

28 August 2007

The Manager
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

DB RREEF Funds Management Limited
ABN 24 060 920 783
Australian Financial Services Licence
Holder

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Dear Sir / Madam

DB RREEF RENTS Trust (ASX: DRRPA)
Full year results for the period ending 30 June 2007

Results for Announcement to the Market

DB RREEF Funds Management Limited, as responsible entity for DB RREEF RENTS Trust (DRRPA), is pleased to confirm that it has lodged the following documents with the Australian Stock Exchange today:

- Appendix 4E Statement - "Results for announcement to the market";
- Financial Statements for the period ending 30 June 2007, including Independent Audit Report from PricewaterhouseCoopers; and
- Top 20 holders and holders spread

For further information, please contact:

| | | |
|-------------------------------|--------------------|----------------|
| CEO, DB RREEF Trust: | Victor Hoog Antink | (02) 9017 1129 |
| Fund Manager, DB RREEF Trust: | Ben Lehmann | (02) 9017 1266 |
| Investor Relations: | Karol O'Reilly | (03) 8611 2930 |
| Media Enquiries: | Emma Parry | (02) 9017 1133 |

Yours sincerely



Tanya Cox
Company Secretary

Results for announcement to the market

DB RREEF RENTS Trust (ASX:DRRPA) Appendix 4E Statement Period ending 30 June 2007

| Highlights of results | 30-Jun-07 | 30-Jun-06 | % Change |
|---|----------------|----------------|----------|
| Income from ordinary activities (\$'000) | 15,695 | 14,334 | 9.5% |
| Net profit from ordinary activities after tax attributable to security holders (\$'000) | 15,542 | 14,157 | 9.8% |
| Net profit after tax attributable to security holders (\$'000) | 15,542 | 14,157 | 9.8% |
| Distribution to security holders (\$'000) | 15,447 | 14,786 | 4.5% |
| Distributions for the year per security (\$) | | | |
| 30 September Qtr | 1.83 | 2.07 | |
| 31 December Qtr | 1.89 | 1.75 | |
| 31 March Qtr | 1.90 | 1.71 | |
| 30 June Qtr | 1.95 | 1.72 | |
| Total distributions (\$) | 7.57 | 7.25 | |
| Basic and diluted earnings (cents per unit) | 761.86c | 693.97c | 9.8% |
| Tax deferred component of distribution (%) | 90% | 90% | |
| Total assets (\$'000) | 208,200 | 207,894 | |
| Total borrowings (\$'000) | Nil | Nil | |
| Unitholders equity (\$'000) | 204,158 | 204,063 | |
| Market capitalisation (\$'000) | 208,080 | 212,160 | |
| Net tangible assets (NTA) (\$ per unit) | 100.07 | 100.03 | |
| Unit price (\$) | 102.00 | 104.00 | |
| Units on issue ('000) | 2,040 | 2,040 | |
| Record date - 30 June distribution | 29 June 2007 | 30 June 2006 | |
| Payment date - 30 June distribution | 16 July 2007 | 17 July 2006 | |

A distribution reinvestment plan is not operating.

The operations and results of DB RREEF RENTS Trust have been in line with the trust's objectives and expectations. Attached with this Appendix 4E is a copy of the audited Financial Statements for the year ended 30 June 2007 together with the Independent Audit Report from PricewaterhouseCoopers.



FINANCIAL STATEMENTS

DB RREEF RENTS TRUST

(ARSN 112 705 852)

ANNUAL FINANCIAL REPORT

30 JUNE 2007

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All press releases, financial reports and other information are available on our website: www.dbrreef.com.

The Directors of DB RREEF Funds Management Limited (DRFM) as Responsible Entity of DB RREEF RENTS Trust ("Trust") present their Directors' Report together with the Financial Statements for the year ended 30 June 2007.

