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## **Deutsche Industrial Trust produces profits and returns above sector average**

Deutsche Industrial Trust (ASX:DIT) has delivered a record net profit of A\$49.0 million, an increase of 40.1 per cent for the year with a significant increase in market capitalisation of 19.2 percent to \$594.1 million.

A full year distribution of 15.4 cents per unit shows an increase of 2.7 per cent over the previous year.

Ben Lehmann, General Manager, Deutsche Industrial Trust said, "This is the second year Deutsche Industrial Trust has outperformed the property trust market and it has been the best performing industrial trust over the last three years."

Total returns for the financial year ending 30 June 2002, and 30 June 2003 were 28.9per cent and 15.7 per cent respectively. These returns are well in excess of the sector average for a second consecutive year. (The Listed Property Trust Index returned 12.1 per cent and the Australian Stock Market delivered a return of -1.1 per cent for the period.)

"We believe that DIT has met its primary objective to maximise total returns, within appropriate risk parameters, through investment in a diversified high quality portfolio of industrial, office and business park real estate. This performance is a direct result of DIT's strategic focus and proven capabilities for meeting and servicing customers' ever-changing industrial property needs."

Further Mr Lehmann said, "We strive to be the most customer-focused professionals in the business and aim to be the preferred choice for businesses considering industrial real estate. This is evidenced by delivering the industrial LPT sub-sector's best tenant retention rate for the rolling 12-month period of 86 per cent."

“During the last 12 months we leased 190,000 square metres of the Trust’s portfolio and added almost a full year to the portfolio average lease term to expiry which now stands at 4.8 years. Our very real leasing success over the last three years means that we are well positioned for further growth.”

Mr Lehmann added, “Success at the asset management level and strong demand for industrial real estate assets has seen the Trust’s Net Tangible Assets (NTA) increase by 8 cents since 30 June 2002 to now stand at \$1.58 per unit.”

The Trust made five significant and strategic acquisitions during the period totalling in excess of \$111 million. The NSW, Victorian and South Australian properties add over 200,000 square metres of lettable area to the Trust’s portfolio and boosted the Trust’s development capacity by 450,000 square metres.

Seven disposals realised \$38 million (profit on book value of \$1.61 million). Subsequent to 30 June the Trust has announced that contracts have been exchanged on two additional assets at Rosebery and Macquarie Park for a combined value of \$31.9 million and will realise a further \$4.2 million profit. Mr Lehmann said, “We are committed to disposing of those assets not expected to provide positive contributions to performance. Proceeds will in the first instance reduce borrowings, however, the Trust now has debt capacity to fund development and pursue further acquisitions.”

DB Real Estate’s research has identified favoured areas for investment, with infrastructure development and depth of market pointing generally to the eastern capital cities. In Sydney and Melbourne, businesses are particularly attracted to the motorways and future orbital road and ring road corridors in the western suburbs.

These areas include Greystanes and Baulkham Hills in Sydney and Laverton North in Melbourne where DIT recently acquired assets containing significant development potential.

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### **About Deutsche Industrial Trust**

The Deutsche Industrial Trust is the third largest industrial trust (by total assets) in Australia, with a portfolio value of more than \$545 million. The Trust comprises 38 high quality industrial assets in prime and well-established precincts nationally.

The Deutsche Industrial Trust was recently added to the Australian Stock Exchange S&P 200 and 300 Listed Property Trust Indices.

With the recent acquisition of the Paladin and AXA property businesses Deutsche Asset Management has cemented its position as the country's leading manager of industrial real estate with approximately \$1.3 billion under management across its funds.