Media Release

DB Real Estate
Deutsche Bank Group

12 February 2004

DEUTSCHE OFFICE TRUST RESULTS IN LINE WITH FORECAST

DB Real Estate's $2.3 billion Deutsche Office Trust (ASX: DOT) today announced a net profit of $49.44 million for the half year to 31 December 2003, down 6.5 per cent from the previous year but in line with the revised forecast announced in June 2003.

An interim distribution of 4.40 cents per unit will be paid to unitholders for the December half year. Total distribution for the year ended 30 June 2004 is forecast to be 9.00 cents per unit.

Michael Brown, General Manager, DOT said "The result is in line with our previous forecast and was achieved despite continuing weak office market conditions."

"The Trust has made significant progress in a number of key areas over the past six months including leasing over 40,000 square metres of space, achieving practical completion of the $250 million Woodside Plaza office development in Perth and the strategic acquisition of a 50 per cent interest in 1 Bligh Street, Sydney for future redevelopment," Mr Brown said.

Total assets increased by 14 per cent over the previous year to $2.3 billion primarily following the completion of Woodside Plaza, Perth and through progress at the Trust's development at 30 The Bond, Sydney. The net tangible asset (NTA) remains at $1.22 per unit.

Outlining the next six months Mr Brown said, "Inquiry levels are rising and we are undertaking a range of leasing initiatives to capitalise on the improving sentiment. We will further reposition the portfolio through our refurbishment programs and new developments to meet the changing needs of office users. For investors, we are focused on providing income certainty and continue to look at opportunities to add value for the medium to long term for the Trust."

Since balance date the Trust has secured new leases, renewals and heads of agreement for a further 25,000 square metres of office space, including a lease renewal to Optus over 13,700 square metres at The Zenith, Chatswood.

"These lease transactions bring the total concluded year to date to approximately 65,000 square metres. This has increased the average lease duration profile of the Trust from 5.7 to 5.9 years and further reduces the short-term expiry risk within the portfolio," Mr Brown said.

- ends -

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 and Perth), the Deutsche Office Trust invests in only premium, A and B grade office buildings.

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DEUTSCHE OFFICE TRUST - APPENDIX 4D
(ARSN 090 768 531)

Financial reporting period for the half year 31 December 2003

Results for announcement to the market.

The attached information should be read in conjunction with the most recent annual financial report.

Highlights of Results		31-Dec-03	31-Dec-02	Change
Revenue from ordinary activities ($'000)		97,536	97,948	-0.42%
Net Profit from ordinary activities after tax attributable to unitholders - ($'000)	1	49,443	52,921	-6.57%
Distribution to unitholders - ($'000)	2	50,514	56,316	-10.30%
Distributions for the half year ending 31 December (payable 13 February 2004) - cents per unit		4.40	5.05	-12.87%
Total distributions - cents per unit		**4.40**	**5.05**	**-12.87%**
Basic and diluted earnings (cents per unit)		4.40	5.05	-12.87%
		31-Dec-03	**30-Jun-03**	
Total Assets ($'000)		**2,327,380**	**2,040,500**	**14.06%**
Total Borrowings ($'000)	3	859,357	567,700	51.38%
Unitholders Equity ($'000)		1,365,325	1,365,325	0.00%
Market Capitalisation ($'000)		**1,262,857**	**1,285,818**	**-1.79%**
Net tangible assets (NTA) $ per unit		1.22	1.22	0.00%
Unit price - $		1.10	1.12	-1.79%
Units on issue		1,148,052,162	1,148,052,162	0.00%
Record date		31 December 2003		
Payment date - 31 December distribution		13 February 2004		

Commentary of results

1. Net profit for the half year ended 31 December 2003 when compared to the prior comparative financial period is lower predominantly due to the expiration of income support from STC in relation to 1 Margaret Street, Sydney and an increase in borrowing costs due to the increased levels of debt.

2. The distribution for the half year ended 31 December 2003 when compared to the prior comparative financial period is lower predominantly due to lower earnings, as explained in note 1.

3. $292m increase in borrowings is due to payment for Woodside Plaza, purchase of 50% interest in 1 Bligh Street, Sydney and other major capital expenditure including the development at 30-34 Hickson Road, Sydney.

For further analysis of the Trust's results, refer to the attached Responsible Entity's Report.

DEUTSCHE OFFICE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Notes	Consolidated 31 December 2003 $'000	 31 December 2002 $'000
Revenue from ordinary activities			
Rent		**95,931**	96,956
Interest income		**143**	150
Other revenues from ordinary activities		**542**	-
Share of net profits of associates accounted for using the equity method		**920**	842
Total revenue from ordinary activities		**97,536**	97,948
Expenses from ordinary activities			
Property expenses		**(20,767)**	(19,807)
Repairs and maintenance		**(3,460)**	(3,529)
Responsible entity fees	2	**(4,908)**	(5,011)
Other expenses from ordinary activities	3	**(510)**	(515)
Borrowing costs expense		**(18,448)**	(16,165)
Total expenses from ordinary activities		**(48,093)**	(45,027)
Net Profit	6	**49,443**	52,921
Net decrease in asset revaluation reserve	6	**(6,789)**	3,690
Total revenues, expenses and valuation adjustments attributable to members of Deutsche Office Trust recognised directly in equity		**(6,789)**	3,690
Total changes in equity other than those resulting from transactions with unitholders as owners		**42,654**	56,611
		Cents	Cents
Basic and diluted earnings - cents per unit (cpu)	12	**4.31**	4.61

The above statement of financial performance should be read in conjunction with the accompanying notes.

	Notes	Consolidated 31 December 2003 $'000	 31 December 2002 $'000
Distribution			
Net profit		**49,443**	52,921
Movement in undistributed income		**(576)**	2,236
Transfer from reserves		**1,647**	1,159
Distribution paid / payable	6,7	**50,514**	56,316
		Cents	Cents
Distribution paid/payable - cents per unit (cpu)	7	**4.40**	5.05

DEUTSCHE OFFICE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	Notes	Consolidated 31 December 2003 $'000	30 June 2003 $'000
Current assets			
Cash assets		**4,762**	873
Receivables		**24,355**	11,493
Other		**5,711**	3,624
Investments properties	4	**-**	175,004
Total current assets		**34,828**	190,994
Non-current assets			
Investment properties	4	**2,240,575**	1,812,366
Investments accounted for using the equity method		**39,807**	23,856
Other		**12,170**	13,284
Total non-current assets		**2,292,552**	1,849,506
Total assets		**2,327,380**	2,040,500
Current liabilities			
Payables		**13,255**	9,796
Interest bearing ~~liabilities~~		**773,957**	400,000
Provisions		**50,514**	56,827
Rent received in advance		**8,069**	2,095
Total current liabilities		**845,795**	468,718
Non-current liabilities			
Interest bearing liabilities		**85,400**	167,700
Other		**428**	465
Total non-current liabilities		**85,828**	168,165
Total liabilities		**931,623**	636,883
Net assets		**1,395,757**	1,403,617
Equity			
Contributed equity	5	**1,365,325**	1,365,325
Reserves	6	**25,200**	33,636
Undistributed income	6	**5,232**	4,656
Total equity		**1,395,757**	1,403,617

The above statement of financial position should be read in conjunction with the accompanying notes.

DEUTSCHE OFFICE TRUST
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Notes	Consolidated 31 December 2003 $'000	31 December 2002 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		**96,180**	108,582
Cash payments in the course of operations		**(39,316)**	(46,742)
Interest received		**143**	142
Net cash inflow from operating activities		**57,007**	61,982
Cash flows from investing activities			
Payments for capital expenditure on investment properties		**(254,327)**	(29,099)
Payments for investments in associates		**(15,000)**	-
Net cash outflow from investing activities		**(269,327)**	(29,099)
Cash flows from financing activities			
Proceeds from borrowings		**645,687**	54,096
Repayment of borrowings		**(354,030)**	(20,596)
Borrowing costs paid		**(18,621)**	(18,471)
Distributions paid		**(56,827)**	(55,692)
Net cash inflow/(outflow) from financing activities		**216,209**	(40,663)
Net increase/(decrease) in cash held		**3,889**	(7,780)
Cash at the beginning of the financial period		**873**	15,093
Cash at the end of the financial period		**4,762**	7,313

The above statement of cash flows should be read in conjunction with the accompanying notes.