1. Directors and other key management personnel

1.1 Directors

The following persons were Directors or alternate Directors of DRFM at all times during the year, and to the date of this Directors' Report:

| Directors | Appointed |
|--|------------------|
| Christopher T Beare | 4 August 2004 |
| Elizabeth A Alexander AM | 1 January 2005 |
| Barry R Brownjohn | 1 January 2005 |
| Stewart F Ewen OAM | 4 August 2004 |
| Victor P Hoog Antink | 1 October 2004 |
| Charles B Leitner III | 10 March 2005 |
| Brian E Scullin | 1 January 2005 |
| Alternate Director | |
| Andrew J Fay for Charles B Leitner III | 30 January 2006 |

1.2 Other key management personnel

In addition to the Directors listed above the following persons were deemed by the Board Nomination and Remuneration Committee to be key management personnel (KMP) during all or part of the financial year and up to the date of this report:

| Name | Title | The date they qualified or ceased to qualify as a KMP during the 12 months ended 30 June 2007 |
|----------------------|-------------------------------|--|
| Victor P Hoog Antink | Chief Executive Officer | |
| Tanya L Cox | Chief Operating Officer | |
| John C Easy | General Counsel | |
| Ben J Lehmann | DB RREEF Trust Fund Manager | |
| Peter C Roberts* | Chief Financial Officer | Ceased to qualify 8 June 2007 |
| Paul G Say | Head of Corporate Development | Qualified 19 March 2007 |
| Mark F Turner | Head of Unlisted Funds | |

*Resigned 8 June 2007

2. Remuneration report

Remuneration received by key management personnel of the Trust is a cost of DRFM and not the Trust. DRFM does not recover any proportion of their remuneration from the Trust.

3. Directors' interests

As at the date of this Directors' Report, no Director or Alternate Director directly or indirectly held:

- securities in the Trust; or
- options over, or any other contractual interest in, securities in the Trust; or
- an interest in any other fund managed by DRFM.

4. Principal activities

During the year the principal activity of the Trust consisted of an investment in preference units of DOT Commercial Trust, a sub trust of DB RREEF Office Trust. DB RREEF Office Trust forms part of the DB RREEF Trust stapled security. There were no significant changes in the nature of the Trust's activities during the year.

5. Total value of trust assets

The total value of the assets of the Trust as at 30 June 2007 was \$208.2 million (2006: \$207.9 million). Details of the basis of the valuation are outlined in note 1 of the Notes to the Financial Statements and form part of this Directors' Report.

6. Review and results of operations

The Trust's results for the year ended 30 June 2007 was:

- Profit Attributable to Unitholders was \$15.5 million (2006: \$14.1 million);
- Distributions Paid and Payable to Unitholders were \$15.4 million (2006: \$14.8 million);
- Total Assets was \$208.2 million (2006: \$207.9 million); and
- Net Assets was \$204.2 million (2006: \$204.1 million).

The operations of the Trust have been in line with expectations.

7. Likely developments and expected results of operations

In the opinion of the Directors, disclosure of any further information regarding business strategies and the future developments or results of the Trust, other than the information already outlined in this Directors' Report or the financial statements accompanying this Directors' Report would be unreasonably prejudicial to the Trust.

8. Significant changes in the state of affairs

The Directors of DRFM are not aware of any matter or circumstance, not otherwise dealt with in this Directors' 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 years.

9. Matters subsequent to the end of the financial year

Since the end of the year the Directors of DRFM are not aware of any matter or circumstance not otherwise dealt with in this Directors' 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 years.

10. Distributions

Distributions paid or payable by the Trust for the year ended 30 June 2007 are outlined in note 9 of the Notes to Financial Statements and forms part of this Directors' Report.

11. DRFM fees and associate interests

Details of fees paid or payable by the Trust to the DRFM for the year ended 30 June 2007 are outlined in note 13 of the Notes to the Financial Statements and form part of this Directors' Report.

The number of units in the Trust held by the DRFM or its associates as at the end of the financial year are disclosed in note 13 of the Notes to the Financial Statements and form part of this Directors' Report.

12. Interests in the Trust

The movement in units on issue in the Trust during the year and the number of units on issue as at 30 June 2007 are detailed in note 7 of the Notes to the Financial Statements and forms part of this Directors' Report.

The Trust did not have any options on issue as at 30 June 2007 (2006: nil).

13. Environmental regulation

The Directors of the DRFM are satisfied that adequate systems are in place for the management of its environmental responsibilities and compliance with its various licence requirements and regulations. Further, the Directors are not aware of any breaches of these requirements and to the best of their knowledge all activities have been undertaken in compliance with environmental requirements.

