DB RREEF

Managed in partnership with Deutsche Bank

DB RREEF Funds Management Limited
ABN 24 060 920 783
Australian Financial Services Licence Holder

Level 21 83 Clarence Street
Sydney NSW 2000

PO Box R1822
Royal Exchange NSW 1225

Telephone 61 2 9249 9500
Direct 61 2 9249 9040
Facsimile 61 2 9279 3090

Email: tony.dixon@dbrreef.com

25 August 2005

The Manager
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Results for announcement to the market

DB RREEF Trust (ASX: DRT) – Appendix 4E – Preliminary final report - 30 June 2005

DB RREEF Funds Management Limited, as responsible entity for DB RREEF Trust (DRT), is pleased to lodge the Appendix 4E – Preliminary final report for the period ending 30 June 2005 with the ASX; comprising

- Appendix 4E Statement
- Results to 30 June 2005, and the
- Financial Statements (DB RREEF Diversified Trust) for the period ending 30 June 2005 including the Independent Audit Report from PricewaterhouseCoopers

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

DB RREEF Trust (ASX:DRT) Appendix 4E Statement
Period ending 30 June 2005

Results for announcement to the market

Highlights of Results	30-Jun-05	30-Jun-04	% Change
Revenue from ordinary activities ($'000)	1,036,237	214,011	484%
Net Profit from ordinary activities after tax attributable to security holders and after outside equity interests - ($'000)	219,523	90,834	242%
Distribution to security holders - ($'000)	281,303	90,403	311%
Distributions for the year per stapled security			
30 September	-	2.325	
31 December	5.20	2.325	
31 March	-	2.325	
30 June	5.30	2.325	
Total distributions - cents per stapled security unit	**10.50**	**9.30**	12.90%
Basic and diluted earnings (cents per unit)	10.12	9.39	
Basic earnings before transaction costs (cents per unit)	12.07	n/a	
Tax deferred component of distribution	**41.65%**	**53.36%**	
Total Assets ($'000)	**6,996,977**	**1,707,025**	
Total Borrowings ($'000)	2,791,564	474,200	
Unitholders Equity ($'000)	3,901,323	1,194,200	
Market Capitalisation ($'000)	**3,729,292**	**1,185,969**	
Net tangible assets (NTA) $ per unit (excluding outside equity interests)	1.29	1.20	
Unit price - $	1.365	1.19	
Units on issue ('000)	2,732,082,289	996,613	
Record date for the distribution and final date for the receipt of Distribution Reinvestment Plan election notices	30 June 2005	30 June 2004	
Payment date - 30 June distribution	29 August 2005	26 August 2004	

For a review of the results of DB RREEF Trust for the year end to 30 June 2005, refer to the attached report DB RREEF Trust Results to 30 June 2005. Attached with this Appendix 4E is a copy of the audited Financial Statements for the year ended 30 June 2005 together with the Independent Audit Report from PricewaterhouseCoopers.

On 27 September 2004, unitholders of the DB RREEF Diversified Trust ("the Trust" or "DDF"), DB RREEF Office Trust ("DOT"), and DB RREEF Industrial Trust ("DIT") voted to replace their respective constitutions and replace their respective Responsible Entities. The unitholders also voted to approve the stapling proposal as
outlined in the Explanatory Memorandum and Product Disclosure Statement dated 30 August 2004 to staple together DDF, DOT, DIT and a newly created trading trust, DB RREEF Operations Trust ("DRO"), to create the stapled entity known as DB RREEF Trust ("DRT").

For the purposes of statutory reporting, DDF was the deemed acquirer of DOT, DIT and DRO. The financial statements therefore reflect twelve months of DDF net profit and nine months of net profit from DIT, DOT and DRO. The comparative percentages are not meaningful due to this material restructure of the business that was undertaken during the period.

It should be noted that investors in DRT have been entitled to the returns of the underlying trusts from 1 July (in the case of DDF, DIT and DOT) even though the financial statements reflect the consolidated position from 1 October 2004.

DB RREEF Funds Management Limited has prepared information in addition to the financial statements that have been released to the Australian Stock Exchange that explains in greater detail the performance of the group for the year.

Dated: 25 August 2005

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 2005[1]		**EM Forecasts**[1]	**Actual – Grouped 30 June 2005**[1]
$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

[1]The "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

[1]Statistics based on net rentable area
[2] Statistics 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 $205.6.m 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 unforseen 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%)

[1]Figures 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**

FINANCIAL STATEMENTS

DB RREEF DIVERSIFIED TRUST (FORMERLY DEUTSCHE DIVERSIFIED TRUST) (ARSN 089 324 541)

ANNUAL REPORT 2005

Contents

The Directors of DB RREEF Funds Management Limited ("DRFM") as Responsible Entity of DB RREEF Diversified Trust (formerly Deutsche Diversified Trust) ("the Trust" or "DDF") and its consolidated entities ("the Stapled Entity") present their Directors' Report ("Report") together with the consolidated financial report of the Trust for the year ended 30 June 2005.

1. Directors and Secretaries

On 29 September 2004, DRFM replaced DB Real Estate Australia Limited as Responsible Entity of the Trust.

1.1 DB RREEF Funds Management Limited

The following persons were Directors or alternate Directors of DRFM at any time during the period 29 September 2004 to the date of this report:

Name	Appointed:	Resigned:
Directors		
Christopher T Beare	4 August 2004	Continuing
Elizabeth A Alexander AM	1 January 2005	Continuing
Barry R Brownjohn	1 January 2005	Continuing
Stewart F Ewen	4 August 2004	Continuing
Victor P Hoog Antink	1 October 2004	Continuing
Charles B Leitner III	10 March 2005	Continuing
Shaun A Mays	13 May 2004	10 March 2005
Brian E Scullin	1 January 2005	Continuing
Daniel S Weaver	1 October 2004	17 December 2004
Alternate Director		
Shaun A Mays (alternate for Charles B Leitner III)	10 March 2005	Continuing

Particulars of the qualifications, experience and special responsibilities of current Directors or alternate Directors of DRFM at the date of this Report are set out on pages xx to xx and form part of this Report.

Particulars of the qualifications, experience and special responsibilities of Daniel S Weaver, a director of DRFM during the period 29 September 2004 to 30 June 2005 are as follows:

Daniel S Weaver
Executive Director

With over 18 years of real estate experience, primarily with firms specialising in retail property, Daniel joined RREEF's acquisition group in 1996. Daniel's responsibilities entail overseeing RREEF's retail property acquisitions, including expanding its target markets and serving as the retail specialist on RREEF's Investment Committee. Prior to his current role, Daniel was most recently a portfolio manager for one of RREEF's separate account pension fund clients. Prior to joining RREEF, Daniel was a vice president with Homart Development Co. Daniel is a member of the International Council of Shopping Centres (ICSC) and the Association of Foreign Investors in Real Estate (AFIRE). He holds an undergraduate degree in architecture and an MBA from Miami University.

1.2 DB Real Estate Australia Limited

The following persons were Directors of DB Real Estate Australia Limited at any time during the period 1 July 2004 to 29 September 2004:

Name	Appointed:	Resigned:
Christopher T Beare, Chair [1]	25 March 2003	Continuing
Stewart F Ewen [1,2]	25 March 2003	Continuing
Shaun A Mays	13 May 2004	Continuing
William B Robinson [1,2,3]	25 March 2003	20 October 2004
Brian E Scullin [2]	20 June 2001	Continuing
David C Shields BE	25 March 2003	20 October 2004

[1] Independent Director
[2] Audit Committee Member
[3] Compliance Committee Member

The particulars of the qualifications, experience of the current Directors and the alternate Director of DB Real Estate Australia Limited are set out on pages xx to xx and form part of this Report.

Particulars of the qualifications, experience and special responsibilities of William B Robinson and David C Shields, Directors of DB Real Estate Australia Limited during the period 1 July 2004 to 29 September 2004 are as follows:

William B Robinson ABIA, AASA
Independent Director

Bill Robinson was with the Reserve Bank of Australia from 1955 until 1975. Following senior appointments at the Asian Development Bank and the Rome-based International Fund for Agricultural Development, he was Financial Adviser to His Highness The Aga Khan from 1980 to 1999. In this latter role he was also a director of numerous listed and unlisted companies in Europe, Asia, Africa and the US.

David C Shields BE (Hons), MBA
Executive Director

David Shields joined Deutsche Asset Management in 1993 and is currently the Head of DB Capital Partners, the private equity investment business within Deutsche Asset Management. He has 20 years' experience in funds management and private equity, having previously worked for AIDC Limited, Advent Management Group and Australian Pacific Technology Limited.

1.3 Company Secretaries

The names and details of the Company Secretaries of DRFM as at 30 June 2005 are as follows:

Tanya L Cox MBA MAICD (Company Secretary)
Appointed: 1 October 2004

Tanya joined DB Real Estate in July 2003 as Chief Operating Officer, responsible for the efficient management of the overall real estate business in Australia. Tanya has held various general management positions over the past 15 years, including Director and Chief Operating Officer of NM Rothschild & Sons (Australia) Ltd and General Manager – Finance, Operations and IT of Bank of New Zealand (Australia).

Ian Thompson BEc (Company Secretary)
Appointed: 12 July 2000
Resigned: 1 July 2005

Ian has worked in a range of roles including, Research and Policy Officer, Senior Administration Officer and Assistant Company Secretary in the State Superannuation Board, Local Government Superannuation Board, Public Authorities Superannuation Board, State Superannuation Investment and Management Corporation and Axiom Funds Management Limited prior to being appointed as Company Secretary to various Group companies of Deutsche Bank in 2000.

John C Easy B Comm, LLB (Company Secretary)
Appointed: 1 July 2005

John joined Deutsche Asset Management as a senior lawyer in 1997 and is now the Head of Legal for DB RREEF. John has been involved in the listing of Deutsche Office Trust and major acquisition, disposal and leasing transaction for the group, along with responsibility for legal issues affecting the property portfolio. John was formerly a senior associate with major law firms Allens Arthur Robinson and Gilbert & Tobin. John is currently undertaking the Graduate Diploma in Applied Corporate Governance with Chartered Secretaries Australia.

1.4 Deutsche Asset Management (Australia) Limited

For the purpose of reporting on DB RREEF Industrial Trust ("DIT") and DB RREEF Office Trust ("DOT") the following information is provided about the Board of Deutsche Asset Management (Australia) Limited ("DeAM"),the Responsible Entity of DIT and DOT, for the period 1 July 2004 to 29 September 2004, when the Responsible Entity of each trust became DRFM, is as follows:

Name	Appointed:	Resigned:
Christopher T Beare, Chair [1]	25 March 2003	20 October 2004
Stewart F Ewen [1,2]	25 March 2003	20 October 2004
Shaun A Mays	13 May 2004	4 May 2005
William B Robinson [1,2,3]	25 May 2000	20 October 2004
Brian E Scullin [2]	20 December 1999	Continuing
David C Shields	25 March 2003	Continuing

[1] Independent Director
[2] Audit Committee Member
[3] Compliance Committee Member

For the purpose of reporting on DB RREEF Operations Trust, the Board of its Responsible Entity, DRFM is as outlined in Section 1.1 of this Report.

Particulars of the qualifications and experience of each of the Directors mentioned in this sub-section are set out in either section 1.1 of this Report or on pages xx to xx and form part of this Report.

2. Attendance of Directors at Board Meetings and Board Committee Meetings

2.1 DB RREEF Funds Management Limited

The Responsible Entity of the Trust changed from DB Real Estate Australia Limited to DRFM on 29 September 2004. Set out below are the details of Director attendance at Board and Board Committee meetings:

DB RREEF Funds Management Limited for the period to 30 June 2005

	Board		Board Audit Committee		Board Nomination & Remuneration		Board Risk & Compliance	
Directors	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended
Christopher T Beare	9	9	-	-	1	1	-	-
Elizabeth A Alexander AM	8	7	5	5	-	-	-	-
Barry R Brownjohn	8	6	5	3	-	-	-	-
Stewart F Ewen	9	9	5	5	1	1	-	-
Victor P Hoog Antink	9	9	-	-	-	-	-	-
Charles B Leitner III	5	3	-	-	-	-	-	-
Shaun A Mays[2]	4	3	-	-	-	-	-	-
Brian E Scullin	8	8	-	-	1	1	2	2
Daniel S Weaver	1	-	-	-	-	-	-	-
Alternates								
Shaun A Mays (alternate for Charles B Leitner III)	5	4	-	-	1	1	-	-

[1] Number of meetings held while a Director
[2] Shaun A Mays resigned as a Director on 10 March 2005

Since 30 June 2005 the DRFM Board has established the Board Treasury Policy Committee.

DB Real Estate Australia Limited for the period to 29 September 2004

	Board		Board Audit Committee		Board Risk & Compliance	
	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended
Christopher T Beare	4	4	-	-	-	-
Stewart F Ewen	4	4	1	1	-	-
Shaun A Mays	4	4	-	-	-	-
William B Robinson	4	4	1	1	1	1
Brian E Scullin	4	3	1	1	1	1
David C Shields	4	4	-	-	-	-

[1] Number of meetings held while a Director.

2.2 Deutsche Asset Management (Australia) Limited

The following table outlines details of Director attendance at Board and Board committee meetings for the period to 29 September 2004 for Deutsche Asset Management (Australia) Limited, the then responsible entity of DIT and DOT.

Deutsche Asset Management (Australia) Limited for the period to 29 September 2004

	Board		Board Audit Committee		Board Risk & Compliance Committee	
	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended
Christopher T Beare	4	4	-	-	-	-
Stewart F Ewen	4	4	1	1	-	-
Shaun A Mays	4	4	-	-	-	-
William B Robinson	4	4	1	1	1	1
Brian E Scullin	4	3	1	1	1	1
David C Shields	4	4	-	-	-	-

[1] Number of meetings held while a Director

For the purposes of reporting on DB RREEF Operations Trust, details of Director attendance at Board meetings and Board committee meetings of its responsible entity, DRFM, is as outlined in Section 2.1.

3. Directors' and Executive Remuneration Report

DRFM's Directors' and Executive Remuneration Report is set out on pages 11 to 14 and forms part of this Report.

4. Directors' Interests

4.1 Interest in securities

As at the date of this Report, the interests of each Director in the securities of the Stapled Entity are:

	Personally	Indirectly
Christopher T Beare	Nil	Nil
Elizabeth A Alexander AM	Nil	Nil
Barry R Brownjohn	Nil	Nil
Stewart F Ewen	Nil	Nil
Victor P Hoog Antink	Nil	Nil
Charles B Leitner III	Nil	Nil
Shaun A Mays (alternate to Charles B Leitner III)	Nil	Nil
Brian E Scullin	Nil	Nil

As at the date of this Report, no Director held options over securities in the Stapled Entity.

4.2 Other interests

As at the date of this Report, no Director held any interest in any other fund or scheme managed by the Responsible Entity or another entity that forms part of the Stapled Entity.

5. Directors directorships in other listed companies

The following table sets out directorships that the Directors of the Responsible Entity held as at 30 June 2005 and during the three years preceding 30 June 2005 and up to the date of this Report including the period for which each directorship was held:

Director	Company	Date appointed	Date resigned
Christopher T Beare	DB RREEF Holdings Limited [1]	21 Sept 2004	Continuing
	DB RREEF Funds Management Limited [2]	04 Aug 2004	Continuing
Elizabeth A Alexander AM	DB RREEF Holdings Limited [1]	01 Jan 2005	Continuing
	DB RREEF RREEF Funds Management Limited [2]	01 Jan 2005	Continuing
	Amcor Limited	Apr 1994	Continuing
	Boral Limited	Sept 1994	Continuing
	CSL Limited	Jul 1991	Continuing
Barry R Brownjohn	DB RREEF Holdings Limited [1]	01 Jan 2005	Continuing
	DB RREEF Funds Management Limited [2]	01 Jan 2005	Continuing
Stewart F Ewen	DB RREEF Holdings Limited [1]	21 Sept 2004	Continuing
	DB RREEF Funds Management Limited [2]	04 Aug 2004	Continuing
Victor P Hoog Antink	DB RREEF Holdings Limited [1]	01 Oct 2004	Continuing
	DB RREEF Funds Management Limited [2]	01 Oct 2004	Continuing
Charles B Leitner III	DB RREEF Holdings Limited [1]	10 Mar 2005	Continuing
	DB RREEF Funds Management Limited [2]	10 Mar 2005	Continuing
Brian E Scullin	DB RREEF Holdings Limited [1]	01 Jan 2005	Continuing
	DB RREEF Funds Management Limited [2]	01 Jan 2005	Continuing
	IYS Instalment Receipt Limited [3] and Deutsche Asset Management (Australia) Limited[3]	24 Oct 2000 20 Dec 1999	Continuing
Alternate Director			
Shaun A Mays (alternate to Charles B Leitner III)	DB RREEF Holdings Limited [1]	10 Mar 2005	Continuing
	DB RREEF Funds Management Limited [2]	01 Jan 2005	Continuing
	IYS Instalment Receipt Limited [3] and Deutsche Asset Management (Australia) Limited[3]	13 May 2004	04 May 2005

[1] DB RREEF Holdings Pty. Limited is the holding company of DRFM
[2] DRFM is Responsible Entity for (a) the Trust, a managed investment scheme whose units are stapled to the units of DB RREEF Industrial Trust, DB RREEF Office Trust and DB RREEF Operations Trust and trade on the ASX as DB RREEF Trust and (b) DB RREEF RENTS Trust, whose real-estate perpetual exchangeable step-up securities called RENTS are listed on the ASX.
[3] IYS Instalment Receipt Limited has issued ASX listed instalment receipts over units in the Deutsche Retail Infrastructure Trust, a managed investment scheme that is listed but not quoted on ASX and whose responsible entity is Deutsche Asset Management (Australia) Limited.

6. Principal activities

During the year the principal activity of the Stapled Entity consisted of investment in a diversified portfolio of real estate assets within Australia, New Zealand and the United States and from September 2004 the activities of the Stapled Entity also included real estate funds management.

The number of employees of the Stapled Entity was 123 as at 30 June 2005 (2004: nil).

7. Total value of Trust assets

The total value of the assets of the Trust as at 30 June 2005 was $6,997 million (2004: $1,707 million). A schedule detailing the basis of this valuation is outlined in note 1 of the financial statements.

8. Review and results of operations

A review of the results and operations, including the expected results of operations of the Trust, is set out on pages xxx to xxx and forms part of this Report.

9. Likely developments and expected results of operations

In the opinion of the Directors, disclosure of any further information of the future developments or results of the Trust, other than that information already outlined in this Report or the financial statements accompanying this report, would be unreasonably prejudicial to the Trust.

10. Significant changes in the state of affairs

On 27 September 2004, unitholders of the Trust, DB RREEF Industrial Trust (formerly Deutsche Industrial Trust) ("DIT") and DB RREEF Office Trust (formerly Deutsche Office Trust) ("DOT") voted to replace their respective constitutions, replace their respective responsible entities and staple their units together with a newly formed trading trust DB RREEF Operations Trust ("DRO") to create a stapled security known as DB RREEF Trust ("DRT") (ASX Code: DRT). Details on the proposal were outlined in the Information Memorandum and Product Disclosure Statement dated 30 August 2004. The result of these resolutions became effective on 30 September 2004.