DEUTSCHE OFFICE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

Note 1. Summary of significant accounting policies

(a) Basis of preparation

This general purpose financial report for the half year ended 31 December 2003 has been prepared in accordance with the Trust Constitution, Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2003 and any public announcements made in respect of Deutsche Office Trust ("the Trust") during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(b) Rounding of amounts

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, or in certain cases to the nearest dollar.

Note 2. Individually significant items

Responsible entity fees

Deutsche Asset Management (Australia) Limited, as responsible entity of the Trust, is entitled to fees under the Constitution of 0.55% of gross assets. As at 1 October 2003 the responsible entity announced that its entitlement to the fee permitted under the Constitution would be determined as follows:

Base fee

A base fee of 0.45% of gross assets up to $2.1 billion, plus 0.40% of gross assets over $2.1 billion, (previously 0.50% of total gross assets), calculated and paid monthly.

Performance fees

Where the Trust outperforms the ASX/S&P 200 Property Accumulation Index ("the Benchmark") the responsible entity will be entitled to receive a performance fee, calculated and paid in December and June of each year, equal to:

- 5% of the outperformance up to 2.0% over the Benchmark.
- 15% of the outperformance greater than 2.0% over the Benchmark.

Performance fee payments to the responsible entity will be reduced to the level permitted by the Constitution to the extent that the sum of:

- the base fee
- the performance fee for the period, and
- the performance fee (under or over) carried forward

exceeds the fee permitted by the Constitution. This excess will be carried forward when determining the performance fee payable in the subsequent period.

If the Trust underperforms the Benchmark the whole of the underperformance will offset any performance fee entitlement brought forward from a previous period. Any excess underperformance will be carried forward when determining the performance fee payable in the subsequent period.

For the Six Months to 31 December 2003

For the six months to 31 December 2003, total Responsible Entity fees paid equated to $4,908,000 (the maximum fee payable under the Constitution for the six months to 31 December 2003 was $5,812,000)

	31 December 2003
Responsible Entity fee for the three months to 30 September 2003	2,481,142
Base fee for the three months to 31 December 2003	2,427,067
Performance fee for the three months to 31 December 2003	-
	4,908,209

For the three months to 31 December 2003, the performance fee was determined as follows:

- The Trust's performance equated to 4.06%, which was below the Benchmark return of 6.41%. Trust performance was determined as the 10 day volume weighted average price ("VWAP") up to 31 December 2003 less the 10 day VWAP commencing 1 October 2003.
- The value of the Trust's underperformance (against the Benchmark) equated to $29,916,000.
- The performance fee earned was nil.
- The performance fee paid was nil.
- The underperformance fee carried forward was $1,941,000.

Note 3. Other expenses from ordinary activities

	Consolidated	
	31 December 2003	31 December 2002
	$'000	$'000
Audit Fees	**38**	69
Custodian fees	**93**	120
Legal fees	**-**	11
Registry costs and listing fees	**107**	86
Taxation fees	**75**	130
Other expenses	**197**	99
Total other expenses from ordinary activities	**510**	515

Note 4(a). Current assets – investment properties

Property	**Ownership**	**Acquisition Date**	**Cost including all additions $'000**	**Independent valuation date**	**Independent valuation amount $'000**	**Independent valuer**	**Consolidated Book Value 31 December 2003 $'000**	Consolidated Book Value 30 June 2003 $'000
Parent Entity								
KPMG Centre 45 Clarence Street Sydney NSW[1]	100%	Dec 1998					-	175,004
Total parent entity			**-**		**-**		**-**	175,004
Total current investment properties			**-**		**-**		**-**	175,004

[1] - As at 30/6/03 this property was classified as current, as at 31/12/03 this property is classified as non-current.

Note 4(b). Non-current assets – investment properties

Property	**Ownership**	**Acquisition Date**	**Cost including all additions $'000**	**Independent valuation date**	**Independent valuation amount $'000**	**Independent valuer**	**Consolidated Book Value 31 December 2003 $'000**	Consolidated Book Value 30 June 2003 $'000
Parent Entity								
Governor Phillip Tower & Governor Macquarie Tower Office Complex 1 Farrer Place Sydney NSW	50% Note (i)	Dec 1998	457,397	Jun 2003	477,500	(a)	482,862	477,500
KPMG Centre 45 Clarence Street Sydney NSW[1]	100%	Dec 1998	174,849	Dec 2003	165,000	(a)	165,000	-
Lumley House Ernst & Young Building 309-321 Kent Street Sydney NSW	50% Note (ii)	Dec 1998	140,320	Dec 2003	128,750	(b)	128,750	135,045
1 Margaret Street Sydney NSW	100%	Dec 1998	137,910	Dec 2003	131,000	(c)	131,000	131,380
Victoria Cross 60 Miller Street North Sydney NSW	100%	Dec 1998	80,219	Mar 2003	88,000	(d)	88,288	88,084
Zenith Centre 821-843 Pacific Highway Chatswood NSW	100%	Dec 1998	181,576	Jun 2003	215,000	(e)	215,237	215,000
Woodside Plaza 240 St Georges Terrace Perth WA	100%	Jan 2001	230,482	Nov 2003	250,000	(f)	250,000	38,080
30-34 Hickson Road Sydney NSW	100%	May 2002	96,724	n/a	n/a	n/a	97,661	47,810
Directors' revaluation adjustment	Note (ix)	n/a	n/a	n/a	n/a	n/a	(9,000)	(9,000)
Total parent entity			**1,499,477**		**1,455,250**		**1,549,798**	1,123,899

[1] - As at 30/6/03 this property was classified as current, as at 31/12/03 this property is classified as non-current.

Property	**Ownership**	**Acquisition Date**	**Cost including all additions $'000**	**Independent valuation date**	**Independent valuation amount $'000**	**Independent valuer**	**Consolidated Book Value 31 December 2003 $'000**	Consolidated Book Value 30 June 2003 $'000
Controlled entity								
Southgate Complex 3 Southgate Avenue Southgate VIC	100% Note (iii)	Aug 2000	341,918	Jun 2003	316,000	(b)	316,438	316,000
O'Connell House 15-19 Bent Street Sydney NSW	100% Note (iv)	Aug 2000	45,677	Jun 2003	45,500	(e)	45,684	45,500
201 Elizabeth Street Sydney NSW	50% Note (v)	Aug 2000	99,585	Jun 2003	110,000	(e)	110,348	110,000
Garema Court 140-180 City Walk Civic ACT	100% Note (vi)	Aug 2000	43,049	Oct 2003	44,600	(a)	44,600	46,967
Australia Square 264 George St Sydney NSW	50% Note (vii)	Aug 2000	180,172	Jun 2003	170,000	(a)	173,707	170,000
Total controlled entity			**710,401**		**686,100**		**690,777**	688,467
Total non-current investment properties			**2,209,878**		**2,141,350**		**2,240,575**	**1,812,366**
Property investments accounted for using the equity method								
2 O'Connell Street Sydney NSW	50% Note (viii)	Sep 2001	6,516	Dec 2003	7,200	(e)	7,451	7,108
4 O'Connell Street Sydney NSW	50% Note (viii)	Sep 2001	10,489	Dec 2003	11,500	(e)	12,000	11,758
1 Bligh Street Sydney NSW	50% Note (viii)	Dec 2003	15,000	n/a	n/a	n/a	15,000	-
9 Bligh Street Sydney NSW	50% Note (viii)	Sep 2001	4,797	Dec 2003	5,100	(e)	5,356	4,990
Total property investments accounted for using the equity method			**36,802**		**23,800**		**39,807**	23,856
Total non-current investment properties			**2,246,680**		**2,165,150**		**2,280,382**	1,836,222
Total investment properties			**2,246,680**		**2,165,150**		**2,280,382**	2,011,226

Note. 4(c). Current and non-current assets - investment properties (continued)

The title to all properties is freehold, with the exception of Garema Court 140-180 City Walk Civic ACT which is leasehold.