14. Indemnification and insurance

The insurance premium for a policy of insurance indemnifying Directors, officers and others (as defined in the relevant policy of insurance) is paid by DRFM. The auditors are in no way indemnified out of the assets of the Trust.

15. Audit

15.1 Auditor

PricewaterhouseCoopers (PwC or the Auditor) continues in office in accordance with section 327 of the Corporations Act 2001.

15.2 Non-audit services

Details of the amounts paid to the Auditor, which include amounts paid for non-audit services are set out in note 2 of the Notes to the Financial Statements.

The Board Audit Committee is satisfied that the provision of non-audit services provided during the year by the Auditor (or by another person or firm on the Auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The reasons for the Directors being satisfied are:

- Board Audit Committee has determined that the external auditor will not provide services that have the potential to impair the independence of its audit role, including:
 - participating in activities that are normally undertaken by management; and
 - being remunerated on a "success fee" basis.
- Board Audit Committee has determined that the Auditor will not provide services where the Auditor may be required to review or audit its own work, including:
 - the preparation of accounting records;
 - the design and implementation of information technology systems;
 - conducting valuation, actuarial or legal services;
 - promoting, dealing in or underwriting securities; or
 - providing internal audit services;
- Board Audit Committee regularly reviews the performance and independence of the Auditor and whether the independence of this function has been maintained having regard to the provision of non-audit services.
The Auditor has provided a written declaration to the Board regarding its independence at each reporting period and Board Audit Committee approval is required before the engagement of the Auditor to perform any non-audit service for a fee in excess of \$100,000.

The above Directors' statements are in accordance with the advice received from the Board Audit Committee.

15.3 Audit independence declaration

A copy of the Auditors' Independence Declaration as required under section 307C of the Corporations Act 2001 is set out in the Financial Statements and forms part of this Directors' Report.

16. Rounding of amounts and currency

The Trust is a registered scheme of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in this Directors' Report and the financial statements. Amounts in this Directors' Report and the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the financial statements, except where otherwise stated, are expressed in Australian dollars.

17. Management representation

The Chief Executive Officer and Chief Operations Officer, the person who effectively holds the role of Chief Financial Officer, have reviewed the Trust's financial reporting processes, policies and procedures together with its risk management and internal control and compliance policies and procedures. Following that review it is their opinion that the Trust's financial records for the financial year have been properly maintained in accordance with the Corporations Act 2001 and the financial statements and their notes comply with the accounting standards and give a true and fair view.

18. Directors' authorisation

This Directors' Report is made in accordance with a resolution of the Directors.



Christopher T Beare
Chair
27 August 2007



Victor P Hoog Antink
Chief Executive Officer
27 August 2007

Auditor's Independence Declaration

As lead auditor for the audit of DB RREEF RENTS Trust for the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DB RREEF RENTS Trust during the period.



JA Dunning
Partner
PricewaterhouseCoopers

Sydney
27 August 2007

| | Notes | 2007 \$'000 | 2006 \$'000 |
|---|-------|----------------|----------------|
| Income | | - | - |
| Fair value gain on investment | | 15,593 | 14,312 |
| Interest revenue | | 102 | 22 |
| Total income | | <u>15,695</u> | <u>14,334</u> |
| Expenses | | | |
| Other expenses | | (153) | (177) |
| Total expenses | | <u>(153)</u> | <u>(177)</u> |
| Profit attributable to unitholders of DB RREEF RENTS Trust | | <u>15,542</u> | <u>14,157</u> |
| Earnings per unit¹ | | Cents | Cents |
| Basic earnings per unit | 17 | - | - |
| Diluted earnings per unit | 17 | - | - |

¹ Earnings per unit represents the earnings attributable to the ordinary unitholder, DB RREEF Office Trust. Details of earnings per unit attributable to preference unitholders are included in Note 17 of the Notes to the Financial Statements.

