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DEUTSCHE OFFICE TRUST WELL POSITIONED FOR FUTURE GROWTH

DB Real Estate's A\$2 billion Deutsche Office Trust (ASX:DOT) today announced a net profit of \$102.5 million for the year to 30 June 2003, down 9.1 per cent from the previous year but in line with the revised forecast announced in June.

A final distribution of 4.95 cents per unit will be paid to unitholders for the June half year. Total distribution for the year ended 30 June 2003 is 10.0 cents per unit, in line with the previous year's distribution.

Michael Brown, General Manager of Deutsche Office Trust said, "The result is reasonable in what has generally been acknowledged as a tough leasing market and we are highly focused and appropriately positioned for 2004 and the medium term."

"The Trust has made significant leasing progress over the past twelve months with over 89,000 square metres of new lease renewals and Heads of Agreement despite the difficult office market conditions. The market outlook for 2004 is for improved conditions as positive white collar employment growth and the global economic recovery gains momentum," said Mr Brown.

Occupancy across the portfolio remains high at 95 per cent however, ongoing leasing challenges within the portfolio due to expiries in 2004 have led the responsible entity to forecast a distribution of 9.0 cents per unit for the year ended 30 June 2004.

Outlining the next twelve months Mr Brown said, "Having now completed the strategic review of Deutsche Office Trust, we see 2004 as a year of transition for our portfolio. We aim to stabilise the Trust's earnings and establish a base to enable future growth over the medium to long term."

Deutsche Asset Management

“By October this year we will announce the restructuring of our management fees, which will include a reduction of the fixed component of our fees and introduction of a performance fee. Short term growth will be realised from further leasing success and completion of the Trust’s new developments in Perth and Sydney over the next seven months.”

According to Mr Brown, medium to long term growth will be delivered by a broadening of the Trust’s investment mandate through initiatives including:

- Investing in emerging office park precincts within the Sydney market;
- establishing domestic unlisted office property syndicates that compliment the Trust’s investments and provide the potential for co-investment or an exit for appropriate assets;
- investing in US CBD office towers, office parks and suburban office buildings located in major financial and business centres in tri-coastal markets.

“In terms of investment in the US office markets, this well considered and planned strategy will be implemented using the local expertise of DB Real Estate’s RREEF property group. RREEF is a full service real estate investment adviser with in excess of A\$27 billion (US\$18 billion) in real estate assets under management,” Mr Brown explained.

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About Deutsche Office Trust

Deutsche Office Trust one of the largest office trusts listed on the Australian Stock Exchange. Its assets are valued at approximately A\$2 billion. With investments in 16 properties across six of the country’s largest office markets (NSW, VIC,ACT and Perth), the Deutsche Office Trust invests in only premium, A and B grade office buildings.