



4 August 2004

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

Deutsche Asset Management
(Australia) Limited
11 076 098 596
Australian Financial Services
Licence Holder
Level 21 83 Clarence Street
Sydney NSW 2000
PO Box N127
Grosvenor Place NSW 1220
Telephone 61 2 9249 9000
Direct 61 2 9249 9346
Facsimile 61 2 9249 9982

Email: michael-db.brown@db.com

Dear Sir/Madam

Deutsche Office Trust

Deutsche Asset Management (Australia) Limited as the responsible entity for the Deutsche Office Trust (DOT), provides the following details on the acquisition of a New Zealand office tower.

Yours sincerely

Ian Thompson
Company Secretary



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ASX Release

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DEUTSCHE OFFICE TRUST ■ **DOT acquires first New Zealand tower**

Deutsche Office Trust (ASX: DOT) today announced it has entered into an agreement to purchase, on completion, the development known as NRM Tower in Auckland, New Zealand from Manson Securities Limited. The acquisition represents DOT's first purchase in New Zealand.

Designed by Peddle Thorp, NRM Tower is a premium grade high rise office development, currently under construction in the Auckland CBD.

Due for completion in May 2005, the tower will comprise 18,700 square metres of office space over 14 levels, 194 car spaces, a business centre, gymnasium, and top floor function centre.

The purchase price is NZ\$110.4m with the acquisition to deliver an initial yield of 8%.

The development, ten months prior to practical completion, is already 80% leased. Simpson Grierson and Minter Ellison Rudd Watts, two of New Zealand's leading law firms have agreed to long term leases for approximately 8,500 square metres and 5,100 square metres respectively within the building.

Manson Securities Limited, which will occupy a floor within the building, will provide a 9 year lease over any remaining vacant areas and a guaranteed growth payment over a base rent escalated annually throughout the first 5 years.

Mr Michael Brown, General Manager, Deutsche Office Trust said that the development was a rare opportunity to acquire a new Premium-grade building in a strong market, leased to quality tenants and that provides a contemporary office work environment.

"We have kept a watch on the Auckland office market over the past twelve months. With positive demand and modest supply expected over the short to medium-term, we believe this is an opportune time to enter the market. The new acquisition will further enhance the quality of DOT's portfolio, increase the average weighted lease expiry, and reduce the age of the portfolio," said Mr Brown.

The building will be constructed with a high standard of services and finishes. The floor layout, with floor plates of 1,285 square metres, will provide maximum flexibility to tenants and panoramic views over Auckland harbour.

Manson Securities Limited, with responsibility for leasing, is in advanced negotiations with a number of tenants for the remaining three floors within the building.

"Given limited supply competition, and the quality of the development, we expect the remaining space will lease up well," Mr Brown said.

DOT will fund the purchase through NZ\$ borrowings to create a natural hedge for the investment and will secure 80% of its NZ\$ borrowings with interest rate hedges. In addition, residual foreign income after interest expense will be hedged for a five year period.

This acquisition will further improve the quality of DOT's portfolio, increasing the exposure to premium grade assets from 32% to 34% and decreasing the average age of the portfolio to 12.8 years from 13.4 years. In addition, it increases the estimated average weighted lease duration as at May 2005 from 5.8 years to 6.0 years.

About Deutsche Office Trust

Deutsche Office Trust is one of the largest office trusts listed on the Australian Stock Exchange. Its assets are valued at approximately A\$2.3 billion. With investments in 17 properties across six of the country's largest office markets (NSW, VIC, ACT, Perth, Chatswood and Canberra), the Deutsche Office Trust invests in only premium, A and B grade office buildings.

For further information please contact:

- Michael Brown, General Manager, Deutsche Office Trust, phone: (02) 9249 9346, mobile: 0414 902 601
- Kristin Silva/Ainsley Gee, Communications, Deutsche Asset Management, phone: (02) 9249 9568/(02) 9249 9904

DEUTSCHE OFFICE TRUST ■
NRM Tower, Shortland Street, Auckland



Deutsche Asset Management (Australia) Limited
ABN 11 076 098 596
Australian Financial Services Licence Holder

Michael Brown
General Manager, Deutsche Office Trust

DB Real Estate
Deutsche Bank Group



Agenda

- Proposal summary
- Acquisition fundamentals
- Portfolio impact

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Proposal summary



The proposal summary

Details of the Development

- Building consent approved 30 level building including 14 office levels and 12 car park levels
- Practical completion May 2005
- Developer
 - Manson Developments
- Architect
 - Peddle Thorp
- 18,700 square metres and 194 car spaces



Location map



Acquisition fundamentals



Acquisition fundamentals

- Premium grade office building in Auckland CBD
- High standard of services and amenities
- Large efficient floor plates averaging 1,285 square metres
- 80% pre-committment with 10 months until practical completion
 - 12 year lease to Simpson Grierson
 - 10 year lease to Minter Ellison Rudd Watts
 - 9 year lease to Manson Securities Limited over any vacant areas and guaranteed rental growth payment



Acquisition fundamentals

Tenancy profile

Tenant	Area (sqm)	% Office Area	Expiry
Office – Simpson Grierson	8,500*	46	2017
Office – Minter Ellison Rudd Watts	5,100*	27	2015
Office – Manson Securities Limited	1,280*	7	2014
Vacant	3,820*	20	2014 **
Total Area	*18,700	100	
Car parks – Simpson Grierson	70		
– Minter Ellison Rudd Watts	50		
– Manson Securities Limited	14		
– Vacant	60 **		
Total Car parks	194		

* approximate, subject to final survey

** subject to Manson Securities Limited 9 year lease



Acquisition fundamentals

Payment summary

- Purchasers advance NZ\$5.5m (August 2004)
- 8% interest receivable on purchasers advance
- 2nd instalment NZ\$103.5m (May 2005)
- Final payment NZ\$1.4m (July 2005)
- Total purchase price NZ\$110.4m
- Forecast initial yield 8%



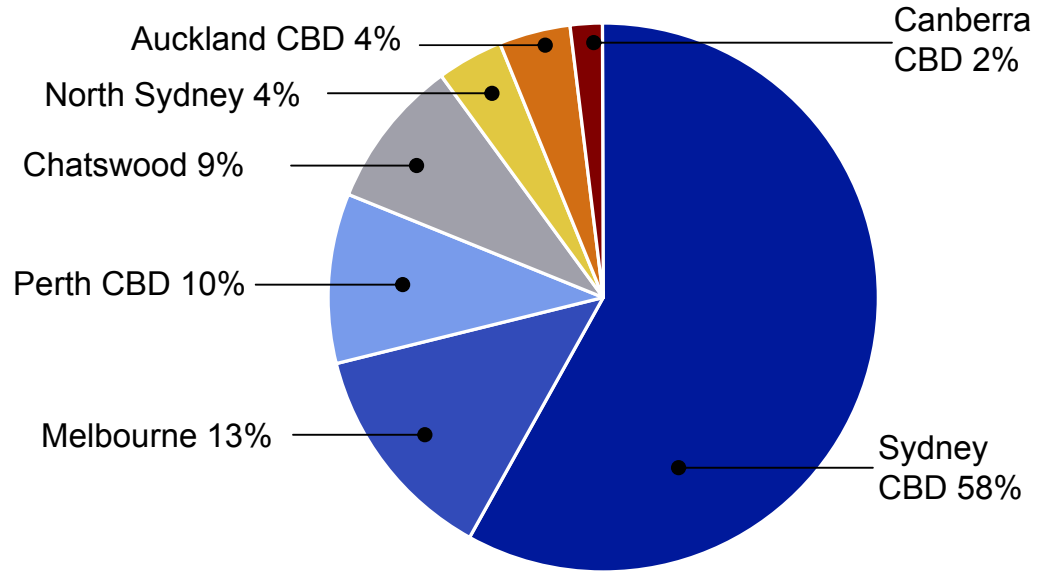
Portfolio impact



Portfolio impact

- ↑ Improved income security - average lease term increases from 5.8 years to 6.0 years
- ↑ Improved age of portfolio
- ↑ Geographic diversification
- ↑ EPU positive by 0.04 cents in FY2006

DOT Portfolio Geographic Diversification



On completion valuation

Executive summary

Estimated total net lettable area

Office	18,758m ²
Basement and storage	<u>960m²</u>
	19,718m ²

Estimated net contract rent \$8.836 million

Cap rate 7.75%

IRR 9.51%

Initial yield 8.00%

Valuation \$110.50 million

Valuer Jones Lang LaSalle