The above Income Statements should be read in conjunction with the accompanying notes.

| | Notes | 2007 \$'000 | 2006 \$'000 |
|---|-------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | | 4,190 | 3,894 |
| Receivables | 3 | 8 | - |
| Total current assets | | 4,198 | 3,894 |
| Non-current assets | | | |
| Financial assets at fair value through profit or loss | 4 | 204,000 | 204,000 |
| Total non-current assets | | 204,000 | 204,000 |
| Total assets | | 208,198 | 207,894 |
| Current liabilities | | | |
| Payables | 5 | 62 | 322 |
| Provisions | 6 | 3,978 | 3,509 |
| Total current liabilities | | 4,040 | 3,831 |
| Total liabilities | | 4,040 | 3,831 |
| Net assets | | 204,158 | 204,063 |
| Equity | | | |
| Contributed equity | 7 | 197,705 | 197,705 |
| Undistributed income | 8 | 6,453 | 6,358 |
| Total equity | | 204,158 | 204,063 |

The above Balance Sheets should be read in conjunction with the accompanying notes.

DB RREEF RENTS TRUST
 STATEMENTS OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2007

| | Notes | 2007 \$'000 | 2006 \$'000 |
|---|-------|-----------------------|-----------------------|
| Total equity at the beginning of the year | | 204,063 | 204,873 |
| Profit | | 15,542 | 14,157 |
| Transactions with equity holders in their capacity as equity holders: | | | |
| Contributions of equity, net of transaction costs | 7 | - | (181) |
| Distributions provided for or paid | 9 | (15,447) | (14,786) |
| Total transactions with equity holders | | <u>(15,447)</u> | <u>(14,967)</u> |
| Total equity at the end of the year | | <u><u>204,158</u></u> | <u><u>204,063</u></u> |

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

**DB RREEF RENTS TRUST
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

| | Note | 2007 \$'000 | 2006 \$'000 |
|---|------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Receipts in the course of operations (inclusive of GST) | | 9 | 584 |
| Payments in the course of operations (inclusive of GST) | | (425) | (117) |
| Interest received | | 101 | 22 |
| Distributions received | | 15,593 | 14,312 |
| Net cash inflow from operating activities | 16 | 15,278 | 14,801 |
| Cash flows from investing activities | | | |
| Payments for investments in unit trusts | | - | - |
| Net cash inflow from investing activities | | - | - |
| Cash flows from financing activities | | | |
| Proceeds from issue of units | | - | - |
| Establishment expenses and unit issue costs | | - | (263) |
| Distributions paid | | (14,981) | (11,268) |
| Net cash outflow from financing activities | | (14,981) | (11,531) |
| Net inflow in cash and cash equivalents | | 297 | 3,270 |
| Cash and cash equivalents at the beginning of the year | | 3,894 | 624 |
| Cash and cash equivalents at the end of the year | | 4,191 | 3,894 |

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

The Trust was created on 27 January 2005. On 15 June 2005, the Trust listed 2,040,000 units on the Australian Stock Exchange under the code "DRRPA". The Trust is required to comply with the reporting and disclosure requirements under the Corporations Act 2001 and Australian Accounting Standards.

This general financial report for the year ended 30 June 2007 has been prepared in accordance with the requirements of the Trust's Constitution, the *Corporations Act 2001* and Australian Equivalents to International Financial Reporting Standards ("AIFRS").

This financial report is prepared on the going concern basis and in accordance with historical cost conventions and has not been adjusted to take account of either changes in the general purchasing power of the dollar or changes in the values of specific assets, except for the revaluation of certain non-current assets and financial instruments (refer note 1(b)).

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

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS may require the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Trust's accounting policies. Other than the estimation of fair values described in note 1(b), no key assumptions concerning the future or other estimation of uncertainty at the reporting date have a significant risk of causing material adjustments to the financial statements in the next annual reporting period.

(b) Financial assets at fair value through profit and loss

The Trust has designated its investment in DOT Commercial Trust ("DCT") as a financial asset at fair value through profit or loss. The investment is revalued at each reporting date to its fair value in accordance with AASB 139. Changes in the fair value of the investment are recognised in the Income Statement for the year. Distributions received from the investment are credited against the investment when received.

The fair value of the investment is determined using discounted cash flow analysis. The discount rate applied in calculating the fair value of the investment is 1.3% per annum over the 90 day bank bill rate.

(c) Income recognition

Interest income

Interest income is brought to account on an accruals basis using the effective interest rate method and, if not received at the balance date, is reflected in the Balance Sheets as a receivable.

(d) Expenses

Expenses are brought to account on an accruals basis and, if not paid at the balance date, are reflected in the Balance Sheets as a payable.

(e) Goods and Services Tax

Revenues, expenses and capital assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Cash flows are included in the Cash Flow Statements on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the ATO is classified as operating cash flows.

