6.22% | 6.22% | 6.24% | 6.27% | 6.30% |
| | | | | | |
| US\$m hedged ³ | 635 | 679 | 671 | 610 | 223 |
| US\$ hedge rate ¹ | 4.48% | 4.47% | 4.54% | 4.50% | 4.84% |
| Average rate ² | 4.44% | 4.55% | 4.63% | 4.67% | 5.11% |

¹ weighted average hedge rate including margins and fees

² weighted average fixed and floating rate including margins and fees

³ includes 80% of total hedges of DB RREEF Industrial LLC (US JV)

Foreign Income hedging

The Trust's foreign income hedging profile is currently as follows:

| Position as at | US\$ hedge amount | Average A\$/US\$ hedge rate |
|-----------------------|------------------------------|--|
| 30 June 2006 | 17.8 | 0.6991 |
| 30 June 2007 | 13.3 | 0.6893 |
| 30 June 2008 | 10.7 | 0.6824 |
| 30 June 2009 | 7.2 | 0.6858 |
| 30 June 2010 | 2.1 | 0.7172 |
| Total | 51.1 | 0.6919 |