

DB RREEF Property Syndicates

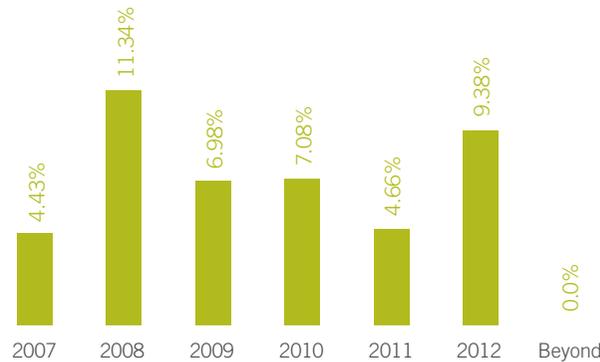
gordon property trust and
gordon property investment trust
half year report december 2006



property highlights

- As at 31 December 2006 the complex was 97.3 percent leased based on total lettable area.
- Weighted average lease expiry by income is 6.6 years.
- Income return for the half year ending 31 December 2006 was 6.51 cents per unit.

lease expiry profile 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)	11,973 (Centre) 1,844 (Arcade)
Car parking	575 spaces
Purchase price	\$40.965 million
Latest valuation date	30 June 2006
Latest valuation	\$81.5 million

financial highlights

gordon property trust

as at 31 December 06*

Total assets	\$82,470,841
Net assets attributable to members	\$80,389,547
Net asset backing per unit attributable to members	\$3.70

six months to 31 Dec 06*

Distribution to members ¹	\$1,412,000 6.51cpu
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gordon property investment trust

as at 31 December 06*

Total assets	\$55,242,452
Net assets attributable to members	\$37,776,268
Net asset backing per unit attributable to members	\$2.56

six months to 31 Dec 06*

Distribution to members ¹	\$958,748 6.51cpu
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¹ Under Australian International Reporting Standards now classified as total finance costs to members paid and provided for.

* Unaudited.

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responsible entity's report

description

The Gordon Shopping Complex (the Complex) comprises two retail assets, the Gordon Centre (the Centre) and the Gordon Village Arcade (the Arcade). The Complex has a total lettable area of 13,817 square metres. The Centre is supermarket based with retail and commercial tenancies located over three levels. The Arcade is linked to the Centre and provides retail accommodation for approximately 26 specialty retailers over four levels.

location

The Complex is located on the Pacific Highway, Gordon, a suburb located 16 kilometres north of the Sydney CBD.

leasing

The Centre is 97.3 percent occupied with a weighted average lease expiry profile of 6.6 years.

The Centre currently has significant leasing activity underway, with ten shop leases expiring with effect from 31 October 2006. This presents an opportunity to improve and refresh the retail mix and appearance of the Centre. The Manager aims to enhance the Centre by retaining preferred retailers where possible and replacing others with new and contemporary retail and service operators. This will bring a refreshing combination of new national names and local retailers to the Centre.

Shop 16 (formerly *Sally's Books*) has been leased to *Woolworths*, enabling them to significantly improve their important Liquor offer, whilst terms have been agreed for part shop 7 (formerly *Roses*) to be leased to *Flight Centre*.

Terms have also been agreed for the previously vacant shop 9 to be leased to *Mansours*. This popular retailer has commenced trading and will re-fit their premises early in 2007.

Within the Arcade, *Fetish Shoes* has commenced trading from shop 19, with a view to taking a permanent lease of this previously vacant shop. Meanwhile, attractive gift and homewares retailer *Everything Nice* has commenced trading in shop 16.

The Manager has placed particular emphasis on the leasing of vacant commercial space during the year. As a result, seven vacant suites have now been leased. There is now only one vacant suite.

improvements

During the six months to December 2006 the Centre has seen the completion of a major program of works to improve the passenger lifts, completed in accordance with the planned budget and program.

During the coming year, preliminary work will be carried out with a view to replacing the two main escalators within the Centre which serve the *Harvey Norman* store. It is anticipated that replacement will be carried out during 2007/08, in careful consultation with *Harvey Norman*. The Manager also proposes to upgrade important Centre facilities during 2007/08, including the public toilets.

performance

The Centre has performed satisfactorily with income distributions paid to members of 6.51 cents per unit for the six months to 31 December 2006, providing an annualised income of 13.01 cents per unit (before tax).

contact

responsible entity

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custodian

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