(f) Taxation

Under current legislation, the Trust is not liable for income tax, provided it satisfies the requirements of the ATO.

(g) Distributions

In accordance with the Trust's Constitution, the Trust distributes its distributable income to unitholders by cash. Distributions are provided for when they are approved by the Board of Directors and declared.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Summary of significant accounting policies (continued)

(i) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, which is based on the invoiced amount less provision for doubtful debts. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Trusts will not be able when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables.

(j) Acquisition of assets

The purchase method of accounting is used for all acquisitions including business combinations. Cost is measured as the fair value of the assets given up, shares issued or liabilities assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange discounted at the entity's incremental financing rate.

(k) Payables

These amounts represent liabilities for amounts owing at balance date. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Earnings per unit

Basic and diluted earnings per unit is determined by dividing the net profit attributable to unitholders of the Trust by the weighted average number of ordinary units outstanding during the year.

(m) Segment reporting

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing services within a particular geographic environment and is subject to risks and returns that are different from those of segments operating in other geographic environments.

(n) Rounding of amounts

The Trust is the kind referred to in Class Order 98/0100, issued by the Australian Securities and Investment Commission, relating to the rounding off of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(o) New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2007 reporting period. Our assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 7 *Financial Instruments Disclosure* and AASB 2005-10 *Amendments to Australian Accounting Standards* (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038) AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. AASB 7 requires qualitative information about exposure to risks arising from financial instruments, including specific minimum disclosures about credit risk, liquidity risk and market risk. The Trust has elected not to adopt the standard early. Application of this standard will not affect any of the amounts recognised in the financial statements.

Note 2. Audit and advisory fees

| | 2007 | 2006 |
|--|------|------|
| | \$ | \$ |

During the year the auditor of the Trust and its related practices and non-related audit firms earned the following remuneration:

(a) Assurance services

Audit Services

PwC Australia audit and review of financial reports and other audit work under the *Corporations Act 2001*

| | |
|--------|--------|
| 33,910 | 10,000 |
|--------|--------|

Total remuneration for assurance services

| | |
|---------------|---------------|
| 33,910 | 10,000 |
|---------------|---------------|

(b) Taxation services

Fees paid to PwC Australia

| | |
|-------|--------|
| 3,144 | 26,010 |
|-------|--------|

Total remuneration for taxation services

| | |
|--------------|---------------|
| 3,144 | 26,010 |
|--------------|---------------|

Note 3. Current assets - receivables

| | 2007 | 2006 |
|---|---------------|--------|
| | \$'000 | \$'000 |
| GST receivable | 2 | - |
| Other receivables | 6 | - |
| Total current assets - receivables | 8 | - |

Note 4. Financial assets at fair value through profit or loss

| Name of Entity | Principal activity | 2007 | 2006 |
|--|--------------------------------|----------------|----------------|
| | | \$'000 | \$'000 |
| DOT Commercial Trust | Commercial property investment | 204,000 | 204,000 |
| Total financial assets at fair value through profit or loss | | 204,000 | 204,000 |

On 15 June 2005, the Trust purchased 1,976,320 preference units in DOT Commercial Trust ("DCT") for \$100 each. Preference units do not confer on their holders any rights on the winding up of DCT or any rights to distributions. However, where a distribution is declared to preference unit holders, this distribution must be paid in preference to any distribution declared to ordinary unit holders. Preference units hold no voting rights in relation to DCT, other than where the matter is in relation to the rights of the preference units. In these matters, each preference unit carries 1,000 votes on a poll.

Note 5. Current liabilities - payables

| | 2007 | 2006 |
|---|---------------|------------|
| | \$'000 | \$'000 |
| Accruals | 62 | 74 |
| GST payable | - | 248 |
| Total current liabilities – payables | 62 | 322 |

Note 6. Current liabilities - provisions

| | 2007 | 2006 |
|---|---------------|--------------|
| | \$'000 | \$'000 |
| Provision for distribution | | |
| Opening balance as at 1 July 2006 | 3,509 | - |
| Additional provisions | 15,447 | 14,786 |
| Payments of distributions | (14,978) | (11,277) |
| Closing balance as at 30 June 2007 | 3,978 | 3,509 |

Provision for distribution

Provision is made for distribution to be paid for the period ending 30 June 2007. This distribution was paid on 16 July 2007.