Notes
(i) 1 Farrer Place Trust owns the remaining 50% of this property.
(ii) AMP indirectly owns the remaining 50% of this property.
(iii) This property is owned by Paladin Southgate Trust, a controlled entity.
(iv) This property is owned by Bent Street Trust, a controlled entity.
(v) This property is owned 50% by Paladin Commercial Trust, a controlled entity. An unrelated entity, Perron Investments owns the remaining 50% of this property.
(vi) This property is owned by Garema Court Trust, a controlled entity.
(vii) This property is owned 50% by Paladin Australia Square Trust, a controlled entity. General Property Trust owns the remaining 50% of this property.
(viii) This property is owned by an unlisted trust, of which 50% of the remaining units in the unlisted trust are owned by the Deutsche Wholesale Property Fund.
(ix) The directors' have made a writedown of $9 million, which is specific to certain properties that have not been revalued as at 31/12/03 and will be allocated when the independent valuations are complete.

Valuer's name
(a) Colliers International Consultancy and Valuations Pty Limited
(b) CB Richard Ellis Pty Limited
(c) Knight Frank Valuations (Valuation Services (NSW) Pty Limited)
(d) Jones Lang LaSalle Advisory Services Pty Limited
(e) FPD Savills (NSW) Pty Limited
(f) Knight Frank (WA) Pty Limited

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. Properties not independently valued during the last 12 months are carried at directors' valuation at 31 December 2003. All other properties are carried at independent valuation plus capital expenditure incurred since the date of valuation.

Major developments
Woodside Plaza
During the half year, the development at 240 St Georges Terrace Perth was completed and the fixed price contract for the construction of the premium-grade office tower was settled. The contract price for the construction of the development was $195 million. The property was revalued upon completion and is held at valuation as at 31 December 2003.

Acquisitions
Farmer's building
A 50% interest in 1 Bligh Street, Sydney NSW (Farmers building) was acquired from NSW Farmers Superannuation Company Pty Ltd on 17 December 2003 for $15.0 million, exclusive of acquisition costs. The balance of the holding in the property was purchased by Deutsche Wholesale Property Fund.
The property is carried at cost as at 31 December 2003.

Reconciliations
Reconciliations of the carrying amounts of investment properties at the beginning and end of the current financial period and previous financial year are set out below.

		Consolidated	
	Note	**31 December 2003 $'000**	30 June 2003 $'000
Carrying amount at start of financial period		**2,011,226**	1,970,930
Additions		**275,507**	60,471
Revaluation (decrements)/increments	6	**(6,789)**	(19,154)
Movement in profits receivable in investment properties accounted for using the equity method		**438**	(1,021)
Carrying amount at end of financial period		**2,280,383**	2,011,226

Note 5. Contributed equity

	Consolidated	
	31 December 2003	30 June 2003
	$'000	$'000
(a) Value of units on issue		
Opening balance	**1,365,325**	1,365,325
Closing balance	**1,365,325**	1,365,325

	Consolidated	
	31 December 2003	30 June 2003
	Units	Units
(b) Number of units on issue		
Opening balance	**1,148,052,162**	1,148,052,162
Closing balance	**1,148,052,162**	1,148,052,162

Terms and Conditions
Each unit ranks equally with all other ordinary units for the purpose of distributions and on termination of the Trust.
Ordinary units entitle the holder to one vote, either in person or by proxy, at a meeting of the Trust.

Note 6. Reserves and undistributed income

	Notes	Consolidated 31 December 2003 $'000	30 June 2003 $'000
(a) Reserves			
Asset revaluation reserve		**25,200**	33,636
Total reserves		**25,200**	33,636
Movements:			
Asset revaluation reserve			
Opening balance		**33,636**	55,552
Decrement on revaluation of investment properties	6 (b)	**(6,789)**	(19,154)
Total movement in asset revaluation reserve		**(6,789)**	(19,154)
Transfer to undistributed income		**(1,647)**	(2,762)
Closing balance		**25,200**	33,636

(b) Nature and purpose of reserves

Asset revaluation reserve
The asset revaluation reserve is used to record increments and decrements on the revaluation of investment properties.

	Consolidated 31 December 2003 $'000	30 June 2003 $'000
(c) Undistributed income		
Undistributed income at the beginning of the financial period	**4,656**	12,495
Net profit	**49,443**	102,543
Transfer from asset revaluation reserve	**1,647**	2,762
Distributions provided for or paid	**(50,514)**	(113,144)
Undistributed income at the end of the financial period	**5,232**	4,656

(d) Transfer from asset revaluation reserve
During the development phase of Hickson Rd Sydney, an estimated revaluation increment which is expected to arise upon valuation when the development is complete, is transferred from the asset revaluation reserve to the amount available for distribution to unitholders. The total transfer for the period ending 31 December 2003 includes a revaluation increment which was transferred from the reserve to the amount available for distribution to unitholders in relation to Woodside Plaza, 240 St Georges Tce Perth prior to its valuation as at 30 November 2003 and subsequent completion.

Note 7. Distribution paid and payable

	Consolidated 31 December 2003 $'000	31 December 2002 $'000
Timing of distributions		
The distributions were paid/payable as follows:		
31 December paid / payable	**50,514**	56,316
Total distributions	**50,514**	56,316

	Consolidated 31 December 2003 Cents	31 December 2002 Cents
Distribution paid/payable cents per unit (cpu)		
31 December paid / payable	**4.40**	5.05

Note 8. Financial instruments

(a) Credit risk

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

Concentrations of credit risk are minimised primarily by:

- ensuring tenants, together with the 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 statement of financial position is generally the carrying amount.

Off-balance sheet financial instruments
Interest rate swap agreements are subject to credit risk in relation to the relevant counterparties, National Australia Bank, Commonwealth Bank of Australia and Deutsche Bank AG.

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

The credit risk on interest rate swap agreements is approximately equal to the net fair value (or replacement value) Refer to note 8.(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.

Off-balance sheet financial instruments
As at 31 December 2003, the net fair value of financial (liabilities)/assets of the Trust arising from interest rate swap agreements was **($3,589,000)** (June 2003: $17,139,925).

These amounts represent the potential (liability)/asset of the Trust if existing swap agreements as at 31 December 2003 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. Cash flow risk is the risk that the future cash flows will fluctuate. The risk management guidelines adopted are designed to minimise liquidity and cash flow risk through:

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

Note 8. 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 Trust'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 31 December 2003

	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets						
Cash assets	4,762	-	-	-	-	4,762
Receivables	-	-	-	-	24,355	24,355
Other	-	-	-	-	650	650
Total	**4,762**	**-**	**-**	**-**	**25,005**	**29,767**
Weighted average interest rate	4.11%					
Financial liabilities						
Payables	-	-	-	-	21,324	21,324
Interest bearing liabilities	808,387	50,970	-	-	-	859,357
Provision for distribution	-	-	-	-	50,514	50,514
Other	-	-	-	-	650	650
Interest rate swaps- fixed (notional principal amount)	(718,000)	150,000	450,000	118,000	-	-
Interest rate swaps- floating (notional principal amount)	50,000	(50,000)	-	-	-	-
Total	**140,387**	**150,970**	**450,000**	**118,000**	**72,488**	**931,845**
Weighted average interest rate *	6.61% [1]					
Net financial liabilities	**(135,625)**	**(150,970)**	**(450,000)**	**(118,000)**	**(47,483)**	**(902,078)**

Consolidated 30 June 2003

	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets						
Cash assets	873	-	-	-	-	873
Receivables	-	-	-	-	11,493	11,493
Other	-	-	-	-	696	696
Total	**873**	**-**	**-**	**-**	**12,189**	**13,062**
Weighted average interest rate	4.84%					
Financial liabilities						
Payables	-	-	-	-	11,891	11,891
Interest bearing liabilities	317,700	250,000	-	-	-	567,700
Provision for distribution	-	-	-	-	56,827	56,827
Other	-	-	-	-	696	696
Interest rate swaps- fixed (notional principal amount)	(468,000)	-	400,000	68,000	-	-
Interest rate swaps- floating (notional principal amount)	250,000	(250,000)	-	-	-	-
Total	**99,700**	**-**	**400,000**	**68,000**	**69,414**	**637,114**
Weighted average interest rate *	6.50%					
Net financial liabilities	**(98,827)**	**-**	**(400,000)**	**(68,000)**	**(57,225)**	**(624,052)**

* The effect of interest rate swaps are incorporated in the weighted average interest rate.

[1] The average interest rate for the month of December 2003 was 6.25%.

Note 9. Contingent liabilities

The directors of the responsible entity are not aware of any matters in relation to the Trust, other than those disclosed in the financial statements, which should be brought to the attention of unitholders as at the date of completion of this report.

