

DB RREEF Property Syndicate

gordon property trust &
gordon property investment trust



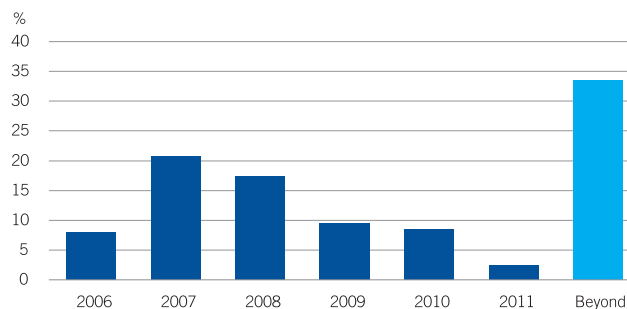
half year report 2005

property highlights

- Income return for the half year ending 31 December 2005 was 6.68 cents per unit.
- As at 31 December 2005 the complex was 94.3 percent leased based on total lettable area.
- Weighted average lease expiry by income is 7.6 years.

average lease expiry

lease expiry by net passing income



syndicate details

Syndicate term	12 years
Established	1998
Property type	Retail
Date built	Est 1964
Site area (m ²)	7,928 (Centre) 651 (Arcade)
Net lettable area (m ²)	11,598 (Centre) 1,846 (Arcade)
Car parking	575 spaces
Purchase price	\$40,965,000
Latest valuation date	30 June 2005
Latest valuation	\$75,000,000

financial highlights

gordon property trust

as at 31 Dec 05*

Total assets	\$75,766,000
Net assets attributable to members	\$74,729,000
Net asset backing per unit attributable to members	\$3.44

six months to 31 Dec 05*

Distributions to members ¹	\$1,450,000
	6.68cpu

gordon property investment trust

as at 31 Dec 05*

Total assets	\$51,253,000
Net assets attributable to members	\$33,637,000
Net asset backing per unit attributable to members	\$2.28

six months to 31 Dec 05*

Distributions to members ¹	\$984,000
	6.68cpu

¹ Under Australian International Financial Reporting Standards now classified as total finance costs to members paid and provided for.

* Unaudited.

DB RREEF

Managed in partnership with Deutsche Bank

responsible entity's report

[gordon shopping complex, gordon, nsw](#)

The Gordon Property Trust owns the Gordon Shopping Centre and the Gordon Village Arcade ('the Complex') and comprises primarily retail and some commercial tenancies. The Gordon Shopping Centre ('the Centre') is located on the corner of Dumaresq Street and the Pacific Highway, Gordon, and is serviced by a multi-level carpark comprising 575 carspaces. The Gordon Village Arcade ('the Arcade') has frontage to the Pacific Highway whilst the rear of the property has direct access to a Council carpark comprising 320 carspaces located at the rear of the Complex.

[leasing](#)

As previously advised, Woolworths has executed a new 20 year lease with an additional 10 year option term and has completed an entire refurbishment of the store. The estimated value of the upgrade was over \$3 million and comprised the latest Woolworths fitout and floor layout to provide a more efficient and conducive supermarket environment. Woolworths sales have been steadily increasing since the refurbishment.

We are finalising terms for a further five year lease with Bakers Delight for approximately 66 square metres on the ground floor of the Centre.

New lease renewals in the Arcade include Northshore Travel Agency for a further five year term for approximately 69 square metres. Northshore Travel Agency is located on the fourth level of the Arcade amongst other services such as retirement village brokers, a podiatrist, pathology and skin care clinic.

As at 31 December 2005 the Complex was approximately 94.3 percent occupied.

[building works](#)

Emphasis continues to be placed on ensuring high standards of occupational health and safety and environmental risk management by conducting continual audits and building improvement works. A proactive maintenance regime ensures carpark and common areas throughout the Complex are of a high standard and are safe for all users.

Additional wheel stoppers, signage and lighting were installed in the Centre carpark. The common areas of level two in the Centres, which house the commercial suites, have been partly upgraded with a fixed plaster ceiling, new lighting and paint palette to motivate more leasing enquiry for the vacant commercial suites.

During the period to 31 December 2005 a scope of works was finalised to upgrade three lifts in the Centre (comprising two passenger lifts and one goods lift). Work will commence after the Easter 2006 trading period and will be conducted in stages to minimise disruption to the Centre's operations and customers. Total budget estimates for this project amount to approximately \$800,000 to be spread over two financial years. The capital expenditure will be debt funded via the \$1.5 million facility that has been in place since the Syndicate's inception.

[trust performance](#)

Entering into its seventh year of the Syndicate term, the Trust has paid a distribution to members of 6.68 cents per unit for the six months to 31 December 2005, providing an annualised yield of 13.36 percent (before tax) on the initial equity price of \$1.00.

Distributions from July 2005 have reduced so that income returns are now in line with the underlying property income.

contact

[responsible entity](#)

DB RREEF Funds Management Limited
ABN 24 060 920 783

[registered office](#)

Level 9, 343 George Street, Sydney NSW 2000

PO Box R1822, Royal Exchange NSW 1225

Phone: 02 9017 1100

Fax: 02 9017 1107

Investor Relations: 02 9017 1221

Email: syndicates@dbreef.com

Website: www.dbreef.com

[general manager – unlisted funds](#)

Mark Turner

[syndicate manager](#)

Alexandra Varvaressos

[unit registry enquiries](#)

Link Market Services Limited

Locked Bag A14, Sydney South NSW 1235

Phone: 1300 554 474

Fax: 02 9287 0303

Email: registrars@linkmarketservices.com.au

Website: www.linkmarketservices.com.au

[custodian](#)

Perpetual Trustee Company Limited

Level 11, 123 Pitt Street, Sydney NSW 2000

DB RREEF

Managed in partnership with Deutsche Bank 