Note 7. Contributed equity

| | 2007 | 2006 |
|---|---------------------|------------------|
| | \$'000 | \$'000 |
| (a) Value of units on issue | | |
| Opening balance as at 1 July 2006 | 197,705 | 197,886 |
| Cost of placement of units | - | (181) |
| Closing balance as at 30 June 2007 | 197,705 | 197,705 |
| | 2007 | 2006 |
| | No. of units | No. of units |
| (b) Number of units on issue | | |
| Opening balance as at 1 July 2006 | 2,040,001 | 2,040,001 |
| Closing balance as at 30 June 2007 | 2,040,001 | 2,040,001 |

Terms and Conditions

Each preference unit ranks equally with all other preference units for the purposes of distributions and on termination of the Trust.

The one ordinary unit holds all the voting rights in the Trust, but has no beneficial interest in the Trust assets. The preference units hold the beneficial interest in the assets of the Trust. Payment of distributions to preference unitholders is at the Directors' discretion.

The preference units entitle holders to receive non-cumulative quarterly floating rate distributions at a margin of 130 basis points above the 90 day bank bill rate. The preference units may be exchanged for cash or stapled securities in DB RREEF Trust on 30 June 2012 (the "Step-up Date"). For each distribution period following the Step-up Date, the margin will increase by a once only step-up of 2% per annum unless the preference units are repurchased or exchanged.

Payments which become due and payable to holders are guaranteed on an unsecured and subordinated basis by the responsible entity of each of the DB RREEF stapled trusts (each a guarantor). This guarantee ranks ahead of the distribution payments on stapled securities, but is subordinated to the claims of senior creditors.

Note 8. Undistributed income

| | 2007 | 2006 |
|--|---------------|--------------|
| | \$'000 | \$'000 |
| Undistributed income as at 1 July 2006 | 6,358 | 6,987 |
| Net profit attributable to members | 15,542 | 14,157 |
| Distributions provided for or paid | (15,447) | (14,786) |
| Undistributed income as at 30 June 2007 | 6,453 | 6,358 |

Note 9. Distributions paid and payable

| | 2007 | 2006 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| 30 September 2006 (paid 17 October 2006) | 3,737 | 4,223 |
| 31 December 2006 (paid 16 January 2007) | 3,856 | 3,566 |
| 31 March 2007 (paid 18 April 2007) | 3,876 | 3,488 |
| 30 June 2007 (paid 16 July 2007) | 3,978 | 3,509 |
| Total distributions paid and payable | 15,447 | 14,786 |

| | 2007 | 2006 |
|--|-----------------------|----------------|
| | Cents per unit | Cents per unit |
| 30 September 2006 (paid 17 October 2006) | 183.00 | 207.00 |
| 31 December 2006 (paid 16 January 2007) | 189.00 | 175.00 |
| 31 March 2007 (paid 18 April 2007) | 190.00 | 171.00 |
| 30 June 2007 (paid 16 July 2007) | 195.00 | 172.00 |
| Total cents per unit | 757.00 | 725.00 |

Note 10. Financial risk management

(a) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

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 Balance Sheets is the carrying amount.

(b) Market risk

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.

(c) Liquidity risk

Liquidity risk is the risk that the Trust will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments. The risk management guidelines adopted are designed to minimise liquidity risk through maintaining sufficient cash balances and the availability of funding through an adequate amount of committed credit facilities.

(d) Cash flow and fair value interest rate risk

Cash flow risk is the risk that the future cash flows will fluctuate. 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:

Note 10. Financial risk management (continued)