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

	Consolidated	
	31 December 2003	30 June 2003
	$'000	$'000
Bank guarantees by the parent entity in respect of variations and other finanical risks associated with the development of 240 St Georges Terrace, Perth WA	**7,448**	8,750
Bank letter of credit facility for the purpose of purchasing the development at 240 St Georges Terrace, Perth WA [1]	**195,000**	195,000
Total contingent liabilities	**202,448**	203,750

[1] - The bank letter of credit facility was terminated on 28/1/04.

Note 10. Events occurring after reporting date

Since the end of the financial period, the directors of the responsible entity are not aware of any matter or circumstance not otherwise dealt with in this 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 periods.

Note 11. Segment information

The consolidated entity operates solely within the commercial property sector in Australia.

Note 12. Earnings per unit

	Consolidated	
	31 December 2003	31 December 2002
Basic and diluted earnings per unit (cents)	**4.31**	4.61
Weighted average number of units outstanding used in the calculation of basic and diluted earnings per unit	**1,148,052,162**	1,148,052,162

PRICEWATERHOUSECOOPERS

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Independent audit report to the members of Deutsche Office Trust

Audit opinion

In our opinion, the financial report of Deutsche Office Trust (the trust):

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Deutsche Office Trust Group (defined below) as at 31 December 2003 and of its performance for the half-year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: *Interim Financial Reporting* 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 the Deutsche Office Trust Group (the consolidated entity), for the half-year ended 31 December 2003. The consolidated entity comprises both Deutsche Office Trust (the trust) and the entities it controlled during that half-year.

The directors of Deutsche Asset Management (Australia) Limited, as the responsible entity of the trust, 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 unitholders 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.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB *1029: Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its 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 accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When this audit report is included in a document containing information in addition to the financial report, our procedures include reading the other information 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

DA Prothero
Partner

Sydney
12 February 2004

RESPONSIBLE ENTITY'S REPORT

Welcome to the half-year report for Deutsche Office Trust (DOT). The Responsible Entity is pleased to report that during the past six months, the Trust's management have made significant progress in a number of key areas despite continuing weak office market conditions.

Results
Net profit for the half year was $49.44 million and in line with previous forecasts. A distribution of 4.40 cents per unit will be paid to unitholders on or around 13 February 2004.

The net tangible asset (NTA) remains at $1.22 per unit, however, total assets increased by 14% to $2.32 billion primarily following the completion of Woodside Plaza at 240 St Georges Terrace, Perth and through progress at the Trust's development at 30 The Bond, 30–34 Hickson Road, Sydney.

Achievements include leasing over 40,000 square metres of space, completion of the $250 million Woodside Plaza office development in Perth and the strategic acquisition of a 50% interest in One Bligh Street in Sydney to consolidate a future redevelopment site for the Trust in the Sydney CBD.

In addition, the Trust's $117 million development at 30 The Bond, 30–34 Hickson Road, Sydney has substantially progressed and is due for completion at the end of March 2004.

These new developments and the refurbishment of assets, such as Australia Square, are a key part of management's strategy to reposition the portfolio to meet the changing needs of office users and to provide better prospects for stronger returns from the Trust in the future.

While leasing markets continue to remain challenging, inquiry levels are rising and the Trust's portfolio is well positioned to benefit further this year from expected strengthening demand for office space.

Portfolio review

Leasing and rent review activity
This half year, the Trust has secured new leases, lease renewals and extensions totalling approximately 40,000 square metres of office space. The lease duration profile of the Trust is 5.7 years, with lease occupancy at 95 per cent.

The major leasing deal concluded over the period was a new 8-year lease to the Commonwealth Government, effective 1 November 2003 for approximately 10,267 square metres securing their tenancy at Garema Court, Canberra until 30 October 2011.

Other significant deals in Sydney include new long term leases to:

- Corrs Chambers Westgarth and Piper Alderman totalling over 9,300 square metres at Governor Phillip Tower & Governor Macquarie Tower Complex, 1 Farrer Place Sydney;
- Origin Energy and Grange Securities totalling over 5,000 square metres at Australia Square, 264 George Street, Sydney;
- Michael Page International and the NSW Government totalling 4,000 square metres at One Margaret Street; and
- In Perth, Corrs Chambers Westgarth have entered into a long-term lease for 2,143 square metres at Woodside Plaza, 240 St Georges Terrace, Perth.

Developments

30 The Bond, 30–34 Hickson Road, Sydney

The Trust is developing a 19,700 square metre low rise A-grade office building to primarily be the new headquarters for Lend Lease Corporation. The project is well underway with the concrete structure completed, the façade glazing complete to the Level 9 roof and the finishes over 50% complete throughout the building. 30 The Bond will be the first office building in Australia to achieve a 5-star Australian Building Greenhouse Rating (ABGR). The building is due for completion in March 2004 and management is currently seeking to pre-lease the remaining office space available on Level 1 in the building.

Woodside Plaza, Perth

The project reached practical completion on 12 December 2003 and is located on the corner of St Georges Terrace and Milligan St in Perth's CBD. The development has delivered the first premium quality office tower in Perth for over 12 years. The complex comprises of 46,700 square metres of office space, 870 square metres ground floor retail and basement parking for 251 cars. Following the recent lease agreement with Corrs Chambers Westgarth for Level 15, management is seeking to lease the remaining space within the mid-rise of the building.

Australia Square, Sydney

The $12 million refurbishment of the Plaza building, the forecourt and the Tower lobby is on track for completion by April 2004. Design and documentation is generally complete with construction well advanced. The new windows to the Plaza building are complete with work commenced on the new Plaza lobby on Pitt Street. Lend Lease Corporation, which will vacate space within the complex in March 2004, have handed over a number of office floors for refurbishment by the owners. The buildings have attracted a number of prominent financial and business groups including; Origin Energy, Grange Securities and RGA Australia. Discussions continue with a number of parties whom have an interest in leasing space in the building.

Acquisition

In December 2003, the Trust together with the Deutsche Wholesale Property Fund (DWPF) jointly acquired One Bligh Street, Sydney. The purchase is a long-term strategic investment for the Trust and DWPF given the property's location in the core financial precinct of the Sydney CBD and its potential for redevelopment along with the Trust's collective interest in four adjoining properties. One Bligh Street was developed in 1989 and incorporates basement, ground floor retail and 10 upper floors of office space and is fully leased.

Divestment

In November 2003 the Trust withdrew 45 Clarence Street, Sydney from sale on the open market. The building will be retained by the Trust and will undergo a minor refurbishment to assist in the releasing of office space following the exit of KPMG in early 2004.

Valuations

In accordance with the portfolio revaluation program, eight of the Trust's properties were revalued during the period resulting in an overall decrease of $6.8 million in the asset revaluation reserve.

45 Clarence Street and 309–321 Kent Street, Sydney fell by 6.0% and 4.9% respectively reflecting pending lease expiries, whilst the previously over-rented Garema Court, Canberra fell by 5.1%.

The Woodside Plaza, 240 St Georges Terrace, Perth on-completion valuation delivered a 8.5% increase over cost, thus proving a very successful development for the Trust.

Capital management

Debt

During the period, the Trust instigated a major debt restructuring initiative with the introduction of a secured debt program to access lower cost debt funding and provide a more flexible capital structure.

The first stage commenced in August 2003, with an issue of $352 million of asset backed commercial paper (Series I) which was used to buy-back medium term notes and repay bank debt. A second issuance in December 2003 of $217 million of asset backed commercial paper (Series I and II) was principally used to finance the final contract payment on completion of Woodside Plaza, Perth.

The Trust had debt of $859.40 million or 37% of total assets, as at 31 December 2003. With respect to interest rate management, the Trust took advantage of the continuing low interest rates in October 2003 to increase interest rate hedges by adding swaps of $120 million. The current average cost of debt is approximately 6.25% (including margin) and the average swap duration of the debt is 3.9 years.

Management fees

Following revision of the Responsible Entity's remuneration structure, the manager must achieve a return for the Trust in excess of the S&P ASX 200 in order for it to claim its full fee entitlement under the constitution. The Responsible Entity's remuneration is now as follows.

- Base fee:
  - A base fee of 0.45% per annum of the gross assets up to $2.1 billion, plus 0.40% per annum of the gross assets over $2.1 billion determined and paid monthly.

- Performance fee:
  - 5% of the out-performance up to 2% over the ASX/S&P 200 Property Accumulation Index;
  - 15% of the out-performance greater than 2% over the ASX/S&P 200 Property Accumulation Index.

This new fee structure represents a further commitment by the Responsible Entity to align its interests with those of unitholders.

Trust focus

The management team remains focused on minimising the short-term leasing risks within the portfolio, particularly in Sydney and Perth, in order to provide income certainty for investors. At the same time, it continues to look at opportunities to add value for the medium to long-term for the Trust.

LEASING UPDATE

Deutsche Asset Management (Australia) Limited as the responsible entity for the Deutsche Office (DOT) Trust is pleased to announce that it has secured new leases, lease renewals, extensions and heads of agreement totalling over 25,000 square metres since 1 December 2003, including over 13,700 square metres to Optus at The Zenith, Chatswood.

These lease transactions have increased the average lease duration profile of the Trust from 5.7 to 5.9 years and further reduced the short term expiry risk in 2004/2005.

Michael Brown, General Manager, Deutsche Office Trust said 'Our pro-active leasing strategy to forward manage expiries at The Zenith in Chatswood and Victoria Cross, North Sydney has proven very successful with over 20,000 square metres of lease transactions concluded in the past few months.

'Since 1 July 2003 we have concluded lease deals totalling over 65,000 square metres across the portfolio with a further 5,000 under advanced negotiations. Over the next six to twelve months our leasing efforts will be focused on reducing current and expected vacancies, particularly in our Sydney and Perth properties,' said Mr Brown.

Details on the major lease transactions are summarised below:

KPMG Centre						
Activity	**Tenant**	**Suite/ Level**	**Area (sqm)**	**Term**	**Review structure**	**Start date**
New Lease	Resimac Limited	Level 9	1,196.0	5yrs 4mths	Fixed annual reviews	1 Feb 2004
New Lease	Tribeca Learning Limited	Level 4	1,203.0	8yrs	Fixed annual reviews	1 Jul 2004
Southgate Complex						
Activity	**Tenant**	**Suite/ Level**	**Area (sqm)**	**Term**	**Review structure**	**Start date**
Heads of Agreement	Archer Consulting Group Pty Ltd	Level 9 IBM Tower	1,308.0	6yrs	Fixed annual reviews	1 Jan 2005
Governor Phillip Tower Governor Macquarie Tower Complex						
Activity	**Tenant**	**Suite/ Level**	**Area (sqm)**	**Term**	**Review structure**	**Start date**
Heads of Agreement	Dabserv Pty Ltd	Level 61	1,190.5	12yrs 8mths	Combination Fixed/Market	20 Jan 2004
Heads of Agreement	UBS AG	Levels 23 – 26	5,713.0	1 yr	Fixed	1 Jul 2006
The Zenith						
Activity	**Tenant**	**Suite/ Level**	**Area (sqm)**	**Term**	**Review structure**	**Start date**
Heads of Agreement	Cisco Systems Australia Pty Ltd	Levels 1 & 3- 5 Tower B	4,171.4	5yrs	Fixed annual reviews	1 Jan 2004
Heads of Agreement	Amatek Industries Pty Ltd	Level 5 Tower A	1,077.3	5yrs	Fixed annual reviews	1 May 2004
Heads of Agreement	Optus Vision	Levels 6 – 9, 13 – 16 & 21 Tower B	13,733.2	3yrs 4 mths	Fixed annual reviews	1 Jul 2004
Victoria Cross						
Activity	**Tenant**	**Suite/ Level**	**Area (sqm)**	**Term**	**Review structure**	**Start date**
Heads of Agreement	Euro RSCG Pty Limited	Levels 11 & 12	2,347.0	5yrs	Fixed annual reviews	1 Oct 2004
Heads of Agreement	EMC Corporation	Levels 6 & Pt 7	1,953.0	5yrs	Fixed annual reviews	1 Sep 2004

DEUTSCHE OFFICE TRUST

December 2003 half yearly results

Investor presentation

February 2004

Deutsche Asset Management (Australia) Limited
ABN 11 076 098 596
Licensed Dealer in Securities

DB Real Estate
Deutsche Bank Group

Agenda

- **Performance summary**
- **Portfolio overview**
- **Capital management**
- **Outlook**
- **Annexures**

    A-financial performance

    B-financial position

Past performance is not indicative of or a guarantee of future results.
Any performance forecasts contained in this presentation are not promises of future performance and are not guaranteed.
This presentation is intended to provide a general outline only and is not intended to be a definitive statement on the subject matter.
The presentation does not constitute investment advice and should not be relied upon as such.

Performance summary

1 Farrer Place,Sydney; Garema Court, Canberra; 45 Clarence St, Sydney; One Margaret St, Sydney

Half year highlights

- Net profit of $49.44 million
- Earnings per unit 4.31 cents
- Distribution per unit 4.40 cents
- NTA maintained at $1.22
- Total assets $2.3 billion up 14% primarily due to completion of Woodside Plaza and development of 30 The Bond
- Lease duration profile 5.7 years
- Over 40,000 square metres of new leases and heads of agreement
- Strategic acquisition of 1 Bligh Street, Sydney
- Move to performance based fees effective 1 October 2003
- Enhanced corporate governance:
  - Majority Non-Executive Board
  - Independent Chairman
  - Responsible Entity to commence AGM's

Key statistics

	31 Dec 2003	31 Dec 2002
Reported net profit	**$49.44m**	$52.92m
Earnings per unit*	**4.31c**	4.61c
Distributions per unit	**4.40c**	5.05c
	31 Dec 2003	**30 Jun 2003**
Total assets	**$2.3b**	$2.0b
Total borrowings	**$859.4m**	$567.7m
Gearing (debt to total assets)	**36.92%**	27.82%
Number of units on issue	**1,148,052,162**	1,148,052,162
NTA/unit	**$1.22**	$1.22
Market capitalisation	**$1,262.9m**	$1,285.8m
Average lease duration (years)	**5.7**	5.8

*Before revaluation movement

Property net income performance

Property	31 Dec 03 $m	31 Dec 02 $m	Change ($)	Change (%)
GPT/GMT Complex[1]	15.3	16.5	-1.2	-7.3
Southgate Complex[2]	13.6	13.8	-0.2	-1.5
Woodside Plaza	0.9	0.0	+0.9	-
The Zenith	8.5	8.4	0.1	1.2
45 Clarence Street	7.5	6.9	0.6	8.7
Australia Square	7.0	6.8	0.2	2.9
309-321 Kent Street	4.7	4.6	0.1	2.2
201 Elizabeth Street	4.4	4.1	0.3	7.3
1 Margaret Street[3]	2.1	4.9	-2.8	-57.1
Victoria Cross	3.5	3.3	0.2	6.1
Garema Court	2.4	2.5	-0.1	-4.0
O'Connell House	1.7	1.8	-0.1	-5.6
2 O'Connell Street	0.3	0.3	-	-
4 O'Connell House	0.5	0.4	0.1	25.0
9 Bligh Street	0.2	0.2	-	-
Total portfolio	**72.6**	**74.5**	**-1.9**	**-2.6**

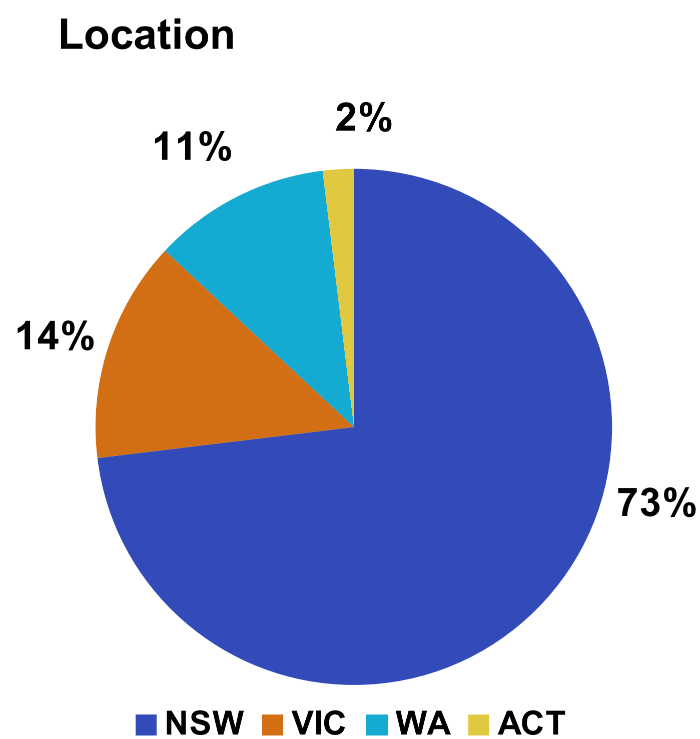
1. 2002 result includes one-off lease surrender payment from NSW Government ($2.0m).
2. 2002 result includes one-off surrender payment for Retail B1 ($1.3m).
3. 2002 result includes income support from STC which expired Dec 02 ($4.8m).