The consolidation of the Trust and DIT, DOT and DRO, the acquisition of the US REIT, and the associated debt arranging and interest rate hedging, are referred to as "the Transaction".

For the purposes of statutory reporting, the Stapled Entity must be accounted for as a consolidated group. The parent entity and deemed acquirer of DIT, DOT and DRO is the Trust.

DB RREEF Funds Management is a wholly owned subsidiary of DB RREEF Holdings Pty Limited ("DRH"). DRH is 50% owned by DRFM as Responsible Entity for DRO and 50% owned by First Australian Property Group Holdings Pty Limited, a subsidiary of the Deutsche Bank Group.

As part of the stapling process, the Trust, DIT and DOT each paid a special distribution by way of a capital return that was applied on behalf of each unitholder to subscribe for new issued units in each of the other trusts, including DRO. The number of units issued by each trust changed so that each trust had the same number of issued units. The number of stapled securities owned by an investor in DRT equals the same number of units in the Trust, DIT, DOT and DRO.

Other than the matters disclosed above, the Directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in the Report or the financial statements that has significantly or may significantly affect the operations of the Trust, the results of those operations, or state of the Trust's affairs in future financial years.

11. Matters subsequent to the end of the financial year

On 7 July 2005, amendments were made to the Trust's constitution that enabled the Trust to satisfy the Australian International Financial Reporting Standards criteria for unitholders funds to be classified as equity. The Directors of the Responsible Entity were of the view that such amendments were not materially adverse to unitholders' rights or interests nor did they change the nature of the Trust.

Since the end of the year, other than the matters discussed in this report, the Directors of the Responsible Entity are not aware of any matter or circumstance that has significantly affected or may significantly affect the operations of the Trust, the results of those operations, or state of the Trust's affairs in future years.

12. Distributions

Distributions paid or payable by the Trust for the year ended 30 June 2005 are outlined in the following tables:

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Timing of distributions				
30 September	**-**	22,261	**-**	22,261
31 December (paid 28 February 2005)	**136,503**	22,261	**59,357**	22,261
31 March	**-**	22,710	**-**	22,710
30 June (payable 29 August 2005)	**144,800**	23,171	**67,756**	23,171
Total distributions	**281,303**	90,403	**127,113**	90,403

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	Cents per security	Cents per security	**Cents per security**	Cents per security
Timing of distributions				
30 September – Ordinary units	**-**	2.325	**-**	2.325
31 December – Stapled security	**5.200**	2.325	**2.260**	2.325
31 March – Ordinary unit	**-**	2.325	**-**	2.325
30 June – Stapled security	**5.300**	2.325	**2.480**	2.325
Total distributions	**10.500**	9.300	**4.740**	9.300

Note 1: As outlined in the Section 10 - Significant changes in the state of affairs, the Trust became part of the Stapled Entity known as DB RREEF Trust on 30 September 2004. Consequently the financial statements of the Trust for the financial period ending 30 June 2005 have been prepared on a consolidated basis, where as for the comparative period the financial statements were prepared on a stand alone basis.

13. Responsible Entity and associate interests

Fees totalling $21.1 million (2004: $8.7 million) were paid or are payable by the Trust to the Responsible Entity for the year ended 30 June 2005. Details of these fees are outlined in Note 33 of the financial statements and forms part of this Report.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 33 to the financial statements and form part of this Report.

14. Interests in the Trust

The movement in securities on issue in the Trust is detailed in Note 25 of the financial statements and forms part of this Report.

The Trust did not issue any options during the year.

15. Environmental regulation

The Directors of the Responsible Entity are satisfied that adequate systems are in place for the management of its environmental responsibility and compliance with the various licence requirements and regulations. Further, the Directors are not aware of any breaches of these requirements and to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.

16. Indemnification and insurance

The insurance premium for a policy of insurance indemnifying directors, officers and others (as defined in the relevant policy of insurance) is paid by the Responsible Entity.

17. Audit

17.1 Auditor

PricewaterhouseCoopers ("PwC" or "Auditor") continues in office in accordance with section 327 of the *Corporations Act 2001*.

17.2 Non-audit services

Details of the amounts paid to the Auditor, which include amounts paid for non-audit services totalling $1,955,428, are set out in Note 5 in the Notes to the Financial Statements.

The Directors are satisfied that the provision of non-audit services provided, during the year, by the Auditor (or by another person or firm on the Auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Reasons for the Directors being satisfied that the provision of those non-audit services, during the year, by the Auditor did not compromise the Auditor's independence are as follows:

- Board Audit Committee has determined that the external Auditor will not provide services that have the potential to impair the independence of their audit role, including:
  - participating in activities that are normally undertaken by management
  - being remunerated on a "success fee" basis
  - providing services where the Auditor may be required to review or audit their own work, including:
    - the preparation of accounting records
    - the design and implementation of information technology systems
    - conducting valuation, actuarial or legal services
    - promoting, dealing in or underwriting securities; or
    - providing internal audit services
- Board Audit Committee regularly reviews the performance and independence of the external auditor and whether the independence of this function has been maintained having regard to the provision of non-audit services.
- The external auditor must provide a written declaration to the Board regarding their independence each reporting period.

Since 30 June 2005, Board Audit Committee approval is required before the engagement of the external auditor to perform any non-audit service for a fee greater than $100,000.

17.3 Audit independence statement

A copy of the Auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15 of and forms part of this Report.

18. Corporate governance

The Responsible Entity's Corporate Governance Statement is set out on pages xx to xx, which accompanies this Report.

20. Rounding of amounts and currency

The Trust is a registered scheme of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report.

Amounts in the Directors' Report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

All figures in this Report and the financial report, except where otherwise stated, are expressed in Australian dollars.

21 Management Representation

The Chief Executive Officer and the Chief Operating Officer have reviewed the Stapled Entity's financial reporting processes, policies and procedures together with the Trust's risk management and internal control and compliance policies and procedures. Following that review it is their opinion that the Trust's financial records for the financial year have been properly maintained in accordance with the *Corporations Act 2001* and the financial statements and their notes comply with the accounting standards and give a true and fair view.

22. Directors authorisation

This Report is made in accordance with a resolution of the Directors.

Christopher T Beare Chair Sydney 25 August 2005	Victor P Hoog Antink Chief Executive Officer Sydney 25 August 2005

The directors of DB RREEF Funds Management Limited ("DRFM") as Responsible Entity of DB RREEF Diversified Trust (formerly Deutsche Diversified Trust) ("the Trust" or "DDF") and its consolidated entities ("the Stapled Entity") present their Remuneration Report for the year ended 30 June 2005.

1. General Remuneration Framework

The objective of DRFM's remuneration reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns employee reward with achievement of strategic objectives and the creation of value for Investors, and conforms with market best practice for delivery of reward.

The Board Nomination and Remuneration Committee oversee the remuneration of executives to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- performance linkage / alignment
- transparency
- financial and non-financial resource management

In consultation with external remuneration consultants DRFM has structured a remuneration framework that is market competitive and complementary to its reward strategy. Alignment to Investors' interests is achieved through increased focus on group performance being a core component of plan design, as well as the plan rewarding:

- delivery of forecast returns , and
- achievement of key non-financial value drivers

Alignment of employees' interests is achieved through the plan rewarding capability and performance. For participants the plan:

- provides a clear structure for earning reward
- delivers competitive reward for contribution to the creation of value, and
- provides recognition for contribution

The plan is designed to attract and retain talented and motivated employees, and to encourage enhanced performance.

The remuneration framework provides a mix of fixed and variable pay, being base pay and short-term performance incentive. As an employee gains seniority within DRFM, the balance of this mix shifts to a higher proportion of "at risk" rewards. DRFM is further developing a long-term performance incentive scheme for implementation during the year ending 30 June 2006.

To ensure that base pay is competitive, external remuneration consultants provide analysis and advice regarding market remuneration for comparable roles. Base pay for employees is reviewed annually. There are no guaranteed base pay increases for employees.

Should DRFM achieve predetermined performance targets, a short-term incentive pool, approved by the Board Nomination and Remuneration Committee, is available for allocation to employees during the annual review. Cash incentives are payable in September each year. Performance targets are utilised to ensure that variable reward is only available when value has been created for Investors, and when performance is consistent with forecasts. The incentive pool may be leveraged for performance above targets to provide incentive for employee out-performance.

Key performance indicators are linked to short-term incentives based on group, individual business and personal objectives. Performance indicators require achievement of specific targets in relation to Trust performance, as well as other key non-financial measures linked to drivers of performance in future reporting periods. Short-term incentive payments may be adjusted up or down in line with under or over achievement against target performance levels, at the discretion of the Board Nomination & Remuneration Committee.

Termination provisions for the Chief Executive Officer ("CEO") are set out in the CEO's contract of employment. In the event of early termination, DRFM may be required to give 12 months notice and may elect to payout all or part of this notice period.

There are no termination provisions extended to any other DRFM executive.

2. Non-Executive directors' remuneration framework and structure

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of directors. Non-executive directors' fees and payments are reviewed annually by the Board Nomination & Remuneration Committee. The Committee also obtains advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and inline with market. The Chair's fee is determined independently of the fees of non-executive directors, based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of his / her own remuneration. Non-executive directors do not receive share options.

Non-executive directors who accept positions on Board committees receive an additional annual fee for each committee membership. Non-executive directors' fees are also recommended for approval by DB RREEF Trust investors.

3. Details of remuneration of directors

3.1 DB RREEF Funds Management Limited

Details of the nature and amount of each element of remuneration for each director of the Responsible Entity for the year ending 30 June 2005 are set out in the following tables.

Name	Note	Salary and Fees	Bonus	Non-Monetary Benefits	Superannuation	Total
			$	$	$	$
Non Executive Directors						
Christopher T Beare	1	193,125	-	-	-	193,125
Elizabeth A Alexander	1	65,000	-	-	-	65,000
Barry R Brownjohn	1	60,000	-	-	-	60,000
Stewart F Ewen	1	95,625	-	-	-	95,625
Brian E Scullin	1	68,750	-	-	-	68,750
Executive Directors						
Victor P Hoog Antink	3	682,139	-	-	68,800	750,939
Charles B Leitner III	2	12,300	-	-	-	12,300
Shaun A Mays (alternate to Charles B Leitner III)	2	16,000	-	-	-	16,000
Daniel S Weaver	2	-	-	-	-	-

Note 1: Non Executive Directors' remuneration is a cost of DB RREEF Funds Management Limited. The amount shown in this Remuneration Report is directors' total remuneration from 1 October 2004, or the date of appointment if later than 1 October 2004, to 30 June 2005.

Note 2: These Executive Directors' remuneration is a cost of their employer, Deutsche Bank. The amount shown in this Remuneration Report is an apportionment of each executive's total remuneration based on their time spent on DB RREEF Funds Management Limited's activities during the period ending 30 June 2005.

Note 3: The Chief Executive Officer's remuneration is a cost of DB RREEF Funds Management Limited. The amount shown in this report is the Chief Executive Officer's total remuneration for the period ending 30 June 2005. No short term incentive payment for the period 1 October 2004 to 30 June 2005 has been allocated. Consequently, no payment is included in the above.

There were no stapled securities or options issued during the period to any Director or employee as part of their remuneration. No Director or Executive received any retirement benefit during the period.

3.2 Deutsche Asset Management (Australia) Limited and DB Real Estate Australia Limited

The remuneration received by the directors of Deutsche Asset Management (Australia) Limited and DB Real Estate Australia Limited was paid by Deutsche Bank. As the directors of each of these Responsible Entities are common the following table details the combined amount of each element of remuneration, for the period 1 July 2004 to 29 September 2004 (being the date when each entity ceased to be the Responsible Entity of its respective trusts and DB RREEF Funds Management Limited became the Responsible Entity of DB RREEF Diversified Trust, DB RREEF Industrial Trust and DB RREEF Office Trust).

Name	Note	Salary and Fees	Bonus	Non-Monetary Benefits	Superannuation	Total
			$	$	$	$
Non Executive Directors						
Christopher T Beare	1	12,500	-	-	-	12,500
Stewart F Ewen	1	21,250	-	-	-	21,250
William B Robinson	1	15,000	-	-	-	15,000
Brian E Scullin	1	20,250	-	-	-	20,250
Executive Directors						
Shaun A Mays	2	9,000	-	-	-	9,000
David C Shields	2	9,811	-	-	-	9,811

Note 1: Non Executive Directors' remuneration was a cost of Deutsche Bank. The amount shown in this Remuneration Report is each director's total remuneration for the three months ending 29 September 2004.

Note 2: Executive Directors' remuneration is a cost of their employer, Deutsche Bank. The amount shown in this Remuneration Report is an apportionment of each executive's total remuneration based on their time spent on Deutsche Asset Management (Australia) Limited and DB Real Estate Australia Limited activities relating to DB RREEF Diversified Trust, DB RREEF Industrial Trust and DB RREEF Office Trust during the period ending 29 September 2004.

4. Details of remuneration of executives

Listed in the following table are the five highest paid executives who are also the five executives who have the greatest authority within DB RREEF Funds Management, and who became executives of DB RREEF Holdings Limited on 1 October 2004. Prior to 1 October 2004 there were no specified executives. The components of each executive's total remuneration package for the period commencing 1 October 2004 and ending 30 June 2005 is set out in the following table:

Name	Position	Salary $	Bonus $	Non-Monetary Benefits $	Superannuation $	Total $
Tanya L Cox	Chief Operating Officer	178,811	50,000	-	8,689	237,500
John C Easy	Head of Legal	163,811	25,000	-	8,689	197,500
Greg T Lee	Head of Transaction Services	216,311	62,000	-	8,689	287,000
Ben J Lehman	Head of Portfolio Services	216,311	75,000	-	8,689	300,000
Ian D Robins	Head of Capital Markets	272,561	175,000	-	8.689	456,250
Mark F Turner	Head of Mandates	178,811	50,000	-	8,689	237,500

No short term incentive payment has been allocated for the period 1 January 2005 to 30 June 2005. Consequently, no short term incentive payment has been included for the same period.

5. Other Disclosures

There were no loans, stapled securities or options issued or granted during the period to any director or employee. No Director or Executive received any retirement benefit during the period.

6. Directors authorisation

This Report is made in accordance with a resolution of the directors.

Christopher T Beare
Chair
Sydney
25 August 2005

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Auditors' Independence Declaration

As lead auditor for the audit of DB RREEF Diversified Trust for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DB RREEF Diversified Trust and the entities it controlled during the period.

DA Prothero

Partner
PricewaterhouseCoopers

Sydney
25 August 2005

	Notes	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Revenue from ordinary activities					
Property income	3	512,709	161,814	155,728	161,814
Distribution income		-	-	11,202	-
Interest income		5,932	437	600	437
Other revenues from ordinary activities		260	-	-	-
Net foreign exchange gain		42	-	9,461	-
Proceeds from sale of investment properties	4	504,750	51,760	463,446	51,760
Share of net profits of associates accounted for using the equity method	16	12,544	-	-	-
Total revenue from ordinary activities		1,036,237	214,011	640,437	214,011
Expenses from ordinary activities					
Property expenses		(127,991)	(43,016)	(40,500)	(43,016)
Responsible entity fees	33	(21,141)	(8,693)	(8,690)	(8,693)
Borrowing costs expense	6	(117,265)	(17,836)	(21,399)	(17,836)
Other expenses from ordinary activities	6	(9,206)	(1,126)	(1,753)	(1,126)
Book value of property investments sold	4	(479,043)	(52,506)	(441,681)	(52,506)
Increment/(decrement) on revaluation of investments	26	(4,934)	-	-	-
Costs associated with the Transaction	7	(42,281)	-	(14,795)	-
Total expenses from ordinary activities		(801,861)	(123,177)	(528,818)	(123,177)
Profit from ordinary activities before tax		234,376	90,834	111,619	90,834
Tax expense					
Income tax expense	8	(990)	-	-	-
Withholding tax expense		(2,072)	-	-	-
Profit from ordinary activities after tax		231,314	90,834	111,619	90,834
Net profit attributable to outside equity interests					
DB RREEF RENTS Trust		(619)	-	-	-
Other equity holders		(11,172)	-	-	-
Net profit attributable to security holders	26	219,523	90,834	111,619	90,834
Net increase in asset revaluation reserve	26	295,702	7,698	93,062	7,698
Net decrease in foreign currency translation reserve	26	(1,259)	-	-	-
Total revenues, expenses and valuation adjustments attributable to security holders of the Stapled Entity recognised directly in equity		294,443	7,698	93,062	7,698
Total changes in equity other than those resulting from transactions with owners		513,966	98,532	204,681	98,532
		Cents	Cents	Cents	Cents
Basic earnings - cents per stapled security	38	10.12	9.39	5.15	9.39
Diluted earnings - cents per stapled security	38	10.12	9.39	5.15	9.39
Basic earnings before the Transaction - cents per stapled security	38	12.07	9.39	12.62	9.39

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

	Notes	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Distribution					
Net profit attributable to security holders		219,523	90,834	111,619	90,834
Movement in undistributed income		37,205	(1,485)	12,211	(1,485)
Transfer from reserves		24,575	1,054	3,283	1,054
Distribution paid and payable	26,28	281,303	90,403	127,113	90,403
Distribution paid/payable - cents per stapled security					
		Cents	Cents	Cents	Cents
Ordinary securities	28	10.50	9.30	4.74	9.30

DB RREEF DIVERSIFIED TRUST (FORMERLY DEUTSCHE DIVERSIFIED TRUST)
STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Notes	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Current assets					
Cash assets		**68,959**	2,487	**10,238**	2,487
Receivables	9	**29,986**	11,352	**8,883**	11,352
Inventory	10	**48,469**	-	-	-
Property sale proceeds receivable		-	51,760	-	51,760
Loan to third party	11	**5,006**	-	-	-
Other	12	**13,362**	4,394	**2,552**	4,394
Total current assets		**165,782**	69,993	**21,673**	69,993
Non-current assets					
Investment properties	13	**6,542,062**	1,635,508	**1,397,062**	1,635,508
Loan notes receivable from associate	14	**45,092**	-	-	-
Goodwill		**3,215**	-	-	-
Investments in controlled entity	15	-	-	**233,867**	-
Investments accounted for using the equity method	16	**208,974**	-	-	-
Investment in associates	16	-	-	**347,154**	-
Other	17	**31,852**	1,524	**4,942**	1,524
Total non-current assets		**6,831,195**	1,637,032	**1,983,025**	1,637,032
Total assets		**6,996,977**	1,707,025	**2,004,698**	1,707,025
Current liabilities					
Payables	18	**118,479**	14,869	**12,880**	14,869
Interest bearing liabilities	19	**369,836**	474,200	-	474,200
Current tax liabilities	20	**2,595**	-	-	-
Provisions	21	**144,800**	23,171	**67,756**	23,171
Other	22	**8,673**	-	**1,121**	-
Total current liabilities		**644,383**	512,240	**81,757**	512,240
Non-current liabilities					
Interest bearing liabilities	19	**2,421,728**	-	**581,077**	-
Loan with related parties	23	-	-	**34,332**	-
Other	24	**29,543**	585	**3,926**	585
Total non-current liabilities		**2,451,271**	585	**619,335**	585
Total liabilities		**3,095,654**	512,825	**701,092**	512,825
Net assets		**3,901,323**	1,194,200	**1,303,606**	1,194,200
Equity					
Contributed equity	25	**3,094,255**	1,028,028	**1,059,866**	1,028,028
Reserves	26	**423,829**	153,961	**243,740**	153,961
Undistributed income	26	**16,587**	12,211	-	12,211
Outside equity interests in controlled entities	27	**366,652**	-	-	-
Total equity		**3,901,323**	1,194,200	**1,303,606**	1,194,200

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

DB RREEF DIVERSIFIED TRUST (FORMERLY DEUTSCHE DIVERSIFIED TRUST)
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Cash flows from operating activities					
Receipts in the course of operations		**540,713**	162,103	**196,488**	162,103
Payments in the course of operations		**(174,785)**	(61,047)	**(51,492)**	(61,047)
Interest received		**3,373**	437	**600**	437
Borrowing cost paid		**(135,504)**	(28,487)	**(9,509)**	(28,487)
Distributions from unit trusts		**-**	-	**2,600**	-
Distributions from investments accounted for using the equity method		**8,212**	-	**6,426**	-
United States withholding tax paid		**(760)**	-	**-**	-
Net cash inflow from operating activities	36	**241,249**	73,006	**145,113**	73,006
Cash flows from investing activities					
Proceeds from sale of investment properties		**505,117**	-	**463,446**	-
Payment for purchase of controlled entities, net of cash acquired	39	**(485,165)**	-	**(231,290)**	-
Payments for capital expenditure on investment properties		**(176,787)**	(72,417)	**(90,379)**	(72,417)
Cash acquired on stapling		**14,285**	-	**-**	-
Payments for investment properties		**(124,376)**	(5,266)	**(61,927)**	(5,266)
Payments for investments in associates		**-**	-	**(290,254)**	-
Payments for investments accounted for using the equity method		**(157,437)**	-	**-**	-
Loan from controlled entities		**-**	-	**3,793**	-
Net cash outflow from investing activities		**(424,363)**	(77,683)	**(206,611)**	(77,683)
Cash flows from financing activities					
Proceeds from issue of units		**-**	30,869	**-**	30,869
Proceeds from issue of RENTS units		**204,000**	-	**-**	-
Increase in outside equity interest		**64,125**	-	**-**	-
Establishment expenses and unit issue costs		**(6,566)**	-	**-**	-
Proceeds from borrowings		**1,774,507**	97,385	**136,000**	97,385
Repayment of borrowings		**(1,768,391)**	(53,986)	**(165,200)**	(53,986)
Borrowings provided to Stapled Trusts		**-**	-	**(162,338)**	-
Borrowings provided by Stapled Trusts		**-**	-	**276,978**	-
Distributions paid		**(16,191)**	(68,479)	**(16,191)**	(68,479)
Distributions paid to outside equity interests		**(461)**	-	**-**	-
Net cash inflow from financing activities		**251,023**	5,789	**69,249**	5,789
Net increase in cash held		**67,909**	1,112	**7,751**	1,112
Cash at the beginning of the year		**2,487**	1,375	**2,487**	1,375
Effects of exchange rate changes on cash		**(1,437)**	-	**-**	-
Cash at the end of the year		**68,959**	2,487	**10,238**	2,487

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

On 30 September 2004, DB RREEF Diversified Trust and its sub-trusts ("the Stapled Entity") was formed by the stapling together of DDF, DIT, DOT and DRO ("the Trusts"). For the purposes of statutory reporting, the Stapled Entity reflects a consolidated group. The parent entity and deemed acquirer of the trusts is DDF. The basis of this approach is consistent with current practice in relation to the financial reporting obligations of stapled entities that were formed after 1 July 2004. The consolidated results reflect the performance of the parent, DDF, from 1 July 2004 and the additions of DIT, DOT and DRO from the date of consolidation, being 1 October 2004 to 30 June 2005. Investors however are entitled to distributions and earnings from the underlying trusts from the period commencing 1 July 2004.

DB RREEF Trust stapled securities are quoted on the Australian Stock Exchange under the code DRT and comprise of one unit in each of the Trust, DIT, DOT and DRO. Each entity forming part of DRT continues as a separate legal entity in its own right under the Corporations Act 2001 and is therefore required to comply with the reporting and disclosure requirements under the Corporations Act 2001 and Australian Accounting Standards.

DB RREEF Funds Management as Responsible Entity for the each of the Trusts may only unstaple the Trusts if approval is obtained by special resolution of the security holders.

This general purpose financial report has been prepared in accordance with the requirements of the Trust Constitution, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001 in Australia.

It is prepared on the basis of the going concern and historical cost conventions and has not been adjusted to take account of either changes in the general purchasing power of the dollar or changes in the values of specific assets, except to the extent that the Stapled Entity investments have been revalued.

This report is to read in conjunction with any public pronouncements made by the Stapled Entity during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies adopted are consistent with those of the previous period unless otherwise specified. Comparative information has been reclassified where appropriate to enhance comparability.

(b) Principles of consolidation

The financial statements have been prepared on a consolidated basis in recognition of the fact that while the securities issued by the Trusts are stapled into one trading security and cannot be traded separately, the financial statements must be presented on a consolidated basis. The parent entity and deemed acquirer of the Trusts is DDF.

On 30 September 2004, DDF was deemed to have acquired the other trusts and as a result, the underlying assets and liabilities of the other trusts were adjusted to fair value as at this date. Information from the financial statements of the subsidiaries has been included from 1 October 2004. It should be noted that investors in DRT have been entitled to the returns from the underlying Trusts from 1 July 2004. The accounting policies of the sub-trusts are consistent with the parent.

The consolidated financial statements incorporate an elimination of inter-entity transactions and balances to present the financial statements on a consolidated basis.

Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated Statements of Financial Performance and Statements of Financial Position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated Statements of Financial Performance from the date on which control is gained.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits of associates is recognised as revenue in the consolidated Statements of Financial Performance, and its share of post-acquisition movements in reserves is recognised in consolidated reserves.

Note 1. Summary of significant accounting policies (continued)

(c) Revenue recognition

Rent
Rent is brought to account on an accruals basis and, if not received at balance date, is reflected in the Statements of Financial Position as a receivable. Recoverability of receivables is reviewed on an ongoing basis. Debts which are known to be not collectable are written off.

Income support
Rental income support is brought to account on an accruals basis in accordance with the relevant contractual arrangements.

Interest income
Interest income is brought to account on an accruals basis and, if not received at the balance date, is reflected in the Statements of Financial Position as a receivable.

(d) Expenses

Expenses are brought to account on an accruals basis and, if not paid at the balance date, are reflected in the Statements of Financial Position as a payable.

Property expenses
Property expenses include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of the Trusts.

Borrowing costs
Borrowing costs include interest expense and other costs incurred in respect of obtaining finance.

Borrowing costs are expensed unless they relate to qualifying assets. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Where funds are borrowed specifically for the acquisition or construction of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings, until the asset is ready for its intended use or sale. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

Other costs incurred including loan establishment fees in respect of obtaining finance are deferred and written off over the term of the respective agreement.

(e) Derivatives and other financial instruments

The Trust's activities expose it to changes in interest rates and foreign exchange rates. There are policies and limits approved by the Board of Directors of the Responsible Entity in respect of the usage of derivatives and other financial instruments to hedge those cash flows and earnings which are subject to interest rate risk and foreign currency rate risk respectively. In conjunction with its advisers, the Responsible Entity continually reviews the Trust's exposures and updates its treasury policies and procedures. The Trust does not trade in derivative instruments for speculative purposes.

Changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

The accounting policies adopted in relation to material financial instruments are detailed below:

Debt instruments
Debt instruments are carried at face value. Interest is brought to account on an accruals basis.

Interest rate swaps
The Stapled Entity enters into interest swap agreements with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised in the Statements of Financial Performance on an accruals basis over the life of the hedges (Refer Note 29).

Forward exchange contracts
Forward exchange contracts are entered into by the Trust to hedge its earnings exposure in relation to foreign investments. This currency hedge rate is used to translate items in the Statements of Financial Performance. (Refer Note 1(u) and Note 30).

The unrealised gains receivable/losses payable in respect of all currency hedges are recorded on the Statement of Financial Position.

(f) GST

Revenues, expenses and capital assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Note 1. Summary of significant accounting policies (continued)

(g) Taxation

Under current Australian income tax legislation DDF and its controlled entities, DIT and DOT, are not liable for income tax provided they satisfy the requirements of the ATO, which is to distribute its taxable income. DRO has income tax expense arising from the activities of its funds management business. DRO's taxable income is taxed at the tax rate of 30%.

Tax effect accounting procedures were followed whereby the income tax expense in the Statements of Financial Performance is matched with the accounting profit allowing for permanent differences.

The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

Dividends received from DB RREEF Industrial Properties, Inc. ("US REIT") will be net of US withholding taxes payable in respect of those distributions. The US foreign operations themselves will generally not be subject to US Federal or State income taxes provided they satisfy the necessary requirements of a Real Estate Investment Trust ("REIT").

No provision is made for additional taxes which would become payable if certain reserves of the foreign controlled entity were to be distributed as it is not expected that any substantial amount will be distributed from those reserves in the foreseeable future.

Under current Australian income tax legislation, the security holders will be generally entitled to receive a foreign tax credit for US withholding tax deducted from dividends paid by the US REIT.

(h) Distributions

In accordance with the Trust's Constitution, the Trust distributes its distributable income to unitholders by cash or reinvestment.

(i) Repairs and maintenance

Plant of the Trusts is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised in accordance with note 1(m). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

(j) Cash

For the purposes of the Statements of Cash Flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of change in value.

(k) Receivables

Debtors to be settled within 30 days are carried at amounts due. Debts are assessed at balance date and provision is made for any doubtful accounts.

(l) Inventories

In accordance with Accounting Standard AASB 1019: Inventories, development properties are carried at lower of cost or net realisable value. The cost of development property includes the cost of acquisition, development and financing costs up until the date of practical completion.

(m) Investment properties

It is the policy of the Responsible Entity to review the carrying value of each property at the reporting date. External valuations of the individual investments are carried out in accordance with the Trust's Constitutions, or earlier where the Responsible Entity believes there may be a material change in the fair value of the property.

The valuations are measured at fair value being the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each investment property does not differ materially from its fair value at the reporting date.

A revaluation increment is credited directly to the asset revaluation reserve, unless it is reversing a previous decrement charged as an expense in the Statements of Financial Performance in respect of that same class of assets, in which case the increment is credited directly to the Statements of Financial Performance.

Note 1. Summary of significant accounting policies (continued)

A revaluation decrement is recognised directly as an expense in the Statements of Financial Performance, unless it is reversing a revaluation increment previously credited to, and still included in the balance of the asset revaluation reserve in respect of that same class of assets, in which case it is debited directly to the asset revaluation reserve.

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Statements of Financial Performance in the year of disposal. Any related balance remaining in the asset revaluation reserve at the time of disposal is transferred to undistributed income.

Land and buildings have the function of an investment and are regarded as a composite asset. The applicable Accounting Standards do not require that investment properties be depreciated. Accordingly, the buildings and any component thereof (including plant and equipment) are not depreciated.

Expenses capitalised to properties may include the cost of acquisition, additions, refurbishment, redevelopment, borrowing costs and fees incurred.

The carrying amounts of current and non-current investment properties are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of current and non-current investment properties exceeds the recoverable amount, the asset is written down to the lower amount.

(n) Leasing fees

Leasing fees incurred in relation to the initial letting of property or following redevelopments are capitalised to the property, and taken to account through periodic revaluation. Leasing fees incurred in relation to the ongoing renewal of major tenancies are capitalised and amortised over the lease periods to which they relate.

(o) Lease incentives

Prospective lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including up front cash payments, rent free periods, or a contribution to certain lessee costs such as fit out costs or relocation costs.

These incentives are repaid out of future lease payments and therefore are recognised as an asset in the Statements of Financial Position. Specifically:

- rent free periods - when provided, the rent forgiven in early years is capitalised to a deferred income account, at the earlier date from which the tenant has effective use of the premises or the lease commencement date and is released to the Statements of Financial Performance in later years to ensure a constant rate of return over the term of the lease;

- cash contributions - where provided, the amount of contribution is capitalised as an asset in the Statements of Financial Position and written off over the term of the lease;

- tenant fit out - costs associated with fitting out a building specifically for a lessee and that are not expected to be used beyond the term of the lease are capitalised in the Statements of Financial Position and written off over the term of the lease; and

- lessor owned fit out - when the fit out is an asset of the lessor and can be retained by the lessor beyond the lease term, it is considered integral to the building and is capitalised into the cost of the property and adjusted through the valuations.

(p) Investments accounted for using the equity method/ investments in associates

Some property investments are held through the ownership of units in single purpose unlisted trusts where the Stapled Entity exerts significant influence but does not have a controlling interest. The Stapled Entity has adopted the equity method of accounting for these investments.

Interests held by the Trust are bought to account at valuation based on net tangible asset backing.

At the parent level, investments in associates are carried at Directors' valuation being the the net tangible assets of the underlying entity, and taking into consideration market movements.

(q) Acquisition of assets

The purchase method of accounting is used for all acquisitions. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Goodwill is brought to account on the basis described in Note 1 (r).

Note 1. Summary of significant accounting policies (continued)

(r) Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the identifiable net assets acquired, is brought to account as goodwill and amortised on a straightline basis over the period using which the benefits are expected.

(s) Payables

These amounts represent liabilities for amounts owing by the Trusts at year end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(t) Earnings per unit

Basic and diluted earnings per stapled security is determined by dividing the net profit attributable to security holders of the Stapled Entity by the weighted average number of ordinary stapled securities outstanding during the financial year.

(u) Foreign currency

Foreign currency investments

Foreign assets and liabilities are converted to Australian Dollars ("A$") at the rate of exchange on the date of the transaction or at hedged rates if applicable.

Foreign investments are in the United States of America ("US") and New Zealand ("NZ").

Translation of foreign currency operations

All foreign operations are deemed self-sustaining in accordance with AASB 1012: Foreign Currency Translation, as each is financially and operationally independent of the Australian operations.

The financial reports of overseas operations are translated to Australian dollars using the current rate method, except for earnings which are translated at the applicable currency hedge contract rates. Any exchange differences are taken directly to the foreign currency translation reserve.

Exchange rates

The following exchange rates have been used to translate financial statements of foreign operations to Australian dollars:

		30 June 2005
Spot A$/US$	Statements of Financial Position	0.7640
Average A$/US$ [1]	Statements of Financial Performance	0.7242
Spot A$/NZ$	Statements of Financial Position	1.0937
Average A$/NZ$ [1]	Statements of Financial Performance	1.0804

[1] The average exchange rate includes applicable hedges.

(v) International Financial Reporting Standards ("IFRS")

The adoption of Australian equivalents to IFRS ("AIFRS") will be first reflected in the financial statements for the half year ended 31 December 2005 and the year ended 30 June 2006.

The Responsible Entity has established a project team to manage the transition to AIFRS, including training of staff, and systems and internal control changes necessary to gather all the required financial information. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1: First-time Adoption of Australian Equivalents to IFRS. The project is now at a stage where material AIFRS adjustments are known, to enable the preparation of an opening Statement of Financial Position as at 1 July 2004, the transition date to AIFRS.

Impact of transition to AIFRS

The impact of transition to AIFRS, including the selection and application of AIFRS accounting policies, is based on AIFRS standards that management expect to be in place, or where applicable, early adopted, when preparing the first complete AIFRS financial report. The disclosures below reflect that the Stapled Entity has elected not to apply the requirements of AASB 132 and AASB 139 in the first comparative year under AIFRS.

Note 1. Summary of significant accounting policies (continued)

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change.

Revisions to the selection and application of the AIFRS accounting policies may be required as a result of:

- changes in financial reporting requirements that are relevant to the Stapled Entity's first complete AIFRS financial report arising from new or revised accounting standards or interpretations issued by the Australian Accounting Standards Board subsequent to the preparation of the 30 June 2005 financial report;
- additional guidance on the application of AIFRS in the property industry; or
- changes to the Stapled Entity's operations.

Therefore, until the Stapled Entity prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

Major changes identified to date that will be required to the consolidated entity's existing accounting policies include the following (references to new AASB standards below are to the Australian equivalents to IFRS issued in July 2004):

Investment properties

Under AASB 140: Investment Property, changes in the fair values of investment properties will be adjusted through the Statements of Financial Performance rather than through the asset revaluation reserve of the Statements of Financial Position. For the year ended 30 June 2005, the impact to net profit if the standard was applicable to the year ended 30 June 2005 would have been an increase of $208,403,000.

On transition to AIFRS, the balance of the asset revaluation reserve as at 1 July 2004 will be transferred to retained earnings. This will increase the balance of retained earnings by $153,961,000.

Certain real estate investments currently classified as investment properties (such as properties under construction) may not meet the AIFRS definition of investment property. Therefore, a separate class of assets may be shown on the face of the Statements of Financial Position.

Financial instruments

All interest rate and foreign currency derivatives will be recognised at fair value in the Statements of Financial Position, with changes in fair value during the period recognised in the Statements of Financial Performance, or if classified as a cashflow hedge and proved to be effective, deferred in equity.

The Board has decided not to adopt hedge accounting for financial instruments in existence at 30 June 2005, which may result in future unrealised earnings volatilities, without any associated volatility in distributions. The Board will continually review this position and may elect to apply hedge accounting to financial instruments entered into the future.

The Stapled Entity has elected to adopt the exemption under AASB 1 to apply AASB 132: Financial Instruments - Disclosure and Presentation and AASB 139: Financial Instruments - Recognition and Measurement only from 1 July 2005. This allows the Stapled Entity to apply AGAAP to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

Income tax

Under the AASB 112: Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the Statements of Financial Position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity. This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-affected if they are included in the determination of pre-tax accounting profit and loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

For the year ended 30 June 2005, the impact to net profit if the standard was applicable to the year ended 30 June 2005 would have been a decrease of $18,244,000.

The change in calculating the tax deferred balance will not impact on Australian assets that are owned by trusts classed as flow through vehicles under Australian Taxation Law. Deferred tax liabilities will be required to be recognised for unrealised gains on properties held in the US REIT. Management does not expect that such liabilities will crystalise as it would seek to buy assets within the permitted time frame after the disposal of an asset to take advantage of taxation rollover relief in the US.

Note 1. Summary of significant accounting policies (continued)

Rental revenue

Accounting Standard AASB 117: Leases, requires rental revenues to be recognised on a straightline basis over the term of the lease. This applies to operating leases with fixed rent review clauses. The Responsible Entity has analysed the impact of straightlining fixed reviews and has determined that the amount of income that would have been recognised for the year ended 30 June 2005 if the standard had applied for this financial year would have been $6,718,000. On transition to AIFRS, an amount of $21,187,000 will be recognised as lease income receivable that will form part of the property portfolio. However, this would be offset by a notional fair value adjustment to income and to investment properties to bring the balance of the investment properties back to fair value, resulting in no impact to the net profit and net assets of the Stapled Entity.

Lease incentives

Accounting standard AASB 117: Leases, and UIG 115: Operating Leases - Incentives, requires all lease incentives to be capitalised and amortised over the period of the lease. The Responsible Entity has assessed the impact of this treatment based on the current lease incentives and has estimated an additional amortisation expense and accumulated amortisation of $8.14 million for the year ended 30 June 2005. On transition to IFRS, an amount of $83.29 million will be recognised as unamortised lease incentives that will form part of the fair value of the property portfolio. However, this would be offset by a notional fair value adjustment to income and to investment properties to bring the balance of the investment properties back to fair value, resulting in no impact to the net profit and net assets of the Stapled Entity.

Revenue disclosures in relation to the sale of non-current assets

Under AIFRS, the revenue recognised in relation to the sale of non-current assets is the net gain on the sale. This is in contrast to the current AGAAP treatment under which the gross proceeds from sale are recognised as revenue and the carrying amount of the assets sold is recognised as an expense. The net impact on the Statements of Financial Performance is nil.

If the policy required under AIFRS had been applied during the year ended 30 June 2005, the consolidated revenue from ordinary activities would have been $479,043,000 lower with a corresponding reduction in the expense for the year.

Unitholders equity

Accounting Standard AASB 132: Financial Instruments – Disclosure and Presentation, outlines and defines the criteria for recognising a financial instrument as either debt or equity. Under current account standards (AGAAP) units in a fixed life trust are considered equity however under AIFRS the same instrument would be classified as debt due to the fixed life of the issuance. Distributions paid to unitholders under this classification would be reclassed as a form of finance charge. These changes would not impact on the financial or economic position of the Stapled Entity or that of the unitholder but would significantly impact on the presentation and disclosure in the financial accounts.

On 6 June 2005, ASIC issued class order 05/566 "Managed Investment Schemes: Perpetuity Clauses in Scheme Constitutions". This class order allows the Responsible Entity to amend a constitution by removing a termination clause and make other amendments as required so long as the changes do not materially change the nature of the scheme or have a materially adverse effect on the interests of members.

On 7 July 2005, amendments to the Constitution were made that enable the Stapled Entity to satisfy the criteria for unitholders funds to be classified as equity. The Board was of the view that such amendments were not materially adverse to unitholders nor did they change the nature of the scheme.

These changes are the only material changes anticipated, but should not be regarded as the only changes in accounting policies that will result from the transition to AIFRS as regulatory bodies have significant ongoing projects that could affect the interpretation of the differences between Australian Generally Accepted Accounting Principles and IFRS.

While the application of IFRS may introduce volatility into forecast financial information, this will not affect the cashflows from operations.

Note 2. Individually significant items

On 29 September 2004, DB RREEF Funds Management Limited replaced DB Real Estate Australia Limited as Responsible Entity of the Trust, and replaced Deutsche Asset Management (Australia) Limited as Responsible Entity of DIT and DOT.

The management fee structure was amended to reflect new fee arrangements as follows:

Australian assets:

- Fee: 0.45% per annum of gross assets

- Basis: annualised average gross assets calculated on a month-end basis, in accordance with the Trusts' Constitutions

- Calculated: monthly

- Payment frequency: monthly

- Effective date: 1 October 2004

No fees will be payable in relation to the DB RREEF Operations Trust.

DB RREEF Industrial Properties, Inc. (initial portfolio only):

- Fee: 0.25% per annum of gross assets to DB RREEF Funds Management

- Fee: 0.02% per annum of gross assets to RREEF America LLC ("RREEF") (the US Fund Manager)

- Basis: annualised average gross assets calculated on a month-end basis, in accordance with the Trusts' Constitutions

- Calculated: monthly

- Payment frequency: monthly

- Effective date: 1 October 2004

- In addition, a management fee of US$700,000 per annum (subject to annual escalation by reference to the US inflation rate) is payable by the US foreign operations to RREEF.

- Performance fees no longer apply to the Trust. The last period for which performance fees were calculated for the Trust was the six months ending 30 June 2004. No performance fees were earned post 30 June 2004. Similarly, performance fees carried forward from previous periods are no longer available.

Note 3. Property income

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Rent and recoverable outgoings	**497,790**	161,065	**151,866**	161,065
Income support	**6,719**	-	**1,420**	-
Other income	**8,200**	749	**2,442**	749
Total property income	**512,709**	161,814	**155,728**	161,814

Note 4. Gain/(loss) on sale of investments

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Proceeds on sale of investment properties	**504,750**	51,760	**463,446**	51,760
Book value of investment properties sold	**(479,043)**	(52,506)	**(441,681)**	(52,506)
Net gain/(loss) on sale of investment properties	**25,707**	(746)	**21,765**	(746)

Note 5. Remuneration of auditors

	Consolidated 2005 $	Consolidated 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
During the year the auditor of the parent entity and its related practices earned the following remuneration:				
PricewaterhouseCoopers				
Audit and review of financial reports and other audit work under the Corporations Act 2001	863,563	126,000	309,000	126,000
Fees paid in relation to outgoings	72,094	-	-	-
Total auditing fees	935,657	126,000	309,000	126,000
Assurance				
- Fees paid to PwC Australia	935,657	126,000	309,000	126,000
- Fees paid to non-PwC audit firms for audit of US controlled entity	394,962	-	-	-
Taxation Services				
- Fees paid to PwC Australia	461,670	-	39,000	-
Advisory Services				
- Fees paid to PwC Australia in relation to IFRS project	15,000	-	5,000	-
Total audit and advisory fees	1,807,289	126,000	353,000	126,000
Fees paid in relation to the establishment of the RENTS sub-trust				
- Fees paid to PwC Australia	235,000	-	-	-
Total fees paid in relation to the establishment of the RENTS sub-trust	235,000	-	-	-
Fees paid in relation to the Transaction				
- Fees paid to PwC Australia	889,587	-	296,529	-
- Fees paid to related practices of PwC Australia	354,171	-	118,057	-
Total included in costs associated with the Transaction	1,243,758	-	414,586	-

Note 6 (a). Other expenses from ordinary activities

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Audit and advisory fees	5	1,807	126	353	126
Bad and doubtful debts		1,071	23	-	23
Custodian fees		415	146	180	146
Legal and other professional fees		1,667	229	515	229
Registry costs and listing fees		403	206	278	206
Other expenses		3,843	396	427	396
Total other expenses from ordinary activities		9,206	1,126	1,753	1,126

Note 6 (b). Borrowing costs

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Interest paid/payable	130,202	29,216	30,331	29,216
Amount capitalised	(12,937)	(11,380)	(8,932)	(11,380)
Borrowing costs expense	117,265	17,836	21,399	17,836

Note 7. Costs associated with the Transaction

The costs relate to the fees and expenses arising from the consolidation of the Trust and DIT, DOT and DRO, the acquisition of the US REIT, and the associated debt arranging and interest rate hedging, (together referred to as "the Transaction"). The costs associated with the Transaction for the Stapled Entity totalled $42.28 million and the Trust's share of costs was $14.80 million.

Note 8. Income Tax

	Consolidated 2005 $'000	2004 $'000
Income tax expense		
The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
Profit from ordinary activities before income tax	234,376	-
Profit from ordinary activities not subject to income tax	(228,506)	-
Profit from ordinary activities subject to income tax	5,870	-
Income tax calculated @ 30% (2004: 30%)	1,761	-
Tax effect of permanent differences:		
Share of net profits of associates[1]	(771)	-
Income tax adjusted for permanent differences	990	-
Under (over) provision in previous year	-	-
Income tax expense attributable to profit from ordinary activities	990	-
Aggregate income tax expense	990	-
Aggregate income tax expense comprises:		
Current taxation provision	1,069	-
Deferred income tax liability	48	-
Future income tax benefit	(127)	-
	990	-

[1] The share of net profits of associates relates to DRO's invesment in DB RREEF Holdings Pty Limited.

Note 9. Current assets – receivables

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Rent receivable	**14,039**	7,741	**439**	7,741
Less: Provision for doubtful debts	**(1,116)**	(479)	**(261)**	(479)
Total rental receivables	**12,923**	7,262	**178**	7,262
Distribution receivable from controlled entities	**-**	-	**3,100**	-
Interest receivable	**1,241**	-	**-**	-
Settlement adjustments receivable	**2,626**	-	**1,260**	-
Deferred tax asset	**127**	-	**-**	-
Other receivables	**13,069**	4,090	**4,345**	4,090
Total other receivables	**17,063**	4,090	**8,705**	4,090
Total current assets - receivables	**29,986**	11,352	**8,883**	11,352

Note 10. Current assets - inventory

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Building held for resale				
Cost of acquisition	**47,037**	-	**-**	-
Capitalised development costs	**1,432**	-	**-**	-
Total current assets - inventory	**48,469**	-	**-**	-

Note 11. Loan to third party

On 4 August 2004, DOT entered into a contract to purchase NRM Tower, Auckland on completion of its development for NZ$110.4 million (subject to an area survey and the leasing profile of the building). NZ$5.5 million has been lent to the developer as a contribution prior to completion. The value of this loan has been translated at the spot rate as at 30 June 2005 to AUD$5.0 million.

Note 12. Current assets – other

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Prepayments	**4,908**	3,787	**906**	3,787
Tenant bonds	**34**	-	**-**	-
Capitalised lease incentives	**1,599**	247	**359**	247
Capitalised leasing fees	**812**	360	**121**	360
Deferred borrowing costs	**3,623**	-	**-**	-
Net receivable on currency hedge contracts	**2,341**	-	**1,121**	-
Other	**45**	-	**45**	-
Total current assets - other	**13,362**	4,394	**2,552**	4,394

Note 13 (a). Non-current assets – investment properties

Property **Held by parent entity**	Ownership	Acquisition date	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30 June 2005 $'000	Consolidated book value 30 June 2004 $'000
Industrial								
Kings Park Industrial Estate, Bowmans Road, Marayong, NSW	100%	May 1990	70,016	Jun 2005	78,500	(a)	**78,500**	66,294
Target Distribution Centre, Lot 1, Taras Avenue, Altona North, VIC	100%	Oct 1995	25,428	Jun 2005	35,000	(f)	**35,000**	31,907
Axxess Corporate Park, 164-180 Forster Road, 11 & 21-45 Gilby Road, 307-355 Ferntree Gully Road, Mount Waverley, VIC	100%	Oct 1996	107,633	Jun 2003	89,000	(f)	**109,336**	91,342
Knoxfield Industrial Estate, 20 Henderson Road, Knoxfield, VIC	100%	Aug 1996	30,106	Sep 2003	31,250	(e)	**31,885**	31,800
12 Frederick Street, St Leonards, NSW	100%	Jul 2000	24,933	Jun 2005	31,500	(e)	**31,500**	26,046
40 Talavera Road, North Ryde, NSW	100%	Oct 2002	32,068	Apr 2005	28,500	(f)	**29,434**	29,509
Wallgrove, Eastern Creek, NSW	100%	Mar 2004	23,523	n/a	-	-	**23,523**	5,399
Redwood Gardens Industrial Estate Stages 3,5,6 & 7 and Lot 4, Dingley, VIC [1]	100%	Dec 1994	23,062	Jun 2003	22,040	(c)	**22,962**	29,478
Axxess Corporate Park, Powers & Station Road, Seven Hills, NSW	0%	Jul 2000	-	-	-	-	-	15,730
Total Industrial Properties			336,769		315,790		**362,140**	327,505
Commercial								
44 Market Street, Sydney, NSW	100%	Sep 1987	159,566	Jun 2003	144,000	(c)	**148,409**	145,078
8 Nicholson Street, Melbourne, VIC	100%	Nov 1993	67,995	Jun 2005	91,800	(g)	**91,800**	82,499
Ferguson Centre, 130 George Street, Parramatta, NSW	100%	May 1997	61,854	Jun 2003	43,800	(a)	**49,626**	44,539
Flinders Gate Complex, 172 Flinders Street and 189 Flinders Lane, Melbourne, VIC	100%	Mar 1999	13,584	Sep 2003	15,500	(g)	**15,538**	15,508
383-395 Kent Street, Sydney, NSW	100%	Sep 1987	104,553	Sep 2003	104,000	(c)	**104,874**	102,649
14 Moore Street, Canberra, ACT **	100%	May 2002	37,215	Apr 2005	36,250	(e)	**36,250**	37,181
Sydney CBD Floor Space [2]	100%	Jul 2000	n/a	n/a	-	-	**2,390**	-
1 Chifley Square, Sydney, NSW	0%	Jul 2000	-	-	-	-	-	59,848
144 Edward Street, Brisbane, QLD	0%	Jul 2000	-	-	-	-	-	40,529
Total Commercial Properties			444,767		435,350		**448,887**	527,831

The title to all properties is freehold, with the exception of the properties marked ** which are leasehold
[1] The valuation reflects 76% of independent valuation amount as 24% of the property was disposed.
[2] This relates to heritage floor space retained following the disposal of 1 Chifley Square, Sydney.

Note 13 (a). Non-current assets – investment properties (continued)

	Ownership	Acquisition date	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30 June 2005 $'000	Consolidated book value 30 June 2004 $'000
Retail & Car Park								
Whitford City Shopping Centre Marmion & Whitfords Avenue, Hillarys, WA [3]	50%	Oct 1984	127,219	Jun 2003	153,375	(e)	**185,978**	338,372
Whitfords Avenue Lot 6 Endeavour Road, Hillarys, WA [3]	50%	Dec 1992	5,492	Jun 2003	7,900	(e)	**8,613**	15,837
West Lakes Shopping Centre, West Lakes, SA	50%	Nov 1998	115,778	Jun 2003	86,000	(e)	**122,892**	103,944
Plenty Valley Town Centre, 330-464 McDonald's Road, South Morang, VIC [3]	50%	Nov 1999	17,162	Jun 2003	16,000	(d)	**20,576**	35,152
North Lakes Shopping Centre, Mango Hill, QLD [3]	50%	Aug 2004	65,049	Jun 2004	60,250	(c)	**65,049**	-
Albert & Charlotte Streets Carpark, Brisbane, QLD	100%	Oct 1984	13,778	Sep 2003	32,000	(d)	**32,035**	32,032
34-60 Little Collins Street, Melbourne, VIC **	100%	Nov 1984	16,164	Sep 2003	41,500	(g)	**41,522**	41,522
32-44 Flinders Street, Melbourne, VIC Flinders Gate Complex, (including air development rights)	100%	Jun 1998	21,239	Sep 2003	24,600	(g)	**24,575**	24,575
172 Flinders Street, Melbourne, VIC	100%	Mar 1999	47,043	Sep 2003	45,275	(g)	**45,275**	45,275
383-395 Kent Street, Sydney, NSW	100%	Sep 1987	30,257	Sep 2003	40,000	(c)	**39,420**	39,420
John Martin's Carpark & Retail Plaza Joint Venture	1%	Sep 1994	100	-	-	-	**100**	100
West Lakes Shopping Centre, West Lakes, SA	0%	Nov 1998	-	-	-	-	**-**	103,943
Total Retail and Car Park Properties			459,281		506,900		**586,035**	780,172
Total parent entity			1,240,817		1,258,040		**1,397,062**	1,635,508
Held by controlled entities								
Westfield Hurstville, 262-264 Forest Road and 292 Forest Road, Hurstville, NSW	50%	May 2005	232,500	Feb 2005	232,500	(d)	**232,733**	-
Retail Properties			232,500		232,500		**232,733**	-

[3] The valuation reflects 50% of independent valuation amount.

Note 13 (a). Non-current assets – investment properties (continued)

	Ownership	Acquisition date	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30 June 2005 $'000	Consolidated book value 30 June 2004 $'000
52 Holbeche Road Arndell Park, NSW	100%	Jul 1998	11,296	Sep 2003	11,100	(a)	**11,104**	-
3-7 Bessemer Street Blacktown, NSW	100%	Jun 1997	11,016	Sep 2003	10,100	(b)	**10,202**	-
30-32 Bessemer Street Blacktown, NSW	100%	May 1997	11,888	Sep 2003	14,500	(b)	**14,540**	-
27-29 Liberty Road Huntingwood, NSW	100%	Jul 1998	7,962	Sep 2003	7,300	(a)	**7,300**	-
154 O'Riordan Street Mascot, NSW	100%	Jun 1997	10,761	Jun 2004	13,650	(a)	**13,694**	-
Egerton Industrial Estate Silverwater, NSW	100%	May 1997	37,271	Sep 2003	39,375	(e)	**39,524**	-
239-251 Woodpark Road Smithfield, NSW	100%	May 1997	5,058	Sep 2003	5,750	(b)	**5,756**	-
40 Biloela Street Villawood, NSW	100%	Jul 1997	7,056	Sep 2003	7,000	(d)	**7,019**	-
2a Birmingham Avenue Villawood, NSW	100%	Jun 1997	7,753	Sep 2003	8,600	(d)	**8,792**	-
27-33 Frank Street Wetherill Park, NSW	100%	Jul 1998	15,109	Dec 2003	12,650	(b)	**12,685**	-
11 Talavera Road North Ryde, NSW	100%	Jun 2002	131,263	Jun 2003	130,000	(a)	**134,006**	-
114-116 Fairbank Road Clayton, VIC	100%	Jul 1997	10,751	Sep 2003	10,800	(a)	**10,913**	-
30 Bellrick Street Acacia Ridge, QLD	100%	Jun 1997	12,839	Sep 2003	11,900	(d)	**11,920**	-
121 Evans Road Salisbury, QLD	100%	Jul 1997	16,588	Dec 2004	18,450	(e)	**18,450**	-
68 Hasler Road Herdsman, WA	100%	Jul 1998	9,690	Jun 2004	8,000	(e)	**8,379**	-
79-99 St Hilliers Road Auburn, NSW	100%	Sep 1997	33,952	Jun 2005	41,000	(d)	**41,000**	-
1 Garigal Road Belrose, NSW	100%	Dec 1998	23,406	Dec 2004	27,400	(a)	**27,400**	-
2 Minna Close Belrose, NSW	100%	Dec 1998	33,484	Dec 2004	32,400	(a)	**33,077**	-
114-120 Old Pittwater Road Brookvale, NSW	100%	Sep 1997	32,749	Sep 2003	42,000	(a)	**42,587**	-
145-151 Arthur Street Flemington, NSW	100%	Sep 1997	22,952	Jun 2005	31,000	(f)	**31,000**	-
436-484 Victoria Road Gladesville, NSW	100%	Sep 1997	27,612	Dec 2004	43,000	(d)	**43,182**	-
706 Mowbray Road Lane Cove, NSW	100%	Sep 1997	21,798	Sep 2003	25,300	(f)	**25,788**	-
1-15 Rosebery Avenue & 1-55 Rothschild Avenue Rosebery, NSW	100%	Apr 1998 & Oct 2001	69,449	Jun 2003	78,700	(a)	**81,157**	-
10-16 South Street Rydalmere, NSW	100%	Sep 1997	35,370	Jun 2004	42,000	(f)	**42,588**	-
19 Chifley Street Smithfield, NSW	100%	Dec 1996	11,426	Jun 2003	13,400	(c)	**13,498**	-
3 Brookhollow Avenue Baulkham Hills, NSW	100%	Dec 2002	41,753	Dec 2003	36,600	(e)	**41,753**	-
1 Foundation Place Greystanes, NSW	100%	Dec 2002	39,124	Dec 2004	41,700	(a)	**41,905**	-
352 Macaulay Road Kensington, VIC	100%	Oct 1998	7,597	Jun 2003	7,300	(e)	**7,300**	-
250 Forest Road South Lara, VIC	100%	Dec 2002	33,757	Jun 2005	34,600	(e)	**34,600**	-
Boundary Road Laverton North, VIC	100%	Jul 2002	36,410	Jun 2004	23,700	(c)	**41,986**	-
Pound Road West Dandenong, VIC	100%	Jan 2004	52,713	Jun 2005	56,250	(c)	**56,250**	-
15-23 Whicker Rd Gillman, SA	100%	Dec 2002	19,783	Jun 2005	21,300	(e)	**21,300**	-
25 Donkin Street South Brisbane, QLD	100%	Dec 1998	18,552	Jun 2005	20,700	(e)	**20,700**	-
Industrial properties			868,188		927,525		**961,355**	-
Governor Phillip Tower & Governor Macquarie Tower Office Complex 1 Farrer Place Sydney NSW	50%	Dec 1998	465,556	Dec 2004	512,500	(b)	**515,137**	-
45 Clarence Street Sydney NSW	100%	Dec 1998	197,929	Jun 2005	195,000	(f)	**195,000**	-
309-321 Kent Street Sydney NSW	50%	Dec 1998	142,929	Dec 2003	128,750	(d)	**131,359**	-
1 Margaret Street Sydney NSW	100%	Dec 1998	141,398	Jun 2005	139,000	(c)	**139,000**	-
Victoria Cross 60 Miller Street North Sydney NSW	100%	Dec 1998	83,582	Mar 2005	86,000	(f)	**86,303**	-
Zenith Centre 821-843 Pacific Highway Chatswood NSW	100%	Dec 1998	190,518	Jun 2004	216,000	(f)	**223,281**	-
240 St Georges Terrace Perth WA	100%	Jan 2001	238,765	Jun 2005	270,000	(g)	**270,000**	-
30-34 Hickson Road Sydney NSW	100%	May 2002	117,675	Mar 2004	122,000	(b)	**123,352**	-
Southgate Complex 3 Southgate Avenue Southgate VIC	100%	Aug 2000	346,664	Jun 2005	361,000	(d)	**361,000**	-
O'Connell House 15-19 Bent Street Sydney NSW	100%	Aug 2000	49,086	Sep 2004	55,500	(e)	**56,323**	-
201 Elizabeth Street Sydney NSW	50%	Aug 2000	106,796	Dec 2004	117,000	(e)	**117,190**	-
Garema Court 140-180 City Walk Civic ACT**	100%	Aug 2000	43,313	Oct 2003	44,600	(b)	**44,865**	-
Australia Square 264 George St Sydney NSW	50%	Aug 2000	195,399	Jun 2005	184,000	(d)	**184,000**	-
Commercial properties			2,319,610		2,431,350		**2,446,810**	-

Note 13 (a). Non-current assets – investment properties (continued)

	Ownership	Acquisition date	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30 June 2005 $'000	Consolidated book value 30 June 2004 $'000
3765 Atlanta Industrial Drive, Atlanta	80%	Sep 2004	6,031	Jun 2005	6,702	(c)	6,702	-
7100 Highlands Parkway, Atlanta	80%	Sep 2004	18,264	Jun 2005	17,277	(c)	17,277	-
Town Park Drive, Atlanta	80%	Sep 2004	8,269	Jun 2005	8,701	(c)	8,701	-
Williams Drive, Atlanta	80%	Sep 2004	11,834	Jun 2005	10,842	(c)	10,842	-
Stone Mountain, Atlanta	80%	Sep 2004	8,503	Jun 2005	6,711	(c)	6,711	-
MD Food Park, Baltimore	80%	Sep 2004	24,085	Jun 2005	29,581	(c)	29,581	-
West Nursery, Baltimore	80%	Sep 2004	9,015	Jun 2005	8,538	(c)	8,538	-
Cabot Techs, Baltimore	80%	Sep 2004	26,479	Jun 2005	31,414	(c)	31,414	-
9112 Guildford Road, Baltimore	80%	Sep 2004	10,440	Jun 2005	12,304	(c)	12,304	-
8155 Stayton Drive, Baltimore	80%	Sep 2004	8,677	Jun 2005	9,734	(c)	9,734	-
Patuxent Range Road, Baltimore	80%	Sep 2004	14,298	Jun 2005	15,576	(c)	15,576	-
Bristol Court, Baltimore	80%	Sep 2004	12,231	Jun 2005	13,481	(c)	13,481	-
NE Baltimore, Baltimore	80%	Sep 2004	9,122	Jun 2005	10,509	(c)	10,509	-
1181 Portal, 1831 Portal and 6615 Tributary, Baltimore	80%	Jun 2005	13,446	Apr 2005	13,222	(c)	13,447	-
10 Kenwood Circle, Boston	80%	Sep 2004	13,900	Jun 2005	13,482	(c)	13,482	-
Commerce Park, Charlotte	80%	Sep 2004	8,918	Jun 2005	8,672	(c)	8,672	-
9900 Brookford Street, Charlotte	80%	Sep 2004	4,915	Jun 2005	4,843	(c)	4,843	-
Westinghouse, Charlotte	80%	Sep 2004	24,445	Jun 2005	22,548	(c)	22,548	-
Airport Exchange, Cincinnati	80%	Sep 2004	4,996	Jun 2005	4,748	(c)	4,748	-
Empire Drive, Cincinnati	80%	Sep 2004	6,968	Jun 2005	8,026	(c)	8,026	-
International Way, Cincinnati	80%	Sep 2004	12,316	Jun 2005	13,089	(c)	13,089	-
Kentucky Drive, Cincinnati	80%	Sep 2004	14,126	Jun 2005	14,071	(c)	14,071	-
Spiral Drive, Cincinnati	80%	Sep 2004	6,715	Jun 2005	6,468	(c)	6,468	-
Turfway Road, Cincinnati	80%	Sep 2004	6,084	Jun 2005	6,235	(c)	6,235	-
124 Commerce, Cincinnati	80%	Sep 2004	2,892	Jun 2005	2,683	(c)	2,683	-
Kenwood Road, Cincinnati	80%	Sep 2004	22,714	Jun 2005	22,423	(c)	22,423	-
Lake Forest Drive, Cincinnati	80%	Sep 2004	15,010	Jun 2005	14,763	(c)	14,763	-
World Park, Cincinnati	80%	Sep 2004	14,169	Jun 2005	12,958	(c)	12,958	-
Equity/Westbelt/Dividend, Columbus	80%	Sep 2004	44,090	Jun 2005	49,921	(c)	49,921	-
2700 International Street, Columbus	80%	Sep 2004	4,458	Jun 2005	5,199	(c)	5,199	-
3800 Twin Creeks Drive, Columbus	80%	Sep 2004	5,897	Jun 2005	6,283	(c)	6,283	-
SE Columbus, Columbus	80%	Sep 2004	15,900	Jun 2005	14,673	(c)	14,673	-
Arlington, Dallas	80%	Sep 2004	10,466	Jun 2005	10,864	(c)	10,864	-
1900 Diplomat Drive, Dallas	80%	Sep 2004	5,314	Jun 2005	5,628	(c)	5,628	-
2055 Diplomat Drive, Dallas	80%	Sep 2004	3,210	Jun 2005	4,429	(c)	4,429	-
1413 Bradley Lane, Dallas	80%	Sep 2004	4,049	Jun 2005	3,534	(c)	3,534	-
North Lake, Dallas	80%	Sep 2004	11,311	Jun 2005	13,613	(c)	13,613	-
555 Airline Drive, Dallas	80%	Sep 2004	7,840	Jun 2005	8,115	(c)	8,115	-
455 Airline Drive, Dallas	80%	Sep 2004	3,931	Jun 2005	4,581	(c)	4,581	-
Hillguard, Dallas	80%	Sep 2004	9,868	Jun 2005	10,521	(c)	10,521	-
11011 Regency Crest Drive, Dallas	80%	Sep 2004	8,540	Jun 2005	7,997	(c)	7,997	-
East Collins, Dallas	80%	Sep 2004	4,281	Jun 2005	5,090	(c)	5,090	-
3601 East Plano/1000 Shiloh, Dallas	80%	Sep 2004	15,033	Jun 2005	18,158	(c)	18,158	-
East Plano Parkway, Dallas	80%	Sep 2004	26,222	Jun 2005	27,016	(c)	27,016	-
820-860 Avenue F, Dallas	80%	Sep 2004	8,181	Jun 2005	9,234	(c)	9,234	-
10th Street, Dallas	80%	Sep 2004	11,221	Jun 2005	11,453	(c)	11,453	-
Capital Avenue, Dallas	80%	Sep 2004	7,111	Jun 2005	6,741	(c)	6,741	-
CTC @ Valwood, Dallas	80%	Sep 2004	4,275	Jun 2005	4,712	(c)	4,712	-
Brackbill, Harrisburg	80%	Sep 2004	27,502	Jun 2005	30,105	(c)	30,105	-
Mechanicsburg, Harrisburg	80%	Sep 2004	21,737	Jun 2005	23,822	(c)	23,822	-
181 Fulling Mill Road, Harrisburg	80%	Sep 2004	11,053	Jun 2005	11,822	(c)	11,822	-
Balance carried forward			610,352		643,111		643,336	-

Note 13 (a). Non-current assets – investment properties (continued)

	Ownership	Acquisition date	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30 June 2005 $'000	Consolidated book value 30 June 2004 $'000
Balance brought forward			610,352		643,111		**643,336**	-
Glendale, Los Angeles	80%	Sep 2004	63,172	Jun 2005	73,460	(c)	**73,460**	-
14489 Industry Circle, Los Angeles	80%	Sep 2004	8,934	Jun 2005	10,916	(c)	**10,916**	-
14555 Alondra/6530 Altura, Los Angeles	80%	Sep 2004	22,589	Jun 2005	27,225	(c)	**27,225**	-
San Fernando Valley, Los Angeles	80%	Sep 2004	18,948	Jun 2005	23,168	(c)	**23,168**	-
Memphis Industrial, Memphis	80%	Sep 2004	12,018	Jun 2005	12,435	(c)	**12,435**	-
2950 Lexington Avenue S, Minneapolis	80%	Sep 2004	11,351	Jun 2005	11,126	(c)	**11,126**	-
Mounds View, Minneapolis	80%	Sep 2004	24,811	Jun 2005	24,714	(c)	**24,714**	-
6105 Trenton Lane, Minneapolis	80%	Sep 2004	9,705	Jun 2005	9,555	(c)	**9,555**	-
8575 Monticello Lane, Minneapolis	80%	Sep 2004	2,158	Jun 2005	2,506	(c)	**2,506**	-
7401 Cahill Road, Minneapolis	80%	Sep 2004	3,487	Jun 2005	2,901	(c)	**2,901**	-
CTC @ Dulles, Northern Virginia	80%	Sep 2004	32,059	Jun 2005	34,031	(c)	**34,031**	-
Alexandria, Northern Virginia	80%	Sep 2004	57,376	Jun 2005	69,247	(c)	**69,247**	-
Nokes Boulevard, Northern Virginia	80%	Sep 2004	26,128	Jun 2005	35,995	(c)	**35,995**	-
Guildford, Northern Virginia	80%	Sep 2004	20,945	Jun 2005	27,225	(c)	**27,225**	-
Beaumeade Telecom, Northern Virginia	80%	Sep 2004	40,702	Jun 2005	44,503	(c)	**44,503**	-
Orlando Central Park, Orlando	80%	Sep 2004	71,403	Jun 2005	76,224	(c)	**76,224**	-
7500 Exchange Drive, Orlando	80%	Sep 2004	6,382	Jun 2005	7,235	(c)	**7,235**	-
105-107 South 41st Avenue, Phoenix	80%	Sep 2004	17,191	Jun 2005	19,634	(c)	**19,634**	-
1429-1439 South 40th Avenue, Phoenix	80%	Sep 2004	11,433	Jun 2005	13,613	(c)	**13,613**	-
10397 West Van Buren St., Phoenix	80%	Sep 2004	9,171	Jun 2005	13,613	(c)	**13,613**	-
844 44th Avenue, Phoenix	80%	Sep 2004	7,729	Jun 2005	9,424	(c)	**9,424**	-
220 South 9th Street, Phoenix	80%	Sep 2004	8,182	Jun 2005	8,770	(c)	**8,770**	-
431 North 47th Avenue, Phoenix	80%	Sep 2004	7,538	Jun 2005	9,031	(c)	**9,031**	-
601 South 55th Avenue, Phoenix	80%	Sep 2004	5,423	Jun 2005	6,152	(c)	**6,152**	-
1000 South Priest Drive, Phoenix	80%	Sep 2004	6,087	Jun 2005	6,545	(c)	**6,545**	-
1120-1150 W. Alameda Drive, Phoenix	80%	Sep 2004	9,034	Jun 2005	9,824	(c)	**9,824**	-
1858 East Encanto Drive, Phoenix	80%	Sep 2004	5,151	Jun 2005	5,366	(c)	**5,366**	-
3802-3922 East University Drive, Phoenix	80%	Sep 2004	11,628	Jun 2005	12,558	(c)	**12,558**	-
Chino, Riverside	80%	Sep 2004	7,517	Jun 2005	8,508	(c)	**8,508**	-
Mira Loma, Riverside	80%	Sep 2004	13,345	Jun 2005	17,866	(c)	**17,866**	-
Ontario, Riverside	80%	Sep 2004	37,125	Jun 2005	46,607	(c)	**46,607**	-
4190 East Santa Ana Street, Riverside	80%	Sep 2004	6,137	Jun 2005	7,788	(c)	**7,788**	-
Rancho Cucamonga, Riverside	80%	Sep 2004	27,512	Jun 2005	35,591	(c)	**35,591**	-
12000 Jersey Court, Riverside	80%	Sep 2004	5,291	Jun 2005	7,286	(c)	**7,286**	-
Airway Road, San Diego	80%	Sep 2004	11,474	Jun 2005	14,765	(c)	**14,765**	-
5823 Newton Drive, San Diego	80%	Sep 2004	21,487	Jun 2005	25,131	(c)	**25,131**	-
2210 Oak Ridge Way, San Diego	80%	Sep 2004	6,513	Jun 2005	7,853	(c)	**7,853**	-
Kent West, Seattle	80%	Sep 2004	32,178	Jun 2005	35,468	(c)	**35,468**	-
26507 79th Avenue - South, Seattle	80%	Sep 2004	3,391	Jun 2005	3,534	(c)	**3,534**	-
8005 S. 266th Street, Seattle	80%	Sep 2004	8,910	Jun 2005	9,748	(c)	**9,748**	-
West Palm Beach, South Florida	80%	Sep 2004	27,273	Jun 2005	26,832	(c)	**26,832**	-
Calvert/Murry's, Northern Virginia	80%	Sep 2004	6,498	Jun 2005	6,793	(c)	**6,793**	-
US Properties			1,355,736		1,503,877		**1,504,102**	-
Total controlled entities			4,776,036		5,095,252		**5,145,000**	-
Total investment properties - non-current			6,016,853		6,353,292		**6,542,062**	1,635,508

The title to all properties is freehold, with the exception of the properties marked ** which are leasehold

Note 13 (a). Non-current assets – investment properties (continued)

Valuer
(a) Colliers International
(b) Landmark White
(c) CB Richard Ellis
(d) Jones Lang LaSalle
(e) Knight Frank
(f) FPD Savills
(g) M3 Property

Valuations of investment properties
The basis of valuation of investment properties is fair value, being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. Properties independently valued in the last 12 months were based on independent assessments by a member of the Australian Property Institute or the Appraisal Institute in the United States of America. Properties not independently valued during the last 12 months are carried at Directors' valuation at 30 June 2005, being the independent valuation plus capital expenditure incurred since the date of valuation, and taking into consideration market movements.

Note 13 (b). Non-current assets - investment properties (continued)

DB RREEF Diversified Trust

Acquisitions

Westfield North Lakes Shopping Centre, Qld
On 19 August 2004, DDF acquired a 50% interest in Westfield North Lakes Shopping Centre for $60.76 million.

Westfield Hurstville Shopping Centre, NSW
On 6 May 2005, DDF acquired a 50% interest in Westfield Hurstville Shopping Centre through the DB RREEF Hurstville Trust, a 100% owned sub-trust of DDF, for a consideration of $232.5m.

Disposals

West Lakes Shopping Centre, West Lakes, SA
On 6 May, DDF sold a 50% share in West Lakes Shopping Centre for a consideration of $122.5m.

144 Edward Street, Brisbane, Qld
In November 2004, DDF sold 144 Edward Street, Brisbane for a consideration of $44.65 million.

Powers Road, Seven Hills, NSW
In October 2004, the property was settled for consideration of $29.76 million.

Station Road, Seven Hills, NSW
In November 2004, all the eleven subdivided lots of this property was settled for $16.55 million.

Redwood Gardens Industrial Estate Stages 3,5,6 & 7 and Lot 4, Dingley, Vic
During the year ten of thirty two subdivided lots of this property were sold for a consideration of $8.24 million.

Whitford City and Whitfords Avenue, Hillarys, WA
On 20 August 2004, 50% of the properties were sold for a collective consideration of $192.5 million.

Plenty Valley Town Centre, South Morang, VIC
On 20 August 2004, 50% of the property was sold for a consideration of $19 million.

1 Chifley Square, Sydney, NSW
On 4 April 2005, the property was settled for consideration of $60 million.

Note 13 (b). Non-current assets - investment properties (continued)

Developments

Axxess Corporate Park (Mount Waverley)
DDF has secured an office pre commitment, to Alinta Limited for a 10 year term. The market value "As if Complete" provided by an independent valuer is $27.4 million. The capital expenditure spent to date is $11.57 million.

DB RREEF Industrial Trust

Disposals

McDowell Street, Welshpool WA
On 3 November 2004, the Trust sold 33 McDowell Street, Welshpool for $4.2 million.

Rothschild Avenue, Rosebery NSW
In February 2005, the Trust sold part of Rothschild Avenue, Rosebery for $22 million.

Developments

Boundary Road, North Laverton VIC
In December 2004, construction of the first building for Visy Industrial Packaging and Stage 1 infrastructure works reached practical completion.

Brookhollow Avenue, Baulkham Hills NSW
The approved Masterplan for the estate provides for approximately 25,000 square metres of office and warehouse accommodation.

Pound Road West, Dandenong VIC
In December 2004, construction of the building for Aluminium Specialties Group was completed and in February 2005, construction of the building for Westgate Logistic was completed.

DB RREEF Diversified Trust and DB RREEF Industrial Trust

Acquisitions

DB RREEF Industrial Holdings LLC
On 30 September 2004, DIT and DDF each aquired a 50% interest in the US REIT. The US REIT owns an 80% interest in a joint venture with CalWest to own 93 industrial properties in the United States of America. Refer to Note 39 for further details.

DB RREEF Office Trust

Acquisitions

NRM Tower, Auckland
On 4 August 2004, the Trust entered into a contract to purchase NRM Tower, Auckland on completion of its development for NZ$110.4 million (subject to an area survey and the leasing profile of the building). NZ$5.5 million has been lent to the developer as a contribution prior to completion. It is currently estimated that the project will reach practical completion in September 2005.

DB RREEF Industrial Holdings LLC

Acquisitions and disposals

1181 Portal, 1831 Portal and 6615 Tributary, Baltimore, MD, ("Fort Holabird")
On 3 June 2005, DB RREEF Industrial Properties, LLC purchased 1181 Portal, 1831 Portal and 6615 Tributary, Baltimore, MD, ("Fort Holabird") and simultaneously sold 1855 Dornoch Court, San Diego, CA, ("Dornoch Court") in a tax-deferred exchange. Fort Holabird was purchased for $13.2 million while Dornoch Court was sold for $15.2 million.

Note 13 (b). Non-current assets - investment properties (continued)

Reconciliation

		Consolidated		Parent Entity	
	Note	**2005**	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
Carrying amount at 1 July 2004		**1,635,508**	1,575,332	**1,635,508**	1,575,332
Properties acquired on stapling		**3,280,344**	-	**-**	-
Additions		**1,812,168**	106,038	**163,260**	106,038
Disposals		**(479,043)**	(52,506)	**(441,681)**	(52,506)
Revaluation increments	26	**262,825**	6,644	**39,975**	6,644
Foreign exchange difference on foreign currency translation		**30,260**	-	**-**	-
Carrying amount as at 30 June 2005		**6,542,062**	1,635,508	**1,397,062**	1,635,508

Note 14. Non-current assets – loan notes receivable from associate

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
Loan notes receivable from DB RREEF Holdings Pty Limited ("DRH")	**45,092**	-	-	-
Total non-current assets - loan notes receivable from associate	**45,092**	-	-	-

DRH issued an equal amount of corporate bonds to its two owners - First Australian Property Pty Limited and DRO, in order to fund its 100% acquisition of DB RREEF Funds Management Limited (the Responsible Entity of DRO). These bonds are 20 years in duration and yield 11% p.a.

Note 15. Non-current assets – investments in controlled entity

	Parent Entity 2005 $'000	2004 $'000
Units in controlled entity		
At Directors' valuation		
DB RREEF Hurstville Trust	**233,867**	-
Total non-current assets - investments in controlled entity	**233,867**	-

Reconciliation

	Parent Entity 2005 $'000	2004 $'000
Parent		
Carrying amount at 1 July 2004	-	-
Additions	**233,867**	-
Carrying amount as at 30 June 2005	**233,867**	-

The controlled entity is a wholly owned sub-trust of the Trust. Both the parent entity and the controlled entity were formed in Australia.

Note 16. Non-current assets - investments accounted for using the equity method

Investments are accounted for in the consolidated financial statements using the equity method of accounting.
The Trust's investment in Mt Druitt Shopping Centre Trust and DB RREEF Industrial Properties, Inc. are carried by the parent at Directors' valuation being net tangible assets of the underlying entity and taking into consideration market movements.

Information relating to these entities is set out below.

Name of Trust	Principal activity	Ownership interest 2005 %	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Held by parent entity						
Mt Druitt Shopping Centre Trust	Retail property investment	50	154,957	-	154,957	-
DB RREEF Industrial Properties, Inc. ¹	Asset and property investment	50	-	-	192,197	-
			154,957	-	347,154	-
Held by controlled entities						
2 O'Connell Street Trust	Commercial property investment	50	8,045	-	-	-
4 O'Connell Street Trust	Commercial property investment	50	12,221	-	-	-
Bligh Street Trust	Commercial property investment	50	16,585	-	-	-
DB RREEF Holdings Pty Limited	Asset, property and funds management	50	17,166	-	-	-
			54,017	-	-	-
Total			208,974	-	347,154	-

¹ The remaining 50% of this entity is owned by DIT. As a result, this entity is classed as controlled on a consolidated basis.

	Consolidated 2005 $'000	Consolidated 2004 $'000
Movements in carrying amounts of investments accounted for using the equity method		
Carrying amount as at 1 July 2004	-	-
Interest acquired on stapling	36,965	-
Interest acquired during the year	167,678	-
Share of net profits after tax	12,544	-
Distributions received	(8,213)	-
Carrying amount as at 30 June 2005	208,974	-
Results attributable to associates		
Operating profits before income tax	13,306	-
Income tax expense	(762)	-
Operating profits after income tax	12,544	-
Less: Distributions received	(8,213)	-
Movement in undistributed income for the year	4,331	-
Undistributed income attributable to associates acquired on stapling	1,215	-
Undistributed income attributable to associates as at 30 June 2005	5,546	-
Reserves attributable to associates		
Asset revaluation reserve		
Opening balance as at 1 July 2004	-	-
Reserves acquired on stapling	-	-
Closing balance as at 30 June 2005	-	-
Summary of the performance and financial position of investments accounted for using the equity method		
The aggregate profits, assets and liabilities of investments accounted for using the equity method are:		
Profits from ordinary activities after income tax expense	12,544	-
Assets	292,535	-
Liabilities	54,150	-
Share of associates' expenditure commitments		
Capital commitments	17,557	-

Note 17. Non-current assets – other

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Capitalised lease incentives	**11,462**	472	**711**	472
Capitalised leasing fees	**4,931**	469	**584**	469
Tenant and other bonds	**2,171**	583	**615**	583
Deferred borrowing costs	**4,293**	-	-	-
Net receivable on currency hedge contracts	**6,064**	-	**3,032**	-
Other	**2,931**	-	-	-
Total non-current assets - other	**31,852**	1,524	**4,942**	1,524

Note 18. Current liabilities – payables

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Trade creditors	**32,183**	2,822	**8,379**	2,822
Accruals	**6,265**	282	**712**	282
Option fee received	-	6,000	-	6,000
Amount payable to outside equity interest	**26,727**	-	-	-
Accrued capital expenditure	**2,795**	1,700	**2,561**	1,700
Prepaid income	**28,830**	509	**422**	509
Responsible Entity fee payable	**2,142**	641	**682**	641
GST payable	**516**	149	**124**	149
Accrued interest	**19,021**	2,766	-	2,766
Total current liabilities – payables	**118,479**	14,869	**12,880**	14,869

Note 19. Current and non-current liabilities – interest bearing liabilities

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Current				
Secured				
Commercial paper	**118,338**	-	-	-
Commercial mortgage backed securities	**236,000**	-	-	-
Bank loans	**15,498**	-	-	-
Total secured	**369,836**	-	-	-
Unsecured				
Bank loans	-	349,200	-	349,200
Medium term notes	-	125,000	-	125,000
Total unsecured	-	474,200	-	474,200
Total current liabilities - interest bearing liabilities	**369,836**	474,200	-	474,200

Note 19. Current and non-current liabilities – interest bearing liabilities

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
Non-current				
Secured				
Commercial paper	452,449	-	-	-
Commercial mortgage backed securities	705,169	-	-	-
Bank loans	439,666	-	-	-
Total secured	1,597,284	-	-	-
Unsecured				
Commercial notes	261,780	-	-	-
Medium term notes	6,836	-	-	-
Preferred shares	121	-	-	-
Bank loans	555,707	-	-	-
Intercompany loan [1]	-	-	581,077	-
Total unsecured	824,444	-	581,077	-
Total non-current liabilities - interest bearing liabilities	2,421,728	-	581,077	-

[1] The intercompany loan represents a loan from DB RREEF Finance Pty Limited.

Financing arrangements

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
The Stapled Entity has access to the following lines of credit:				
Borrowing facilities				
Commercial paper	578,200	-	-	-
Commercial mortgage backed securities	941,169	-	-	-
Commercial notes	261,780	-	-	-
Bank loans	1,330,033	400,000	-	400,000
Medium term notes	6,835	125,000	-	125,000
	3,118,017	525,000	-	525,000
Used at balance date	(2,791,443)	(474,200)		(474,200)
Unused at balance date	326,574	50,800	-	50,800

DB RREEF Finance Pty Limited, a wholly-owned subsidiary of DRO, entered into syndicated bank debt facilities on 29 September 2004. The facilities include a $300 million three year, multi-currency revolving credit facility, a $300 million 364 day revolving credit facility and a US$210 million (A$274.869m) three year revolving credit facility. These facilities are supported by the Stapled Entity guarantee arrangements. DB RREEF Industrial Properties, Inc may only borrow under the US$210 million facility. The $300 million 364 days facility has been extended for a further 364 days to mature in September 2006.

The consolidated accounts of the Stapled Entity include the debt facilities of the US joint venture. The facilities include US$123 million (A$160.661m) of bank mortgages that amortise through monthly principal and interest payments with a weighted average maturity date of September 2008 and a US$225 million (A$294.503m) secured interest only bank loan maturing in September 2009.

DB RREEF Finance Pty Limited also entered into two bilateral arrangements on 29 September 2004. A $170 million 364 day bridge facility has been repaid by asset sale proceeds and the limit cancelled in April 2005. A US$200 million 180 day bridge facility was executed to provide funds for the repayment of the US dollar denominated preference shares in December 2004 and May 2005. US$160 million and the balance of the bridge facility limit, US$40 million, was cancelled in December and March 2005 respectively, with the issue of commercial notes (refer below).

Commercial notes
US$160 million notes were issued in December 2004 to redeem US$160 million of preference shares. An additional US$40 million of notes were settled in March 2005 to redeem the remaining US$40 million of preference shares in May 2005, bringing the total commercial notes on issue to US$200 million (A$261.780m). The US dollar denominated notes were privately placed with investors on terms to maturity ranging from December 2011 to March 2017.

Commercial paper and commercial mortgage backed securities
DB RREEF Office Trust has liabilities resulting from the issuance of $452.4 million (facility limit of $453.3 million) asset backed commercial paper ("CP") and $500 million commercial mortgage backed securities ("CMBS"). The CMBS has a maturity date of April 2009. DB RREEF Industrial Trust has liabilites resulting from the issuance of $118.3 million (facility limit of $124.9 million) asset backed CP and $236 million CMBS. The CMBS has a maturity date of December 2005. The US joint venture has liabilities resulting from the US$157 million (A$205.497m) CMBS issue, maturing in September 2008 (inclusive of a 3 by 1 year extension option beginning September 2005).

Medium term notes
The US joint venture has liabilities resulting from US$5 million (A$6.835m) unsecured medium term notes maturing in September 2010.

Preferred Shares
DB RREEF Industrial Properties, Inc has issued US$92,500 (A$121,073) of preferred shares as part of the requirement to be classified as a Real Estate Investment Trust ("REIT") under US tax legislation. These preferred share will remain on issue until such time that the Board decides that it is no longer in the company's interest to qualify as a REIT.

In respect of current liabilities, management is in the process of negotiating new unsecured bank loans to replace commercial paper and CMBS. This will be finalised prior to December 2005.

Note 20. Current liabilities – current tax liabilities

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
Withholding tax				
Opening balance as at 1 July 04	-	-	-	-
Withholding tax paid on operating activities - current year	(778)	-	-	-
Current year's withholding tax expense on distributions paid	2,256	-	-	-
Total current liabilities – current withholding tax liabilities	1,478	-	-	-
Income tax				
Opening balance as at 1 July 04	-	-	-	-
Deferred income tax liability	48	-	-	-
Current year's income tax expense on profit from ordinary activities	1,069	-	-	-
Total current liabilities – current income tax liabilities	1,117	-	-	-
Total current liabilities – current tax liabilities	2,595	-	-	-

Note 21. Current liabilities – provisions

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
Provision for distribution				
Opening balance as at 1 July 2004	23,171	23,171	23,171	23,171
Additional provisions	284,657	-	127,113	-
Payments and reinvestment of distributions	(163,028)	-	(82,528)	-
Provisions for distributions as at 30 June 2005	144,800	23,171	67,756	23,171
Total current liabilities - provisions	144,800	23,171	67,756	23,171

Provision for distribution
Provision is made for distributions to be paid for the period ending 30 June 2005 payable on 29 August 2005.

Note 22. Current liabilities – other

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
Other borrowing costs	6,397	-	-	-
Tenant bonds	34	-	-	-
Deferred gain on currency hedge contracts	2,242	-	1,121	-
Total current liabilities – other	8,673	-	1,121	-

Note 23. Non-current liabilities – loan with related parties

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
Non-interest bearing loan	-	-	34,332	-
Total non-current liabilities - loan with related parties	-	-	34,332	-

Note 24. Non-current liabilities – other

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
Tenant bonds	8,103	585	894	585
Other borrowing costs	15,352	-	-	-
Deferred gain on currency hedge contracts	6,064	-	3,032	-
Other	24	-	-	-
Total non-current liabilities - other	29,543	585	3,926	585

Note 25. Contributed equity

	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
(a) Value of securities on issue				
Opening balance as at 1 July 2004	**1,028,028**	976,048	**1,028,028**	976,048
Additional equity acquired on stapling	**1,868,722**	-	**-**	-
Issue of stapled securities	**54,472**	30,869	**21,101**	30,869
Cost of distributions reinvested	**(451)**	-	**(168)**	-
Issue of units to staple	**-**	-	**316,263**	-
Capital distribution to staple	**-**	-	**(362,916)**	-
Distributions reinvested	**143,484**	21,111	**57,558**	21,111
Closing balance as at 30 June 2005	**3,094,255**	1,028,028	**1,059,866**	1,028,028

	Consolidated 2005 No. of securities	2004 No. of securities	Parent Entity 2005 No. of units	2004 No. of units
(b) Number of securities on issue				
Opening balance as at 1 July 2004	**996,612,986**	951,443,626	**996,612,986**	951,443,626
Additional units created on stapling	**1,581,311,602**	-	**-**	-
Issue of stapled securities	**41,521,457**	26,862,822	**41,521,457**	26,862,822
Issue of units to staple	**-**	-	**1,581,311,602**	-
Distributions reinvested	**112,636,344**	18,306,538	**112,636,344**	18,306,538
Closing balance as at 30 June 2005	**2,732,082,389**	996,612,986	**2,732,082,389**	996,612,986

Terms and conditions
Each stapled security ranks equally with all other stapled securities for the purposes of distributions and on termination of the Trust. Each stapled security entitles the holder to one vote, either in person or by proxy, at a meeting of each of the Trusts.

Distribution reinvestment plan
Units were issued to existing unitholders under the old distribution reinvestment plan ("DRP") plan in relation to distribution for the June 2004 distribution period.

On 26 September 2004 the Trust established a new DRP under which holders of DRT stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new ordinary units rather than by being paid in cash.

Securities were issued under this new DRP for the December 2004 distribution and further securities will be issued for the June 2005 distribution.

On 26 August 2004, 5,917,804 securities were issued at a unit price of $1.1795.
On 28 February 2005, 106,718,540 securities were issued at a unit price of $1.2791.

Stapling unit change
On 30 September 2004, the Stapled Entity was formed by the consolidation of the DDF, DIT, DOT and DRO. Each trust subscribed for units in accordance with the stapling ratios described in the Explanatory Memorandum and Product Disclosure Statement dated 30 August 2004.

As part of the stapling process, the Trust, DIT and DOT each paid a capital distribution that was applied on behalf of each security holder to subscribe for new units in each of the other trusts, and DRO. As a consequence of this activity, the number of stapled securities owned by an investor in DRT equals the same number of units in the Trust, DIT, DOT and DRO.

On 19 October 2004, 1,581,311,602 units were issued by the Trust at a unit price of $0.2000 (refer to the Explanatory Memorandum and Product Disclosure Statement dated 30 August 2004). This was the price at which the Trust's units were issued to unitholders of DIT and DOT as part of the stapling process described above. This was funded from the capital distribution that was paid by DIT and DOT.

On 4 November 2004, 41,521,457 units were issued by the Stapled Entity at a unit price of $1.3119. This issue of units was made in consideration for the acquisition of management rights from FAP, a subsidiary of Deutsche Australia Limited. The securities were issued at $1.13119 being the volume weighted average price over the ten business days immediately following initial quotation of DRT securities on the Australian Stock Exchange.

Note 26. Reserves and undistributed income

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
(a) Reserves				
Asset revaluation reserve	**425,088**	153,961	**243,740**	153,961
Foreign currency translation reserve	**(1,259)**	-	**-**	-
Total reserves	**423,829**	153,961	**243,740**	153,961

Movements:

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Asset revaluation reserve				
Opening balance as at 1 July 2004	**153,961**	147,317	**153,961**	147,317
Increment on revaluation of investment properties	**262,825**	7,698	**39,975**	7,698
Add: decrement recognised as an expense	**4,934**	-	**-**	-
Increment attributable to outside equity interest	**(56,404)**	-	**-**	-
Asset revaluation reserve acquired on stapling	**87,299**	-	**-**	-
Fair value adjustment for capitalised lease incentives	**(2,952)**	-	**(2,952)**	-
Increment on revaluation of investments in associates	**-**	-	**56,039**	-
Total movement in asset revaluation reserve	**295,702**	7,698	**93,062**	7,698
Transfer to undistributed income	**(24,575)**	(1,054)	**(3,283)**	(1,054)
Closing balance as at 30 June 2005	**425,088**	153,961	**243,740**	153,961

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Foreign currency translation reserve				
Opening balance as at 1 July 2004	**-**	-	**-**	-
Foreign currency translation reserve acquired on stapling	**127**	-	**-**	-
Exchange difference arising from the translation of the financial statements of foreign operations	**(1,386)**	-	**-**	-
Total movement in foreign currency translation reserve	**(1,259)**	-	**-**	-
Closing balance as at 30 June 2005	**(1,259)**	-	**-**	-

(b) Nature and purpose of reserves

Asset revaluation reserve
The asset revaluation reserve records increments and decrements on the revaluation of assets.

Foreign currency translation reserve
The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.

Note 26. Reserves and undistributed income (continued)

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Undistributed income as at 1 July 2004	**12,211**	10,726	**12,211**	10,726
Net profit attributable to security holders	**219,523**	90,834	**111,619**	90,834
Transfer from asset revaluation reserve	**24,575**	1,054	**3,283**	1,054
Undistributed income acquired on stapling	**41,581**	-	-	-
Distributions provided for or paid	**(281,303)**	(90,403)	**(127,113)**	(90,403)
Undistributed income as at 30 June 2005	**16,587**	12,211	**-**	12,211

Note 27. Outside equity interests in controlled entities

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
DB RREEF RENTS Trust				
Proceeds on issue of securities	**204,000**	-	-	-
Issue costs	**(6,114)**	-	-	-
	197,886	-	-	-
Undistributed income	**619**	-	-	-
	198,505	-	-	-
Other equity holders				
Contributed equity	**138,397**	-	-	-
Reserves	**29,203**	-	-	-
Undistributed income	**547**	-	-	-
	168,147	-	-	-
Total outside equity interest in controlled entities	**366,652**	-	-	-

On 15 June 2005, DB RREEF Funds Management Limited in their capacity as Responsible Entity of DB RREEF RENTS Trust issued 2,040,000 preference units with a face value of $100 each on the ASX. The securities, known as RENTS entitle holders to receive non-cumulative quarterly floating rate distributions at a margin 130 basis points above the 90 day bank bill rate. RENTS may exchange for cash or stapled securities on 30 June 2012 (the "Step-up Date"). For each distribution period following the Step-up Date, the margin will increase by a once only step-up of 2% per annum unless RENTS are repurchased or exchanged.

Note 28. Distribution paid and payable

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Timing of distributions				
The distributions were paid/payable as follows:				
30 September	-	22,261	-	22,261
31 December (paid 28 February 2005)	**136,503**	22,261	**59,357**	22,261
31 March	-	22,710	-	22,710
30 June (payable 29 August 2005)	**144,800**	23,171	**67,756**	23,171
Total distributions	**281,303**	90,403	**127,113**	90,403

	Consolidated		Parent Entity	
	2005	2004	**2005**	2004
	Cents per security	Cents per security	**Cents per unit**	Cents per unit
Distribution paid/payable cents per stapled security				
30 September paid - Ordinary units	-	2.325	-	2.325
31 December paid - Stapled security	**5.200**	2.325	**2.260**	2.325
31 March paid - Ordinary units	-	2.325	-	2.325
30 June payable - Stapled security	**5.300**	2.325	**2.480**	2.325
Total	**10.500**	9.300	**4.740**	9.300

The number of units has increased by 1,729,551,599 for the parent entity as a result of the Transaction and the February 2005 DRP. Had these not occurred and the number of units outstanding remained at 1,002,530,790, the distribution per unit by the parent entity would have been 12.68 cents per unit.

Note 29. Foreign currency and financial instruments

(a) Credit risk

Credit risk is the risk that a tenant will fail to perform contractual obligations, including honouring the term of its lease agreement either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring tenants, together with their respective credit limits, are approved, and
- ensuring that leases are undertaken with a large number of tenants.

As such, the Trust does not have a concentration of credit risk that arises from an exposure to a single tenant.

Furthermore, the Trust does not have a material exposure to a group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

On-balance sheet financial instruments
The credit risk on financial assets of the Trust which have been recognised in the Statements of Financial Position is the carrying amount.

Off-balance sheet financial instruments
Credit risk from entering into interest rate swap agreements and foreign exchange contracts is the risk that interest rate swap and foreign exchange counterparties default on any amount due under the contract.

Credit risk on interest rate swap agreements and foreign exchange contracts are minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by recognised rating agencies.

Concentration of credit risk on interest rate swap agreements and foreign exchange contracts are minimised primarily by ensuring such agreements are undertaken with a reasonable spread of counterparties.

The credit risk on interest rate swap agreements and foreign exchange contracts are approximately equal to the net fair value or replacement value. Refer note 29(b).

(b) Net fair value of financial assets and liabilities

Market risk is the risk that the value of the Trust's investment portfolio will fluctuate as a result of changes in valuations. This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Market risk analysis is conducted regularly on a total portfolio basis.

On-balance sheet financial instruments
The net fair value of cash and non-interest bearing monetary financial assets and liabilities approximate their carrying value.

As at 30 June 2005, the net fair value of contracts representing the net unrealised gain from converting forward exchange contracts was $5,599,740, calculated using market rates, taking into account the time value of money. An amount of $8,206,995 has been recognised in the Statements of Financial Position using year end spot rates.

Off-balance sheet financial instruments
As at 30 June 2005, the net fair value of financial (liabilities)/assets arising from interest rate swap agreements was ($9,998,293) (2004: ($2,066,881)) for the Stapled Entity and ($3,014,535) (2004: $2,066,881) for the Trust. These financial instruments are currently not required to be recognised under Australian Accounting Standards in the Statements of Financial Position as at 30 June 2005.

These amounts represent the potential (liability)/asset of the Trust if existing swap agreements and forward exchange contracts as at 30 June 2005 were to be terminated.

(c) Liquidity and cash flow risk

Liquidity risk is the risk that the Trust will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments. The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring that there is no significant exposure to any individual creditor, and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market segment.

Note 29. Foreign currency and financial instruments (continued)

(d) Interest rate risk exposures

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Stapled Entity's exposure to interest rate risk is hedged with interest rate swaps and the weighted average effective interest rate (for each class of financial asset and financial liability, and each maturity bracket including floating rate financial assets and liabilities) is set out in the table below:

Consolidated
30 June 2005

	Notes	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 and less than 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash assets		68,959	-	-	-	-	68,959
Receivables	9	-	-	-	-	29,986	29,986
Other		-	-	-	-	26,410	26,410
Loan notes receivable from associate	14	-	-	-	-	45,092	45,092
Loan to third party		5,006	-	-	-	-	5,006
Total		**73,965**	**-**	**-**	**-**	**101,488**	**175,453**
Weighted average interest rate		5.09%					
Financial liabilities							
Payables	18	-	-	-	-	118,479	118,479
Provision for distribution	21	-	-	-	-	144,800	144,800
Other	22,24	-	-	-	-	38,216	38,216
Interest bearing liabilities	19	1,832,298	109,452	600,711	249,103	-	2,791,564
Interest rate swaps [1]		(2,896,767)	218,822	1,800,573	877,372	-	-
Total		**(1,064,469)**	**328,274**	**2,401,284**	**1,126,475**	**301,495**	**3,093,059**
Weighted average interest rate (including swaps)		5.74%					
Net financial assets/(liabilities)		**1,138,434**	**(328,274)**	**(2,401,284)**	**(1,126,475)**	**(200,007)**	**(2,917,606)**

[1] The above interest rate swaps include $1.08bn of swaps that are forward starting. These swaps will replace existing swaps of the Stapled Entity. The existing swaps mature to maintain the hedging profile approved by management.

Consolidated
30 June 2004

	Notes	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 and less than 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash assets		2,487	-	-	-	-	2,487
Receivables		-	-	-	-	63,112	63,112
Other		-	-	-	-	5,918	5,918
Total		2,487	-	-	-	69,030	71,517
Weighted average interest rate		4.00%					
Financial liabilities							
Payables	18	-	-	-	-	14,869	14,869
Provision for distribution	21	-	-	-	-	23,171	23,171
Other		-	-	-	-	585	585
Interest bearing liabilities	19	374,200	100,000	-	-	-	474,200
Interest rate swaps		(280,000)	(100,000)	380,000	-	-	-
Total		94,200	-	380,000	-	38,625	512,825
Weighted average interest rate (including swaps)		6.19%					
Net financial (liabilities)/assets		(91,713)	-	(380,000)	-	30,405	(441,308)

Note 29. Foreign currency and financial instruments (continued)

(e) Foreign exchange rate risk exposures

When hedging its exposures, the Stapled Entity adopts a strategy using both physical and derivative financial instruments. In regard to derivative financial instruments, the Stapled Entity uses forward exchange contracts for hedging purposes.

Weighted average exchange rate 30 June 2005	**Contracts to sell US$ at an agreed exchange rate:**		
	1 year or less	**Over 1 and less than 2 years**	**More than 2 years**
To pay US$ million	22	16	27
To receive A$ million	31	23	40
Weighted average exchange rate	0.7079	0.6929	0.6878

Weighted average exchange rate 30 June 2005	**Contracts to sell NZ$ at an agreed exchange rate:**		
	1 year or less	**Over 1 and less than 2 years**	**More than 2 years**
To pay NZ$ million	5	-	-
To receive A$ million	5	-	-
Weighted average exchange rate	1.1134		

Note 30. Contingent liabilities

On 30 September 2004, DB RREEF Industrial Properties, LLC entered into a put/call option agreement (the "Agreement") with CalWest providing the entity an option to buy six land parcels owned by CalWest. During the year ended 30 June 2005, DB RREEF Industrial Properties, LLC agreed to remove one parcel from the Agreement. While any of these parcels can individually or collectively be called from CalWest for purchase, the option to buy the remaining five land parcels will expire on 15 July 2006. On 15 July 2006, it is anticipated that all uncalled parcels will be put to DB RREEF Industrial Properties, LLC by CalWest, thereby requiring DB RREEF Industrial Properties, LLC to purchase all uncalled parcels. As at 30 June 2005, the purchase price for all the parcels is $24.4 million. The purchase price is increased quarterly by multiplying the previous quarter's price by the applicable price factor specified in the Agreement, with a maximum purchase price of $25.7 million that is reached at 15 July 2006.

On 3 June 2005, DB RREEF Industrial Properties, LLC purchased Fort Holabird for $13.2 million, and sold the Dornoch Court for $15.2 million in a tax-deferred exchange. In accordance with US tax laws, the difference between the net sales price and the purchase price (approximately $1.6 million) is currently held in an escrow account until another property is purchased that qualifies for the exchange. It is anticipated that these funds will be used by DB RREEF Industrial Properties, LLC to purchase one of the five land parcels mentioned above and therefore the tax gain on sale will not be subject to US tax.

The directors of the Responsible Entity are not aware of any matters in relation to the Stapled Entity, other than those disclosed in the financial statements, which should be brought to the attention of security holders as at the date of completion of this report.

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Bank guarantees by the Stapled Entity in respect of:				
Variations and other financial risks associated with the development of 240 St Georges Terrace, Perth WA	**2,200**	-	-	-
Coles Myer Limited development at Boundary Road, Laverton North, VIC	**5,000**	-	-	-
Total contingent liabilities	**7,200**	-	-	-

Note 31. Commitments for expenditure

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Capital commitments				
The following amounts represent capital expenditure on investment properties contracted at the reporting date but not recognised as liabilities payable.				
Capital expenditure commitments in relation to development works not longer than one year:				
Westlakes Shopping Centre, Adelaide, SA	-	28,900	-	28,900
Kings Park Industrial Estate, Kings Park, NSW	-	1,100	-	1,100
Wallgrove Road, Eastern Creek, NSW	-	17,600	-	17,600
Ferguson Centre, 130 George Street, Parramatta, NSW	**23,821**	-	**23,821**	-
Axxess Corporate Park, Mount Waverley, VIC	**11,375**	4,500	**11,375**	4,500
North Lakes Shopping Centre, Mango Hill, QLD	**2,276**	-	**2,276**	-
Mt Druitt Shopping Centre, Mt Druitt, NSW	**17,557**	-	**17,557**	-
Boundary Road Laverton North, VIC	**35,266**	-	-	-
1-15 Rosebery Avenue, Rosebery, NSW	**114**	-	-	-
1 Margaret Street, Sydney, NSW	**402**	-	-	-
Zenith Centre 821-843 Pacific Highway, Chatswood, NSW	**1,346**	-	-	-
45 Clarence Street, Sydney, NSW	**9,828**	-	-	-
Governor Phillip Tower & Governor Macquarie Tower Office Complex 1 Farrer Place, Sydney, NSW	**4,071**	-	-	-
Australia Square 264 George St, Sydney, NSW	**3,406**	-	-	-
NRM Tower 88 Shortland St, Auckland	**100,942**	-	-	-
World Park, Cincinnati	**805**	-	-	-
Equity/Westbelt/Dividend, Columbus	**794**	-	-	-
2055 Diplomat Drive, Dallas	**914**	-	-	-
Orlando Central Park, Orlando	**415**	-	-	-
	213,332	52,100	**55,029**	52,100
Later than one year but not later than five years				
Governor Phillip Tower & Governor Macquarie Tower Office Complex 1 Farrer Place, Sydney, NSW	**22,826**	-	-	-
Boundary Road Laverton North, VIC	**50,749**	-	-	-
	73,575	-	-	-
Later than five years	-	-	-	-
Total capital commitments	**286,907**	52,100	**55,029**	52,100

Note 32. Leases

Leasing Arrangements

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

The Trust has a commitment for ground rent payable in respect of a leasehold property included in property investments. An amount of $290,356 was paid in respect of the year ended 30 June 2005 (2004: $290,356). This commitment was reviewed in 2003 and annual lease payments were increased by a CPI factor as per the lease agreement. This commitment is next subject for review in 2012 and expires in 2037.

Non-cancellable operating lease	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
- Not longer than one year	**290**	290	**290**	290
- Longer than one year but not longer than five years	**1,162**	1,162	**1,162**	1,162
- Longer than five years	**7,840**	8,130	**7,840**	8,130
	9,292	9,582	**9,292**	9,582

No provisions have been recognised in respect of non-cancellable operating leases.

Note 33. Related parties

Responsible Entity
On 29 September 2004, DB RREEF Funds Management Limited replaced DB Real Estate Australia Limited, a wholly owned subsidiary of Deutsche Bank AG (ABN 13 064 165 162) as the Responsible Entity.

Responsible Entity fees
Under the terms of the Trust Constitution, the Responsible Entity is entitled to receive fees in relation to the management of the Trust. (Refer Note 2)

In addition, the Responsible Entity is entitled to property management fees and to be reimbursed for expenses incurred on behalf of the Trust.

Related party transactions
All related party transactions are conducted on normal commercial terms and conditions unless otherwise stated.

Unitholdings
Deutsche Bank AG and its related parties, schemes and portfolios managed by Deutsche Bank AG and its related parties held 453,322,396 stapled securities in the Stapled Entity. In 2004, 48,189,519 units were held in DB RREEF Diversified Trust.

Investments
DB RREEF Funds Management Limited, the Responsible Entity, is a wholly owned subsidiary of DRH. DRH is 50% owned by DRO and 50% owned by FAP a subsidiary of Deutsche Bank Group. The Trust is the parent entity and deemed acquirer of DRO.

Deutsche Bank AG
Deutsche Bank AG up to 29 September 2004 was the ultimate parent company of the Responsible Entity, DB Real Estate Australia Limited. Deutsche Bank continued to be a related party after 29 September 2004 as it continues to own 50% of the Manager and new Responsible Entity, DB RREEF Funds Management. Dealings with the bank include, not only transactions in its capacity as part owner of the new Responsible Entity, but also in the provision of financial services. There were a number of transactions and balances between the Trust and the Responsible Entity and related entities as detailed below:

	Note	Consolidated 2005 $'000	2004 $'000	Parent Entity 2005 $'000	2004 $'000
Transactions with DB Real Estate Australia Limited in its capacity as Responsible Entity of the Trust:					
Responsible Entity fees paid and payable	2	**1,894**	8,693	**1,894**	8,693
Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Trust's Constitution		**521**	-	**-**	-
Transactions with Deutsche Bank, AG in its capacity as a financier:					
Interest paid and payable on swaps for whom the counterparty was Deutsche Bank AG		**1,126**	-	**583**	-
Interest and financing fees paid and payable on borrowings to Deutsche Bank AG		**772**	7,633	**296**	7,633
Dealer fees paid and payable to Deutsche Bank AG for the co-management of medium term notes issued during the financial year		**1,157**	-	**-**	-
Borrowings from Deutsche Bank AG		**129,887**	-	**125,000**	-
Loan repayment to Deutsche Bank AG		**125,000**	-	**125,000**	-
Interest and financing fees payable to Deutsche Bank AG		**72**	-	**16**	-
Other transactions with Deutsche Bank, AG:					
Underwriting fees paid and payable to Deutsche Bank AG		**6,034**	-	**167**	-
Financial adviser's fee paid and payable to Deutsche Bank AG		**8,076**	-	**2,692**	-

Note 33. Related parties (continued)

DB RREEF Funds Management Limited
On 29 September 2004 DB RREEF Funds Management Limited replaced Deutsche Asset Management (Australia) Limited as Responsible Entity of the Trust. There were a number of transactions and balances between the Trust and Responsible Entity and related entities as detailed below:

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Responsible Entity fees paid and payable	2	**19,247**	-	**6,796**	-
Property management fees paid and payable		**3,363**	-	**-**	-
Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Trust's Constitution		**1,505**	-	**407**	-
Aggregate amounts payable to the Responsible Entity at reporting date		**3,587**	-	**879**	-
RREEF					
RREEF(a subsidiary of Deutsche Bank AG), as fund manager of the DB RREEF Industrial Properties, Inc. is entitled to the following fees:					
Investment management fee paid and payable		**738**	-	**-**	-
Asset management fee paid and payable		**211**	-	**-**	-
Acquisition fee paid and payable		**71**	-	**-**	-
Disposal fee paid and payable		**82**	-	**-**	-
Financing fees paid and payable		**791**	-	**-**	-
Property management fees paid and payable		**4,177**	-	**-**	-
Leasing fees paid		**1,699**	-	**-**	-
Construction supervision fee paid and payable		**605**	-	**-**	-
Marketing fees paid		**17**	-	**-**	-
DB RREEF Holdings Pty Limited					
Loan note interest earned from DB RREEF Holdings Pty Limited		**3,696**			
Loan note interest receivable from DB RREEF Holidings Pty Limited		**1,237**			

Directors of the Responsible Entity
On 29 September 2004, DB RREEF Funds Management replaced DB Real Estate Australia Limited as Responsible Entity of the Trust. The following persons were directors of DB Real Estate Australia Limited up to 29 September 2004:

C T Beare BSc, BE (Hons), MBA, PhD, FAICD [1]
S F Ewen F.I.L.E [1,2]
S A Mays BSc (Hons), MSc, MBA
W B Robinson ABIA, AASA [1,2,3]
B E Scullin BEc [2]
D C Shields BE (Hons), MBA

From 29 September 2004 and up to the date of this report, the following persons were directors of DB RREEF Funds Management, unless otherwise stated:

C T Beare BSc, BE (Hons), MBA, PhD, FAICD [1]	
E A Alexander AM, BComm, FCA, FAICD, CPA [1,2]	Appointed 1 January 2005
B R Brownjohn BComm [1,2]	Appointed 1 January 2005
S F Ewen F.I.L.E [1,2]	
V P Hoog Antink BCom, MBA, FCA, FAPI, MAICD	Appointed 1 October 2004
C B Leitner BA	Appointed 10 March 2005
S A Mays BSc (Hons), MSc, MBA	Resigned 10 March 2005
B E Scullin BEc [3]	Appointed 1 January 2005
D S Weaver B.Arch, MBA, AFIRE	Appointed 1 October 2004, Resigned 17 December 2004

[1] Independent Director
[2] Audit Committee Member
[3] Compliance Committee Member

No directors held an interest in the Trust as at 30 June 2005 or at the date of this report.

Note 33. Related parties (continued)

Directors' and Executives' Disclosures

1. General Remuneration Framework

The objective of DRFM's remuneration reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns employee reward with achievement of strategic objectives and the creation of value for Investors, and conforms with market best practice for delivery of reward.

The Board Nomination and Remuneration Committee oversee the remuneration of executives to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- performance linkage / alignment
- transparency
- financial and non-financial resource management

In consultation with external remuneration consultants DRFM has structured a remuneration framework that is market competitive and complementary to its reward strategy. Alignment to Investors' interests is achieved through increased focus on group performance being a core component of plan design, as well as the plan rewarding:

- delivery of forecast returns , and
- achievement of key non-financial value drivers

Alignment of employees' interests is achieved through the plan rewarding capability and performance. For participants the plan:

- provides a clear structure for earning reward
- delivers competitive reward for contribution to the creation of value, and
- provides recognition for contribution

The plan is designed to attract and retain talented and motivated employees, and to encourage enhanced performance.

The remuneration framework provides a mix of fixed and variable pay, being base pay and short-term performance incentive. As an employee gains seniority within DRFM, the balance of this mix shifts to a higher proportion of "at risk" rewards. DRFM is further developing a long-term performance incentive scheme for implementation during the year ending 30 June 2006.

To ensure that base pay is competitive, external remuneration consultants provide analysis and advice regarding market remuneration for comparable roles. Base pay for employees is reviewed annually. There are no guaranteed base pay increases for employees.

Should DRFM achieve predetermined performance targets, a short-term incentive pool, approved by the Board Nomination and Remuneration Committee, is available for allocation to employees during the annual review. Cash incentives are payable in September each year. Performance targets are utilised to ensure that variable reward is only available when value has been created for Investors, and when performance is consistent with forecasts. The incentive pool may be leveraged for performance above targets to provide incentive for employee out-performance.

Key performance indicators are linked to short-term incentives based on group, individual business and personal objectives. Performance indicators require achievement of specific targets in relation to Trust performance, as well as other key non-financial measures linked to drivers of performance in future reporting periods. Short-term incentive payments may be adjusted up or down in line with under or over achievement against target performance levels, at the discretion of the Board Nomination & Remuneration Committee.

Note 33. Related parties (continued)

Termination provisions for the Chief Executive Officer ("CEO") are set out in the CEO's contract of employment. In the event of early termination, DRFM may be required to give 12 months notice and may elect to payout all or part of this notice period.

There are no termination provisions extended to any other DRFM executive.

2. Non-Executive directors' remuneration framework and structure

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of directors. Non-executive directors' fees and payments are reviewed annually by the Board Nomination & Remuneration Committee. The Committee also obtains advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and inline with market. The Chair's fee is determined independently of the fees of non-executive directors, based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of his / her own remuneration. Non-executive directors do not receive share options.

Non-executive directors who accept positions on Board committees receive an additional annual fee for each committee membership. Non-executive directors' fees are also recommended for approval by DB RREEF Trust investors.

3. Details of remuneration of directors

3.1 DB RREEF Funds Management Limited

Details of the nature and amount of each element of remuneration for each director of the Responsible Entity for the year ending 30 June 2005 are set out in the following tables.

Name	Note	Salary and Fees	Bonus	Non-Monetary Benefits	Superannuation	Total
			$	$	$	$
Non Executive Directors						
Christopher T Beare	1	193,125	-	-	-	193,125
Elizabeth A Alexander	1	65,000	-	-	-	65,000
Barry R Brownjohn	1	60,000	-	-	-	60,000
Stewart F Ewen	1	95,625	-	-	-	95,625
Brian E Scullin	1	68,750	-	-	-	68,750
Executive Directors						
Victor P Hoog Antink	3	682,139	-	-	68,800	750,939
Charles B Leitner III	2	12,300	-	-	-	12,300
Shaun A Mays (alternate to Charles B Leitner III)	2	16,000	-	-	-	16,000
Daniel S Weaver	2	-	-	-	-	-

Note 33. Related parties (continued)

Note 1: Non Executive Directors' remuneration is a cost of DB RREEF Funds Management Limited. The amount shown in this Remuneration Report is directors' total remuneration from 1 October 2004, or the date of appointment if later than 1 October 2004, to 30 June 2005.

Note 2: These Executive Directors' remuneration is a cost of their employer, Deutsche Bank. The amount shown in this Remuneration Report is an apportionment of each executive's total remuneration based on their time spent on DB RREEF Funds Management Limited's activities during the period ending 30 June 2005.

Note 3: The Chief Executive Officer's remuneration is a cost of DB RREEF Funds Management Limited. The amount shown in this report is the Chief Executive Officer's total remuneration for the period ending 30 June 2005. No short term incentive payment for the period 1 October 2004 to 30 June 2005 has been allocated. Consequently, no payment is included in the above.

There were no stapled securities or options issued during the period to any Director or employee as part of their remuneration. No Director or Executive received any retirement benefit during the period.

3.2 Deutsche Asset Management (Australia) Limited and DB Real Estate Australia Limited

The remuneration received by the directors of Deutsche Asset Management (Australia) Limited and DB Real Estate Australia Limited was paid by Deutsche Bank. As the directors of each of these Responsible Entities are common the following table details the combined amount of each element of remuneration, for the period 1 July 2004 to 29 September 2004 (being the date when each entity ceased to be the Responsible Entity of its respective trusts and DB RREEF Funds Management Limited became the Responsible Entity of DB RREEF Diversified Trust, DB RREEF Industrial Trust and DB RREEF Office Trust).

Name	Note	Salary and Fees	Bonus	Non-Monetary Benefits	Superannuation	Total
			$	$	$	$
Non Executive Directors						
Christopher T Beare	1	12,500	-	-	-	12,500
Stewart F Ewen	1	21,250	-	-	-	21,250
William B Robinson	1	15,000	-	-	-	15,000
Brian E Scullin	1	20,250	-	-	-	20,250
Executive Directors						
Shaun A Mays	2	9,000	-	-	-	9,000
David C Shields	2	9,811	-	-	-	9,811

Note 1: Non Executive Directors' remuneration was a cost of Deutsche Bank. The amount shown in this Remuneration Report is each director's total remuneration for the three months ending 29 September 2004.

Note 2: Executive Directors' remuneration is a cost of their employer, Deutsche Bank. The amount shown in this Remuneration Report is an apportionment of each executive's total remuneration based on their time spent on Deutsche Asset Management (Australia) Limited and DB Real Estate Australia Limited activities relating to DB RREEF Diversified Trust, DB RREEF Industrial Trust and DB RREEF Office Trust during the period ending 29 September 2004.

Note 33. Related parties (continued)

4. Details of remuneration of executives

Listed in the following table are the five highest paid executives who are also the five executives who have the greatest authority within DB RREEF Funds Management, and who became executives of DB RREEF Holdings Limited on 1 October 2004. Prior to 1 October 2004 there were no specified executives. The components of each executive's total remuneration package for the period commencing 1 October 2004 and ending 30 June 2005 is set out in the following table:

Name	Position	Salary $	Bonus $	Non-Monetary Benefits $	Superannuation $	Total $
Tanya L Cox	Chief Operating Officer	178,811	50,000	-	8,689	237,500
John C Easy	Head of Legal	163,811	25,000	-	8,689	197,500
Greg T Lee	Head of Transaction Services	216,311	62,000	-	8,689	287,000
Ben J Lehmann	Head of Portfolio Services	216,311	75,000	-	8,689	300,000
Ian D Robins	Head of Capital Markets	272,561	175,000	-	8.689	456,250
Mark F Turner	Head of Mandates	178,811	50,000	-	8,689	237,500

No short term incentive payment has been allocated for the period 1 January 2005 to 30 June 2005. Consequently, no short term incentive payment has been included for the same period.

5. Other Disclosures

There were no loans, stapled securities or options issued or granted during the period to any director or employee. No Director or Executive received any retirement benefit during the period.

Note 34. Events occurring after reporting date

On 7 July 2005, amendments were made to the Trust's Constitution that enable the Trust to satisfy the AIFRS criteria for unitholders funds to be classified as equity. The Board of the Responsible Entity was of the view that such amendments were not materially adverse to unitholders nor did they change the nature of the scheme.

On 27 July 2005, the Responsible Entity lodged an appeal with the Supreme Court of New South Wales in relation to the interest payable on the settlement sum in respect of the sale of part of 1-55 Rothschild Avenue, Rosebery.

Since the end of the year, other than the matter discussed above, the directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in their report or the financial statements that has significantly or may significantly affect the operations of the Stapled Entity, the results of those operations, or state of the Stapled Entity's affairs in future financial periods.

Note 35. Segment information

Business segments

The Stapled Entity operates in the following segments.

Retail and Car Park - investment in the retail and car park property sector

Commercial - investment in the commercial property sector

Industrial - investment in the industrial property sector

2005	Retail & Car Park $'000	Commercial $'000	Industrial $'000	Eliminations/ Unallocated $'000	Consolidated $'000
Rental and other property income	74,620	211,729	226,346	14	512,709
Interest Income	-	1,209	904	3,819	5,932
Share of net profits of associates accounted for using the equity method	8,299	1,674	-	2,571	12,544
Net foreign exchange gain	-	-	42	-	42
Proceeds on sale of investment properties	334,000	104,650	66,100	-	504,750
Other revenue	-	260	-	-	260
Total segment revenue	416,919	319,522	293,392	6,404	1,036,237
Segment result	70,653	90,314	88,753	(30,197)	219,523
Segment assets	980,544	3,016,572	3,057,162	(57,301)	6,996,977
Segment liabilities	9,028	1,073,074	1,455,150	558,402	3,095,654
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	336,441	62,902	1,412,825	-	1,812,168
Net cash inflow/(outflow) from operating activities	58,312	99,161	135,218	(51,442)	241,249

Note 35. Segment information (continued)

2004	Retail & Car Park $'000	Commercial $'000	Industrial $'000	Eliminations/ Unallocated $'000	Consolidated $'000
Rental and other property income	74,011	51,435	36,368	-	161,814
Proceeds on sale of investment properties	-	-	51,760	-	51,760
Other revenue	-	-	-	437	437
Total segment revenue	74,011	51,435	88,128	437	214,011
Segment result	52,014	38,463	27,942	(27,655)	90,764
Segment assets	784,461	529,857	382,914	9,793	1,707,025
Segment liabilities	2,739	6,329	2,664	501,093	512,825
Investments accounted for using the equity method	-	-	-	-	-
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	66,586	8,894	30,558	-	106,038
Net cash inflow/(outflow) from operating activities	48,419	35,804	26,011	(8,741)	101,493

Geographical segments

The Trust's investments are located in Australia, New Zealand and the United States of America.

2005	Australia $'000	New Zealand $'000	United States of America $'000	Consolidated $'000
Rental and other property income	393,932	-	118,777	512,709
Interest Income	4,973	315	644	5,932
Share of net profits of associates accounted for using the equity method	12,544	-	-	12,544
Net foreign exchange gain	42	-	-	42
Proceeds on sale of investment properties	489,646	-	15,104	504,750
Other revenue	260	-	-	260
Total segment revenue	901,397	315	134,525	1,036,237
Segment result	179,374	287	39,862	219,523
Segment assets	5,416,852	5,006	1,575,119	6,996,977
Segment liabilities	2,052,281	23	1,043,350	3,095,654
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	474,549	-	1,337,619	1,812,168
Net cash inflow/(outflow) from operating activities	217,199	-	24,050	241,249

Note 35. Segment information (continued)

2004	Australia $'000	New Zealand $'000	United States of America $'000	Consolidated $'000
Rental and other property income	161,814	-	-	161,814
Proceeds on sale of investment properties	51,760	-	-	51,760
Other revenue	437	-	-	437
Total segment revenue	214,011	-	-	214,011
Segment result	90,764	-	-	90,764
Segment assets	1,707,025	-	-	1,707,025
Segment liabilities	512,825	-	-	512,825
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	42,152	-	-	42,152
Net cash inflow/(outflow) from operating activities	101,493	-	-	101,493

Note 36. Reconciliation of net profit to net cash inflow from operating activities

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Net profit	231,314	90,834	111,619	90,834
Capitalised interest	(12,937)	(11,380)	(8,932)	(11,380)
Capitalised expenses	(1,863)	-	(1,863)	-
Revaluation decrement	4,934	-	-	-
Share of net profit of investments accounted for using the equity method	(2,458)	-	-	-
Gain on sale of investment property	(25,706)	-	(21,765)	-
Unrealised foreign exchange (gain)	(422)	-	-	-
Provision for doubtful debts	466	(16)	(218)	(16)
Change in operating assets and liabilities				
Decrease in receivables	30,789	1,865	49,286	1,865
Decrease in prepaid expenses	6,036	-	3,710	-
Increase in non-current assets - investments	(3,603)	-	(1,442)	-
Increase in other current assets	(1,106)	(1,567)	(4,747)	(1,567)
Decrease/(increase) in other non-current assets	31,217	-	(3,418)	-
Increase/(decrease) in payables	6,360	(6,730)	(2,849)	(6,730)
Increase in other current liabilities	3,359	-	1,121	-
(Decrease)/increase other non-current liabilties	(25,131)	-	24,611	-
Net cash inflow from operating activities	241,249	73,006	145,113	73,006

Components of cash

	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Cash at the end of the year as shown in the Statements of Cash Flows is reconciled to the Statements of Financial Position as follows:				
Cash assets	68,959	2,487	10,238	2,487

Note 37. Non-cash financing and investing activities

	Notes	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Placement of units	25	54,472	30,869	21,101	30,869
Distributions reinvested	25	143,484	21,111	57,558	21,111
		197,956	51,980	78,659	51,980

Note 38. Earnings per security

	Consolidated 2005	Consolidated 2004	Parent Entity 2005	Parent Entity 2004
Basic and diluted earnings - cents per security	10.12	9.39	5.15	9.39
Weighted average number of securities outstanding used in the calculation of basic and diluted earnings per security	2,169,736,274	967,656,894	2,169,736,274	967,656,894

Note 38. Earnings per security (continued)

Basic earnings per security before the Transaction	Consolidated 2005 $'000	Parent Entity 2005 $'000
Net profit attributable to security holders	219,523	111,619
Add: Costs associated with the Transaction	42,281	14,795
	261,804	126,414
Add: Book value of property investments sold	479,043	441,681
Less: Proceeds from the sale of investment properties	(504,750)	(463,446)
Basic earnings before the Transaction and investment sales	236,097	104,649
Weighted number of units had the Transaction and the February 2005 DRP not occurred		1,001,833,624
Basic earnings per security before the Transaction - cents per security[1]	**12.07**	**12.62** [2]
Basic earnings per security before the Transaction and investment sales - cents per security	**10.88**	**10.45**

[1] Basic earnings per security before the Transaction incorporates the financial impact of the acquisition of the US REIT.
[2] The weighted average number of units has increased by 1,167,902,650 as a result of the Transaction and the February 2005 DRP. Had these not occurred, the weighted average number of units outstanding would be 1,001,833,624.

Note 39. Acquisitions of controlled entities

Acquisition of DB RREEF Industrial Holdings Ltd

Name of entity	**Country of incorporation**	**Class of shares**	**Nature of business**	**Equity holding**
DB RREEF Industrial Holdings LLC	United States of America	Ordinary	Property Trust	80%

On 30 September 2004, the Stapled Entity (via DDF and DIT) acquired 80% of DB RREEF Industrial Holdings, LLC. The operating results of this newly controlled entity have been included in the Statements of Financial Performance since the date of acquisition.

Details of the acquisition are as follows:

	$'000
Fair value of identifiable net assets of controlled entity acquired	
Investment properties	1,446,780
Other assets	12,400
Cash assets	43,210
Interest bearing liabilities	(1,062,279)
Payables	(44,636)
Provisions	(28,422)
	367,053
Less: Outside equity interests	(73,411)
	293,642
Goodwill on consolidation	3,443
Cash consideration	**297,085**
Outflow of cash to acquire controlled entity, net of cash acquired	
Cash consideration	297,085
Less: Balances acquired	
Cash assets	(43,210)
	(43,210)
Outflow of cash	253,875

Note 39. Acquisitions of controlled entities (continued)

Name of entity	Country of incorporation	Class of units	Nature of business	Equity holding
DB RREEF RENTS Trust	Australia	Ordinary	Investment in property trust	0%

Acquisition of controlled entity

On 27 January 2005, the Trust acquired one unit in DB RREEF RENTS Trust ("RENTS"). All units with a beneficial interest in RENTS assets are listed on the Australian Stock Exchange. The Trust owns one unit in RENTS that does not have a beneficial interest in the RENTS assets, but holds all voting rights in relation to RENTS. The results of this newly controlled entity have been included in the Statements of Financial Performance since the date of acquisition.

Name of entity	Country of incorporation	Class of shares	Nature of business	Equity holding
DB RREEF Hurstville Trust	Australia	Ordinary	Property Trust	100%

On 6 May 2005, DDF acquired 100% of DB RREEF Hurstville Trust. The operating results of this newly controlled entity have been included in the consolidated Statements of Financial Performance since the date of acquisition.

Details of the acquisition are as follows:

	$'000
Fair value of identifiable net assets of controlled entity acquired	
Investment properties	232,500
Cash assets	1,210
Receivables	1,387
Other assets	310
Payables	(1,609)
Other liabilities	(1,110)
Provisions	(188)
	232,500
Goodwill on consolidation	-
Cash consideration	232,500
Outflow of cash to acquire controlled entity, net of cash acquired	
Cash consideration	232,500
Less: Balances acquired	
Cash assets	1,210
	1,210
Outflow of cash	231,290

Note 39. Acquisitions of controlled entities (continued)

Deemed acquisition of controlled entities through stapling

Name of entities	Country of incorporation	Class of units	Nature of business	Equity holding
DB RREEF Industrial Trust (formerly Deutsche Industrial Trust)	Australia	Ordinary	Property Trust	0%
DB RREEF Office Trust (formerly Deutsche Office Trust)	Australia	Ordinary	Property Trust	0%
DB RREEF Operations Trust	Australia	Ordinary	Public Trading Trust	0%

On 30 September 2004, DDF was deemed to acquire 100% of DB RREEF Industrial Trust, DB RREEF Office Trust and DB RREEF Operations Trust as a result of stapling the Trusts. The operating results of these newly controlled entities has been included in the Statements of Financial Performance since the date of acquisition.

Details of the acquisition are as follows:

	$'000
Fair value of identifiable net assets of controlled entities acquired	
Investment properties	3,280,343
Investments accounted for using the equity method	37,106
Other assets	23,276
Cash assets	14,285
Interest bearing liabilities	(1,319,600)
Payables	(31,704)
Provisions	(13,374)
Net assets acquired on stapling	**1,990,332**

DB RREEF DIVERSIFIED TRUST (FORMERLY DEUTSCHE DIVERSIFIED TRUST)
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2005

The directors of DB RREEF Funds Management Limited (formerly Paladin Australia Limited) as Responsible Entity of DB RREEF Diversified Trust (formerly Deutsche Diversified Trust) ("the Trust") a listed property trust declare that the financial statements and notes set out on pages 16 to 62:

(i) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001;

(b) there are reasonable grounds to believe that the Trust and its consolidated entities will be able to pay their debts as and when they become due and payable; and

(c) the Trust has operated in accordance with the provisions of the Constitution dated 15 September 1984 (as amended) during the year ended 30 June 2005.

This declaration is made in accordance with a resolution of the directors.

Christopher T Beare
Chair
Sydney
25 August 2005

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Independent audit report to the stapled security holders of DB RREEF Diversified Trust (formerly Deutsche Diversified Trust)

Audit opinion

In our opinion, the financial report of DB RREEF Diversified Trust:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of DB RREEF Diversified Trust and the DB RREEF Diversified Group (defined below) as at 30 June 2005, and of their performance for the year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both DB RREEF Diversified Trust (the Trust) and the DB RREEF Diversified Trust Group (the consolidated entity), for the period ended 30 June 2005. The consolidated entity comprises both the Trust and the entities it controlled during that period, including DB RREEF Office Trust, DB RREEF Industrial Trust, DB RREEF Operations Trust and their subsidiaries.

The directors of DB RREEF Funds Management Limited, the responsible entity, are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the stapled security holders of the Trust. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

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We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Trust's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

DA Prothero
Partner

Sydney
25 August 2005