| | | Fixed interest maturing in: | | | | | | | Total |
|------------------------------------|---|------------------------------|-------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|----------------------|--------------|
| | | Floating interest rate | 1 year or less | Over 1 and less than 2 years | Over 2 and less than 3 years | Over 3 and less than 4 years | Over 4 and less than 5 years | More than 5 years | |
| Notes | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 30 June 2007 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| | | 4,190 | - | - | - | - | - | - | 4,190 |
| | 3 | 8 | - | - | - | - | - | - | 8 |
| | Total | 4,198 | - | - | - | - | - | - | 4,198 |
| | Weighted average interest rate | 5.72% | - | - | - | - | - | - | - |
| Financial liabilities | | | | | | | | | |
| | 5 | - | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - | - |
| | Weighted average interest rate | - | - | - | - | - | - | - | - |
| | Net financial (liabilities)/assets | 4,198 | - | - | - | - | - | - | 4,198 |
| 30 June 2006 | | | | | | | | | |
| Fixed interest maturing in: | | | | | | | | | |
| | | Floating interest rate | 1 year or less | Over 1 and less than 2 years | Over 2 and less than 3 years | Over 3 and less than 4 years | Over 4 and less than 5 years | More than 5 years | Total |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | | | | | | |
| | | 3,894 | - | - | - | - | - | - | 3,894 |
| | 3 | - | - | - | - | - | - | - | - |
| | Total | 3,894 | - | - | - | - | - | - | 3,894 |
| | Weighted average interest rate | 5.37% | - | - | - | - | - | - | - |
| Financial liabilities | | | | | | | | | |
| | 5 | - | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - | - |
| | Weighted average interest rate | - | - | - | - | - | - | - | - |
| | Net financial assets | 3,894 | - | - | - | - | - | - | 3,894 |

¹ notional principal amounts

Note 11. Contingent liabilities

The directors of the Responsible Entity are not aware of any other contingent liabilities 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.

Note 12. Commitments

There are no commitments receivable or payable which have not been recognised at the reporting date.

Note 13. Related parties

Responsible Entity

The Trust was formed on 27 January 2005, at which time DB RREEF Funds Management Limited ("DRFM") was appointed as the Responsible Entity.

Responsible Entity fees

Under the terms of the Trust Constitution, the Responsible Entity is not entitled to receive fees in relation to the management of the Trust. However, the Responsible Entity is entitled to be reimbursed for expenses incurred in relation to administration or management of the Trust.

Related party transactions

All related party transactions are conducted on normal commercial terms and conditions unless otherwise stated.

Unitholdings

At 30 June 2007, Deutsche Bank AG and its related parties, schemes and portfolios managed by Deutsche Bank AG and its related parties held 120,932 units (2006: 175,494) in the Trust.

The Trust has no investments in the Responsible Entity. The Trust has an investment in DOT Commercial Trust, a sub trust of DB RREEF Office Trust, whose Responsible Entity is also DRFM. DB RREEF Office Trust is part of the DB RREEF Trust stapled group which is listed on the Australian Stock Exchange.

Deutsche Bank AG

Deutsche Bank AG owns 50% of DRH, which is the 100% owner of DRFM, Responsible Entity of the Trust. Dealings with the bank include, not only transactions in its capacity as part owner of the new Responsible Entity, but also in the provision of financial services.

Note 13. Related parties (continued)

The following persons were Directors of DRFM during the whole of the financial year and to the date of this report, unless otherwise stated:

C T Beare BSc, BE (Hons), MBA, PhD, FAICD ^{1,4,5}
E A Alexander AM, BComm, FCA, FAICD, FCPA ^{1,2}
B R Brownjohn BComm ^{1,2,5}
S F Ewen OAM, FILE ^{1,4}
A J Fay BAg.Ec (Hons), ASIA (Alternate to C B Leitner)
V P Hoog Antink BCom, MBA, FCA, FAPI, MAICD
C B Leitner III BA
B E Scullin BEc ^{2,3,4}

¹ Independent Director

² Audit Committee Member

³ Compliance Committee Member

⁴ Nomination and Remuneration Committee Member

⁵ Treasury Policy Committee Member

No directors held an interest in the Trust as at 30 June 2007 or at the date of this report.

Other key management personnel

In addition to the directors listed above the following persons were deemed by the Board Nomination and Remuneration Committee to be key management personnel during all or part of the financial year and up to the date of this report:

| <i>Name</i> | <i>Position</i> | <i>Qualification date of other key management personnel during the 12 months ended 30 June 2007</i> |
|----------------------|-------------------------------|---|
| Victor P Hoog Antink | Chief Executive Officer | |
| Tanya L Cox | Chief Operating Officer | |
| John C Easy | General Counsel | |
| Ben J Lehmann | DB RREEF Trust Fund Manager | |
| Peter C Roberts | Chief Financial Officer | Ceased to qualify 8 June 2007 |
| Paul G Say | