

15 August 2003

The Manager  
Company Announcements Office  
Australian Stock Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

Deutsche Asset Management  
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**Deutsche Office Trust – Debt restructure**

Deutsche Office Trust ("DOT") wishes to advise the outcome of its announcement on 29 July 2003 of the intention to buyback up to \$250 million of medium term notes ("MTN's") due to mature on 15 April 2004 as part of a debt restructure.

DOT successfully repurchased \$199.03 million MTN's at a margin of 30 basis points over the swap rate for settlement on 12 August 2003. DOT has now commenced discussions with Standard & Poors to withdraw DOT's corporate credit rating on the MTN programme. On the same day, DOT (through the DB Real Estate CP Trust) completed its first issue of asset backed commercial paper ("ABCP") for \$352 million. Proceeds from the ABCP funded the MTN buyback and repayment of \$150 million of bank debt.

The ABCP is rated A-1+ by Standard & Poors (see the attached commercial paper rating report) and was issued as follows:

- \$100 million to 15 September 2003 at BBSW plus 4 basis points;
- \$68 million to 22 September 2003 at BBSW plus 4 basis points; and
- \$184 million to 10 November 2003 at BBSW plus 7 basis points.


The ABCP is supported by a 12-month standby bank facility. The maturing ABCP will be rolled on one to three monthly basis. The intention is to refinance the ABCP by issuing commercial mortgage backed securities ("CMBS") within a year.

"The MTN buyback and subsequent ABCP issuance is the first step in a major debt restructuring initiative by DB Real Estate's Treasury team on behalf of the Trust. This allows DOT to achieve two aims; firstly, to access the lowest cost debt funding and secondly, a more flexible capital structure which will allow management of debt and equity according to the availability of each market and DOT's overall gearing," said Michael Brown, General Manager, Deutsche Office Trust.

Deutsche Bank AG acted as lead dealer in relation to the buyback and issue of the \$352 million ABCP.

If you have any further questions please contact Michael Brown, General Manager, Deutsche Office Trust on 02 9249 9346 or Linda Smith, Investment Analyst on 02 9249 9955.

Yours sincerely

  
Phillip Maher  
Company Secretary

## DB REAL ESTATE CP TRUST – SERIES 1

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Aug. 12, 2003

**A\$375 million Series 1 commercial paper**      A-1+

### PROGRAM SUMMARY

<i>Securities:</i>	Discounted domestic commercial paper.
<i>Tenor:</i>	Series 1 up to 95 days.
<i>Program amount:</i>	A\$1.5 billion.
<i>Underlying assets:</i>	Appropriately short- and medium-term, credit-assessed debentures issued by approved DB Real Estate funds, or other authorized investments rated or credit assessed to 'AA-' or higher.

### PARTICIPANTS

<i>Issuer:</i>	DB Real Estate Australia Ltd. as trustee of DB Real Estate CP Trust – Series 1.
<i>Trustee:</i>	DB Real Estate Australia Ltd.
<i>Trust manager:</i>	Deutsche Asset Management (Australia) Ltd.
<i>Security trustee:</i>	Permanent Custodians Ltd.
<i>Debenture trustee:</i>	Permanent Registry Ltd.
<i>Standby facility and asset liquidity provider:</i>	Deutsche Bank AG (AA-/Negative/A-1+) or other appropriately rated entities.
<i>Dependent ratings:</i>	Credit-assessed debentures, liquidity providers, and other appropriately rated or credit-assessed authorized investments.

### RATIONALE

The rating on the Series 1 commercial paper (CP) to be issued by DB Real Estate Australia Ltd., as trustee of DB Real Estate CP Trust – Series 1 (DBCPT), reflects:

- The credit quality of the assets supporting Series 1 CP, which initially comprised credit-assessed debentures (assessed 'AA-' or greater) issued by Deutsche Asset Management (Australia) Ltd. (DAMAL) as responsible entity (RE) of the Deutsche Industrial Trust (DIT) and will now include debentures issued by DAMAL in its capacity as RE of the Deutsche Office Trust (DOT);
- The credit quality of any future assets to be purchased that will be funded by Series 1 CP, which must be rated or credit assessed to at least 'AA-' or greater and which Standard & Poor's affirms will not have an adverse affect on the rating on the Series 1 CP. This may include other debentures to be issued by DIT, DOT, or any other approved DB Real Estate fund, or other financial securities from other issuers;
- The standby facility provider to support the timely redemption of CP;

- The liquidity facility provider to support timely interest payments on the debentures to be issued by each Trust equivalent to six months interest payments on the debentures issued and six months of fees and expenses of DBCPT;
- Any additional credit enhancement that may be provided to the series; and
- The matching of the debenture interest payment date and CP maturity dates to avoid any timing mismatches.

### **DBCPT SERIES 1 CP TRANSACTION STRUCTURE**

The DBCPT transaction structure was established in August 2002, with the intent of providing the various DB Real Estate funds with access to finance through the CP market. Proceeds of the initial CP issuance were applied to the acquisition of debentures, credit assessed by Standard & Poor's at 'AA-' or higher, and issued by DAMAL as RE of DIT. DBCPT is structured to enable the acquisition of further credit-assessed debentures issued by DIT or any other DB Real Estate fund, or any other appropriately rated or credit-assessed authorized investments.

Repayment of DIT and DOT debentures is secured by first-ranking real property mortgages over the "core" property assets of the respective Trusts and by first-ranking interests in the relevant bank accounts associated with those secured properties. The core property assets collateralizing the debentures are commercial properties, which Standard & Poor's has credit assessed applying commercial mortgage-backed criteria to determine appropriate debt issuance levels for each pool of properties.

The debenture trustee will hold the securities on behalf of the issuer and other secured creditors of the respective Real Estate funds.

Debentures issued by each fund have the benefit of a standby facility provided by Deutsche Bank AG (Sydney Branch) equal to the principal amount of all outstanding CP in all circumstances, except where any of the conditions precedent to a liquidity draw are not met. The conditions precedent to drawing under the liquidity facility include:

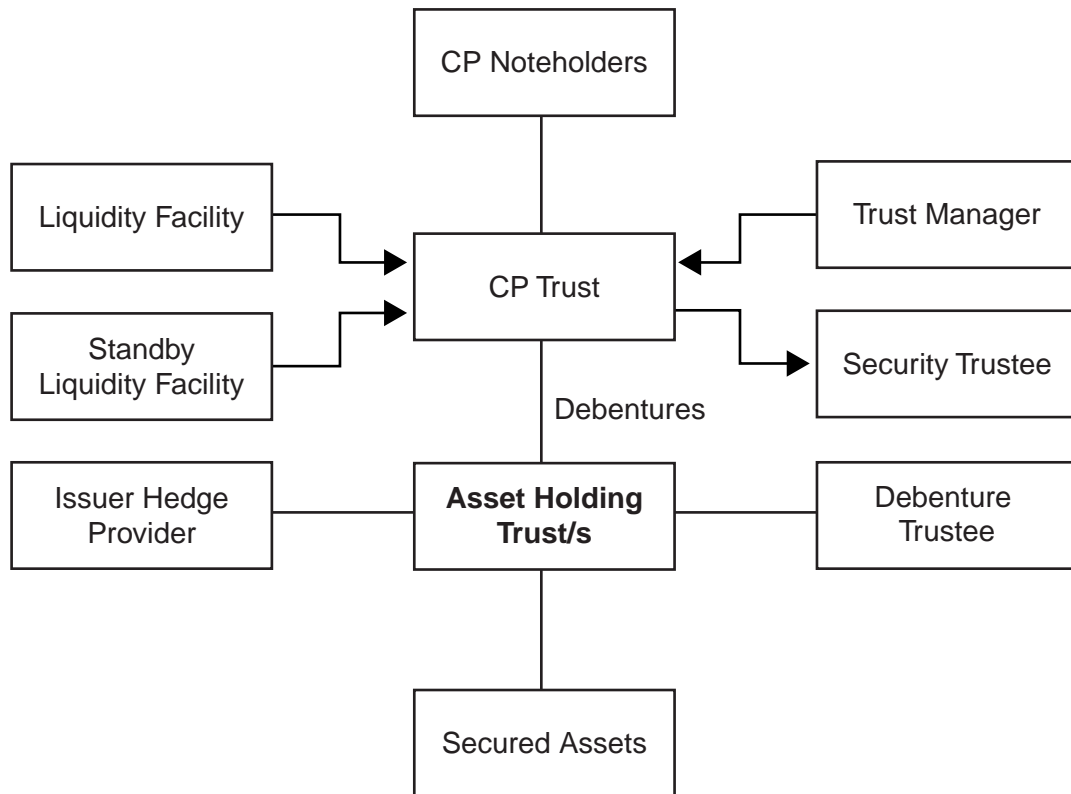
- No insolvency of DBCPT;
- No series notice, standby facility, or security trust deed becomes void, illegal, or invalid;
- No failure by the trustee of DBCPT to pay any principal, interest, and contracted fees due to the standby facility provider within applicable grace periods; and
- The liquidity drawdown amount does not exceed the amount of performing assets held by DBCPT, which includes credit-assessed debentures or other appropriately rated or credit-assessed securities acquired by DBCPT and funded by Series 1 CP.