Portfolio overview

Sydney Skyline; 1 Farrer Place, Sydney; The Zenith, Chatswood

Diversification

- 95% occupancy
- 5.7 years lease duration
- 17 assets
- Average cap rate 7.4%



Major new leases completed - 6 months

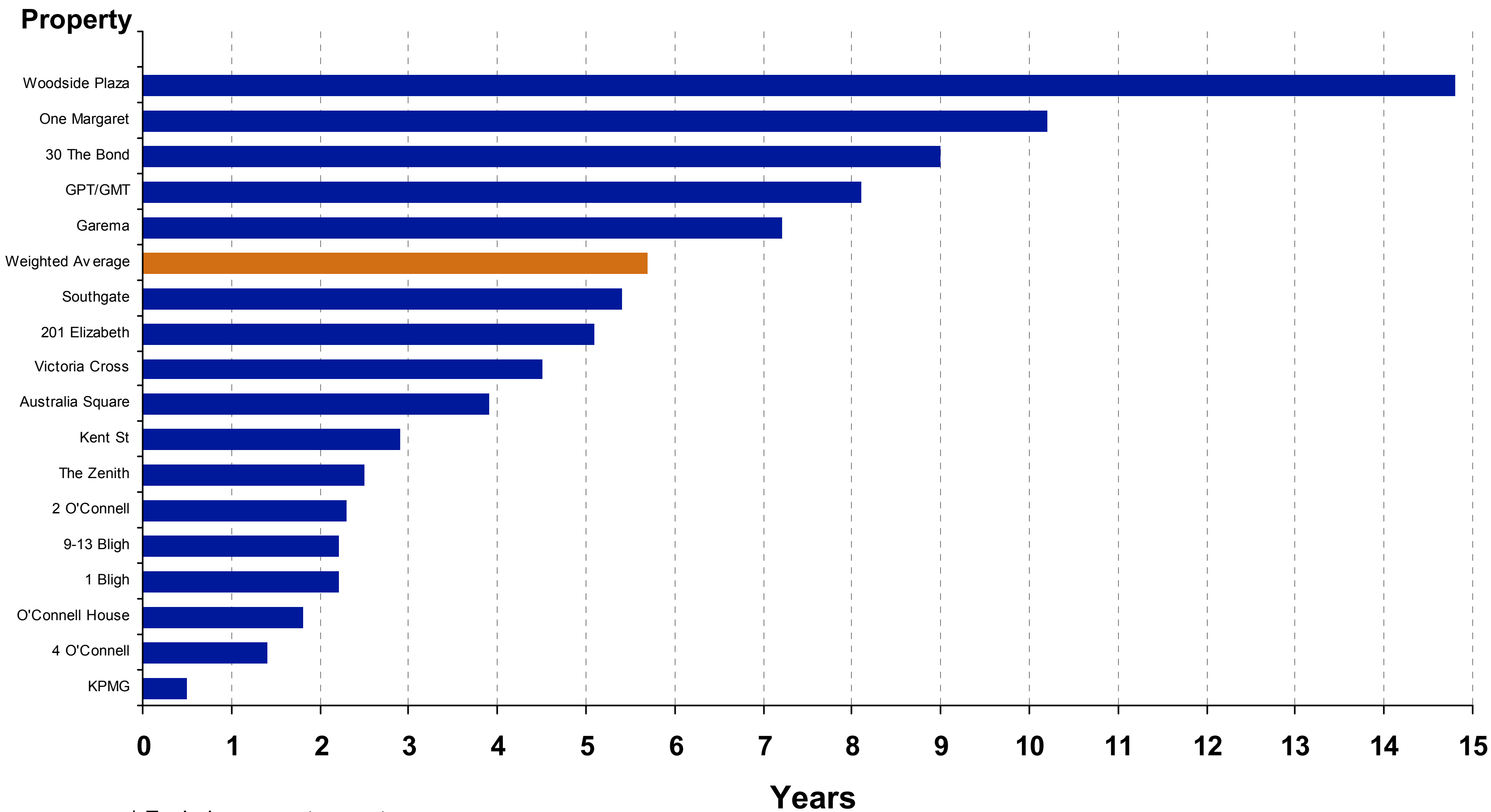
Tenant	Property	Area m^2	Lease commencement	Term years
Commonwealth Govt.	Garema Court	10,267	Nov 03	8.0
Cisco Systems	The Zenith	4,171	Jan 04	5.0
Origin Energy	Australia Square	4,122	Sep 04	10.0
Piper Alderman	GMT	2,469	Nov 03	7.2
Euro RSCG	Victoria Cross	1,953	Oct 04	5.0
EMC Corporation	Victoria Cross	2,170	Sep 04	5.0
CCW[1]	Woodside Plaza	2,143	Jan 04	10.5
Amatek Industries[2]	The Zenith	1,377	May 04	5.0
NYK Line	45 Clarence	1,202	Jul 03	12.0
MSJ[3]	GPT	1,191	Jan 04	12.7
Total		**31,065**		

Notes: Total leases/heads of agreement (100% area) 49,000 sqm

Total leases/heads of agreement (area adjusted for ownership) 43,200 sqm

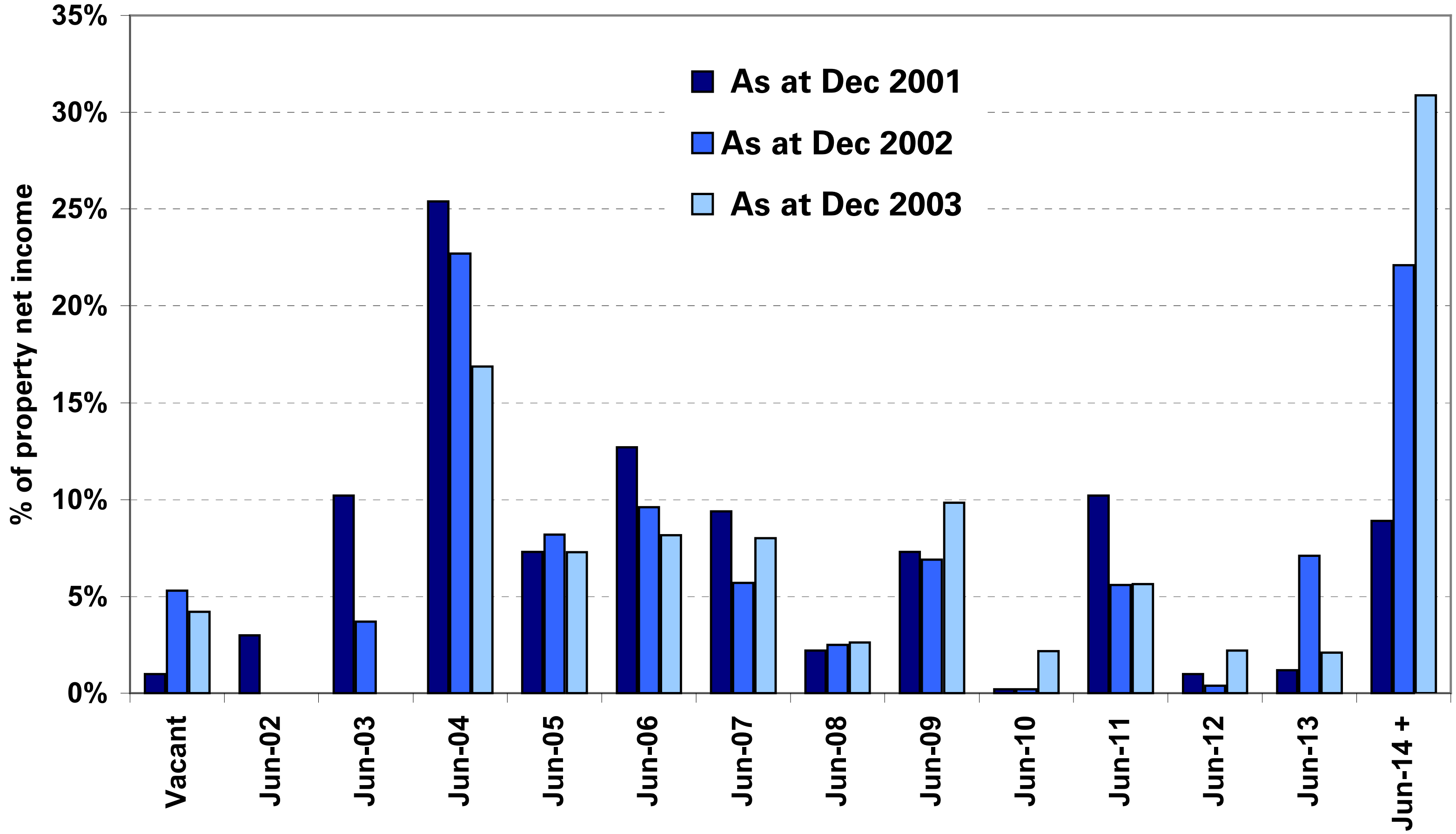
1 relates to Corrs Chambers Westgarth
2 area includes additional 300 sqm which expires Sep 05
3 relates to Mallesons Stephen Jaques

Lease duration by net income*



* Excludes current vacant space

Lease expiry profile by net income



Notes

Car park management agreements are assumed to have a 10 year expiry.

Figures includes 12 month income support period for 30 The Bond commencing Apr 04.

Source: DB Real Estate

Leasing - Key tasks FY04

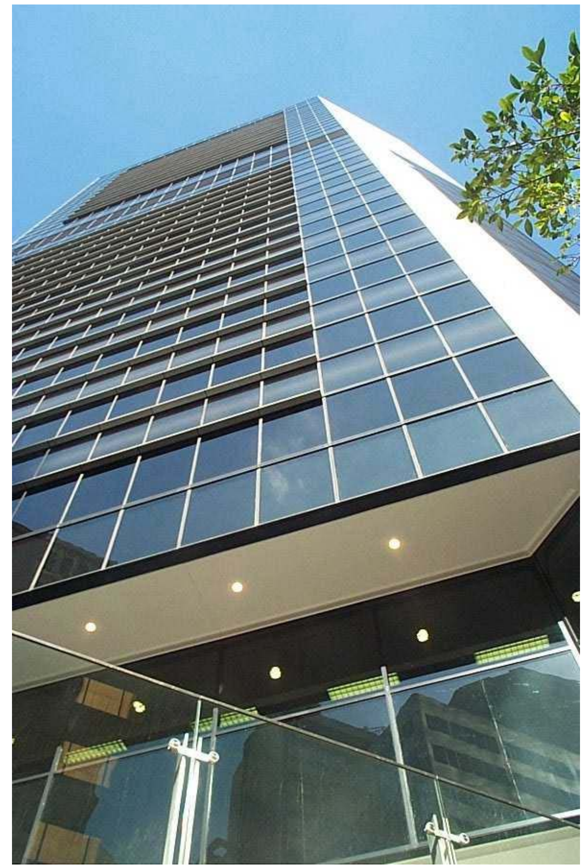
Property	June 03 m^2	Dec 03 m^2	Feb 04 m^2
One Margaret Street	7,000	3,000	**2,500**
O'Connell House	10,000	6,000	**5,500**
Australia Square *	24,000	15,000	**15,000**
The Zenith	26,000	25,000	**3,500**
45 Clarence	28,000	28,000	**25,000**
240 St Georges Terrace	8,500	6,300	**6,300**
Total	**103,500**	**83,300**	**57,800**

* DOT ownership 50%, expiry figures represent 100% of vacancy NLA

Asset Strategies

One Margaret Street, Sydney, NSW

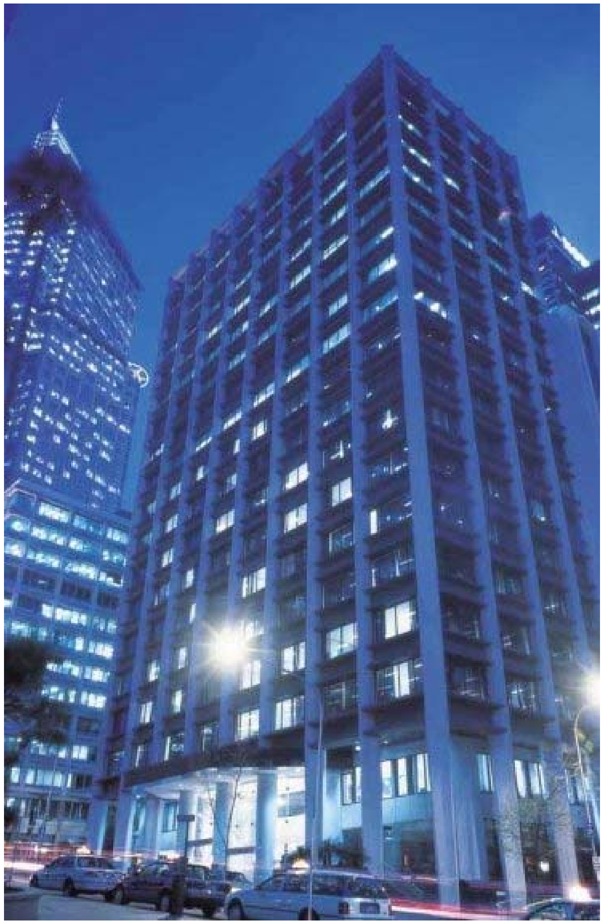
- Objectives
  - lease remaining 7,000 square metres of office space
- Progress to date
  - Leases/Heads of Agreement signed for 4,500 square metres of office space (including 400 square metres of retail space)
  - Lobby café open, ground floor restaurant and newsagent to open second quarter 2004.



Asset Strategies

O'Connell House
15 Bent Street, Sydney, NSW

- Objectives
  - lease up 10,000 square metres over 2003/2004 following existing expiries
- Progress to date
  - Leases/Heads of Agreement signed for 3,260 square metres 6 months to December 2003
  - Heads of agreement for a further 1,380 square metres



Asset Strategies

Australia Square
264 George Street, Sydney, NSW

- Objectives
  - complete refurbishment works by April 2004
  - lease space to be vacated by Lend Lease Corporation
- Progress to date
  - Works well underway and on track for April 2004 completion
  - Leases/Heads of Agreement signed for 6,660* square metres 6 months to December 2003
  - Negotiations underway for a further 3,320* square metres

* Represents 100% area

Artist impression of refurbished plaza lobby

Asset Strategies

The Zenith
821-843 Pacific Highway, Chatswood

- Objectives
  - forward manage the Optus and Cisco tenancies due for expiry in 2004
  - lease current vacant space
  - reposition the ground floor lobby space
- Progress to date
  - Optus secured to October 2007 for 13,730 square metres
  - Cisco resigned for 5 years to December 2008 over 4,170 square metres
  - Leases/Heads of Agreement signed for a further 7,200 square metres
  - Lobby works complete

DB Real Estate
Deutsche Bank Group

Asset Strategies

45 Clarence Street, Sydney, NSW

- Objectives
  - complete refurbishment works by May 2004
  - lease vacant space and secure existing tenants
- Progress to date
  - make good work underway on Levels 11, 12 and 14 - 28
  - refurbishment plans complete and to be lodged in February 2004 for DA approval
  - new leases to NYK Lines, Tribeca Corporation and Resimac for over 3,600 square metres

DB Real Estate
Deutsche Bank Group

Projects update

Woodside Plaza
240 St Georges Terrace, Perth, WA

- Construction
  - Practical completion agreed as 12 December 2003.
  - Woodside fitout complete end January 2004. Low rise occupied 17 January 2004.
- Leasing
  - Corrs Chambers Westgarth fitout to commence first quarter 2004.
  - Transfield Worley fitout to commence February 2004.
  - 6,340m^2 to lease, offer for 2,143m^2 under review.
  - Nine of ten retail tenancies committed

DB Real Estate
Deutsche Bank Group

Projects update

30 The Bond
30 - 34 Hickson Road, Sydney

- Construction
  - Target completion and Lend lease move 25 March 2004.
  - All areas approaching completion.
  - All design and performance aspirations being realised.
- Leasing
  - Café/Restaurant committed to atrium space
  - Lend Lease expanded to take 1,320m^2 on ground floor
  - 2,062m^2 on Level 1 remaining
  - Ongoing media coverage being generated by innovation in design.
  - 30 The Bond becoming ESD benchmark building for Australian market.

Property valuations

Property	Valuation $m	Date	Net gain/loss $m
309 - 321 Kent Street*	128.75	Dec 2003	(6.4)
45 Clarence Street	165.00	Dec 2003	(10.0)
One Margaret Street	131.00	Dec 2003	(4.0)
Woodside Plaza	250.00	Nov 2003	19.5
Garema Court	44.60	Oct 2003	(2.3)

* 50% ownership

Capital management

Debt management

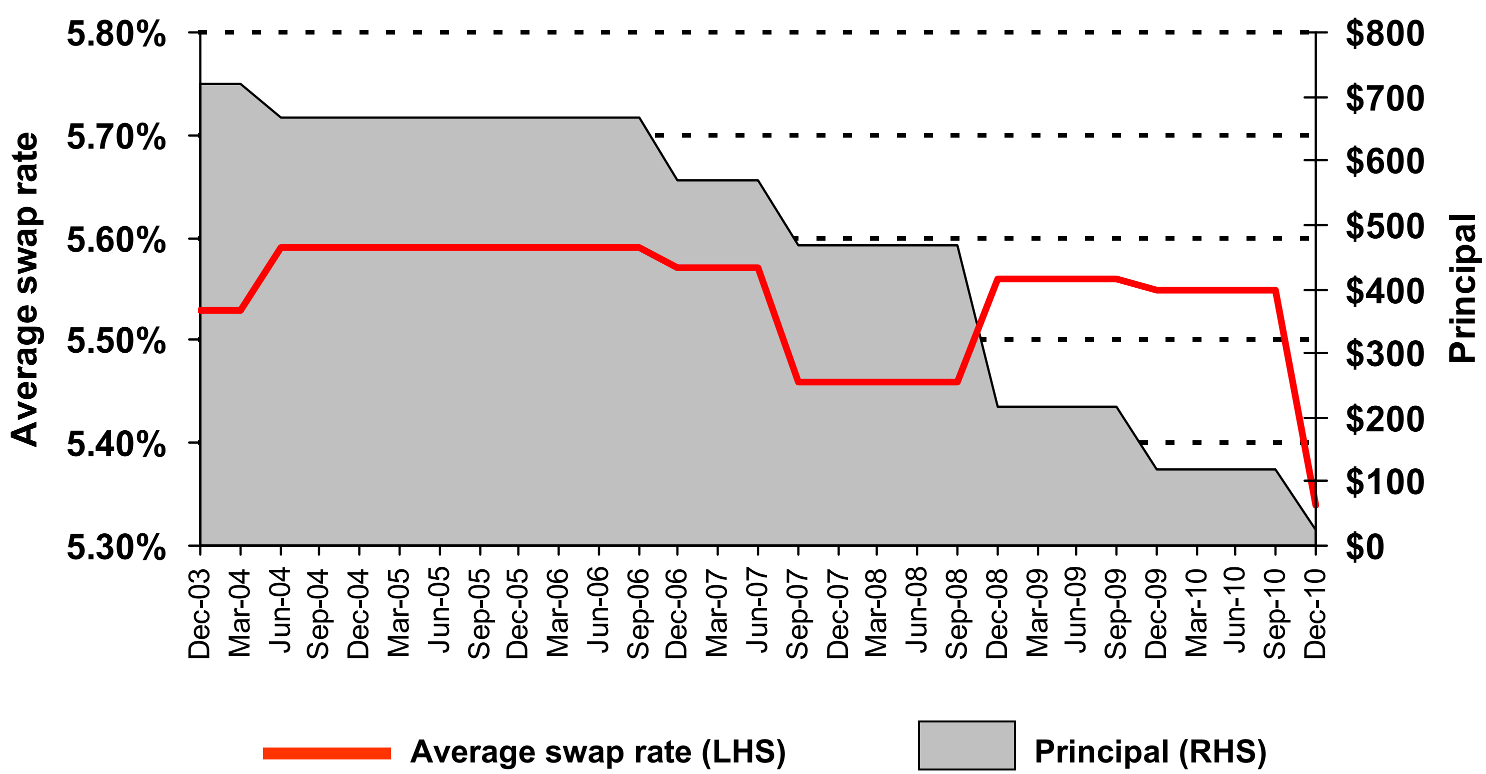
- Total debt $859 million
- Interest rate cost 6.25%
- Gearing at 37%
- Hedging 83.6% within target range of 70 - 90% for interest rate exposure
- CMBS to issue within next six months subject to market conditions
- Program size minimum $500 million with three to five year maturity

Debt status

Debt snapshot 31 Dec 2003	Amount Drawn $m	Average interest rate (%)	Margin/Line Fee (%)	Total average interest cost (%)
Bank debt utilised	244.9			
ABCP issues	563.5			
MTN issues	51.0			
Total	**859.4**			
Fixed swaps	718.0	5.53		
Unhedged debt	141.4	5.48		
Total	**859.4**			
Total debt	**859.4**	**5.52**	**0.73**[1]	**6.25**

1. Includes swap spread cost currently at 0.18%

Hedging profile



Outlook

Office market outlook

- Tenant demand remains subdued, however….
- Demand expected to improve this year:
  - Company profits are up
  - White collar employment growth improving
  - Stronger growth forecast for the global economy, particularly US
- Rents have eased in most markets due to higher incentives
- National vacancy rate at 9.8%, much lower than in previous cycles
- Supply gathering steam, but generally in check (except Melbourne)
- Subdued capital growth this year
- Investment demand strong for well leased prime space

Trust 2004 objectives - progress to date and next 6 months

Financials

- **Stabilise earnings and distributions**
  - forecast 9.0 cents dpu for 2003/2004
- **Complete the debt restructure**
  - Stage 2 CMBS subject to market conditions, target second quarter 2004.

Portfolio

- **Further improve the lease expiry profile of the Trust**
  - 40,000 square metres by December 2003
  - additional 25,000 square metres under heads of agreement/negotiation
- **Complete the new office developments**
  - Woodside Plaza, Perth, practical completion on 12 December 2003.
  - 30 The Bond, Sydney due 31 March 2004
- **Introduce new assets to the Trust**
  - Strategic acquisition of 1 Bligh Street, Sydney
  - Review all opportunities as they arise

New business

- **Establish first unlisted office property syndicate**
  - Structure and financials under review

Annexures

DB Real Estate
Deutsche Bank Group

A - Statement of financial performance

For the half-year ending 31 December 2003

	6 months to 31 Dec 2003 $'000	6 months to 31 Dec 2002 $'000
Rent	95,931	96,956
Interest income	143	150
Other revenues from ordinary activities	542	-
Share of net profits (equity method)	920	842
Total revenues	**97,536**	**97,948**
Property outgoings	(20,767)	(19,807)
Repairs and maintenance	(3,460)	(3,529)
Responsible entity fees	(4,908)	(5,011)
Other expenses	(510)	(515)
Borrowing costs expense	(18,448)	(16,165)
Net profit	**49,443**	**52,921**
Net (decrease)/increase in asset revaluation reserve	**(6,789)**	**3,690**
Distributions		
Net profit	48,443	52,921
Movement in undistributed income	(576)	2,236
Transfer from equity	1,647	1,159
Distributions paid and payable	**50,514**	**56,316**

B - Statement of financial position (summary)

For the half-year ending 31 December 2003

	31 Dec 2003 $'000	31 Jun 2003 $'000
ASSETS		
Total current assets	34,828	191,194
Total non-current assets	2,292,552	1,849,506
Total assets	**2,327,380**	**2,040,700**
LIABILITIES		
Current liabilities	845,795	468,918
Total non-current liabilities	85,828	168,165
Total liabilities	931,623	637,083
Net assets	**1,395,757**	**1,403,617**
EQUITY		
Contributed equity	1,365,325	1,365,325
Reserves	25,200	33,636
Undistributed income	5,232	4,656
Total equity	**1,395,757**	**1,403,617**