



23 September 2004

The Manager
Australian Stock Exchange Limited
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

Dear Sir/Madam

Email: michael-db.brown@db.com

Re: Deutsche Office Trust (DOT)- Unitholder update

As a condition to granting various waivers to the Listing Rules the ASX requires the following release to the market in relation to the put and call arrangements over the Deutsche Bank Group's interest in the remaining 50% of the shares in DB RREEF Holdings Pty Limited (DRH).

On 31 August 2004, Deutsche Asset Management (Australia) Limited (DeAM) as the responsible entity for Deutsche Industrial Trust (DIT) and Deutsche Office Trust (DOT) and DB Real Estate Australia Limited (DBRE) as responsible entity for Deutsche Diversified Trust (DDF) released an Explanatory Memorandum and associated documents outlining a proposal to reposition and expand DIT, DOT and DDF.

As more fully outlined in the Explanatory Memorandum, the proposal is designed to create a major diversified property group to be known as DB RREEF Trust (DRT) by combining DDF, DIT and DOT with a newly formed trust known as DB RREEF Operations Trust (DRO).

One of the key elements of the proposal is the acquisition by DRO of a 50% interest in DB RREEF Funds Management Limited (DRFM) (through the acquisition of a 50% interest in DRFM's holding company, DB RREEF Holdings Pty Limited (DRH)). The acquisition will effectively internalise 50% of the management of each of the Trusts within DRT and will also give DRO a 50% interest in the management rights of third party property funds.

The remaining 50% interest in DRH will be held by a member of the Deutsche Bank Group. Put and call arrangements in respect of the Deutsche Bank Group's interest are proposed to be put in place.

The Explanatory Memorandum contains further information in relation to the operation and potential impact of these put and calls arrangements. A summary of this information is set out below. Defined terms have the same meaning as in the Explanatory Memorandum.

Operation of the put/call arrangements

If the proposal is implemented, the Deutsche Bank Group will have the right to require DRFM to acquire its remaining interest in DRH if any of the following happen:

- (a) a person and their associates (other than DAL and its related bodies corporate) acquire a relevant interest, in aggregate, in 30% or more of the Stapled Securities;
- (b) DAL ceases to be a related body corporate of Deutsche Bank AG;
- (c) Deutsche Bank Group dispose all or substantially all of its US real estate funds management business (presently RREEF) or its global real estate funds management business;
- (d) FAP is required by law or a regulator to dispose of its shares.

The purchase price payable for the interests will be assessed by reference to half of 1.28% of the FUM of DRH and its subsidiaries plus the Net Tangible Assets (**NTA**) of DRH and its subsidiaries. The relevant FUM and NTA will be assessed as at the date of exercise of the put option.

The purchase price may be funded either by cash or by procuring the issue of Stapled Securities (the number of Stapled Securities being determined by reference to the volume weighted average price of the Stapled Securities in the 10 business day period commencing on the date that the put is exercised). In the event that the issue of Stapled Securities is not permitted, then the purchase price must be paid in cash.

DRFM has the right to call upon the Deutsche Bank Group to sell its remaining interest in DRH to DRO if any of the following occur:

- (a) DAL ceases to be a related body corporate of Deutsche Bank AG; or
- (b) Deutsche Bank Group disposes of all or substantially all of its US real estate funds management business (presently RREEF) or its global real estate funds management business.

The method for calculating the exercise price for the call option is as set out above for the put option.

Independent Expert's Opinion

The Independent Expert, Grant Samuel & Associates Pty Limited, explains that the proposed partial internalisation of DRT's management structure is unique to the Australian market. Paragraph 9.5.4 of the Report describes circumstances where the put and call options are attractive and could prove to be advantageous to DRT unitholders and where there are drawbacks and risks.

The Independent Expert took the put and call arrangements into consideration in forming its opinion that "... the Proposal is in the best interests of the unitholders as a whole in DOT, DIT and DDF in the absence of a superior proposal".

The Independent Expert's Report, including further information in relation to the put and call arrangements, is set out in full in the Explanatory Memorandum. Unitholders should read the Independent Expert's Report in full.

Copies of the Explanatory Memorandum are available on the DB Real Estate website
www.dbrealestate.com/australia/proposal"

Yours Sincerely



Ian Thompson
Company Secretary