A liquidity facility has been provided by Deutsche Bank AG (Sydney Branch) for each of the debenture issuers to cover timely interest payments on the underlying credit-assessed debentures, and hence the discount amount of all outstanding CP for a period of six months, assuming a stressed interest rate of 9.5% per annum. This facility covers any payment shortfalls that may occur on the debentures issued to DBCPT.

## DBCPT PROGRAM STRUCTURE

The following chart illustrates the transaction structure.

### DB Real Estate CP Trust - Series 1 Transaction Structure



DBCPT is a special-purpose, bankruptcy-remote trust established for the purpose of issuing CP.

Securities are issued in segregated series that may be rated differently. The proceeds of each series are used to acquire specific assets. For each series, the recourse of each party is limited to the charged underlying assets of that specific series. The parties cannot seek to recover any shortfall by applying for the winding up of DBCPT or by bringing any other legal proceedings against DBCPT. DBCPT's legal counsel has provided a legal opinion confirming that the limited recourse provisions in the transaction documents are enforceable against all parties to the transaction documents.

Before the issue of each series, Standard & Poor's will review the terms of the underlying assets, the securities issued, any liquidity/hedging/support, and any relevant documentation to assign a rating to the new series and/or affirm the rating on any outstanding series.

The proceeds of each series of securities issued by DBCPT are used to purchase specific assets directly. For each series, DBCPT will enter into a liquidity facility, swap contract, or currency exchange contracts, where appropriate, which enables the matching of payment obligations due from the underlying assets with those ultimately due to securities' holders. Where appropriate, DBCPT may enter into a credit support facility to provide additional credit enhancement to a series.

DAMAL will act as trust manager for DBCPT.

## **RESTRICTIONS ON ISSUANCE OF COMMERCIAL PAPER**

The issuer's security trust deed contains a number of restrictions on the issue of CP, providing protection to CP holders against credit, liquidity, and interest rate risks. For each series, the restrictions include:

- DBCPT has received confirmation that Standard & Poor's has assigned its rating to the CP;
- The assets have been credit assessed at a level commensurate with the rating on the CP;
- A liquidity facility is in place, which covers the face value of the CP;
- The issue price of CP does not exceed the principal amount of the underlying asset;
- The maturity date of CP is no later than the maturity date of the asset funded by the CP;
- The maturity date of CP is no later than five business days before the termination date of the liquidity facility;
- The maturity date of CP matches the coupon-payment date of the asset;
- The yield on the asset is sufficient to pay the discount on CP, or interest on liquidity facility, and any other fees and expenses;
- The interest payment date on any drawing under the liquidity facility matches the coupon-payment date of the underlying asset;
- There is no CP trustee event of default under any transaction document;
- There is no insolvency event with DBCPT, the security trustee, the trustee, the liquidity provider, or any support provider; and
- There is no default in payment by the standby facility provider, the liquidity provider, or any support provider.

## **FURTHER ISSUANCE FROM THE SAME SERIES OR ISSUANCE FROM NEW SERIES**

DBCPT has been established as a segregated CP issuer capable of issuing multiple series of differently rated (or unrated) CP. Any assets to be funded by an existing series must be subject to a rating affirmation by Standard & Poor's on the series CP rating, and any rating assigned to an alternative series of CP issued by DBCPT requires that Standard & Poor's assign a specific rating to that series and that the assets to be acquired by that series have a rating commensurate with the rating sought on that series.

It is expected that over time there will be further issuances either from Series 1 ('A-1+') CP or from other lower rated series. The program has been established to provide a flexible funding platform, in particular for the various DB Real Estate funds. The trust is capable, however, of investing in other appropriately rated or credit-assessed securities to support the rating on the particular series of CP to be issued.

Standard & Poor's notes that debentures may be issued to other financiers on terms and conditions which differ from those acquired by the CP Trust and which may rank *pari passu* to debentures securing CP. Given the transaction structure and support mechanisms in place, Standard & Poor's believes that the impact of any such external financing arrangement would be limited to early repayment of debentures.

## **SECURITY ARRANGEMENTS**

Where assets are purchased directly by DBCPT, separate fixed charges (series charges) will be granted by DBCPT over the assets of each series for the benefit of the securities holders and other secured creditors of that series. As such, an event of default occurring in any one series will be fully segregated from other series, and there is no cross-collateralization between series assets.

*A rating is not a recommendation to purchase, sell or hold a security, in as much as it does not comment as to the market price or suitability for a particular investor. A debt rating is a current assessment of the ability of a borrower to repay principal and interest with respect to a specific long- or short-term obligation in a timely manner. Ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information or other circumstances.*

*This rating report is not issued in conjunction with, or as part of, any information or offering document and Standard & Poor's has had no role in relation to the preparation of any such document (other than as may be disclosed in any such document) and makes no representations or warranties as to the accuracy, completeness or appropriateness of any information contained in any such document.*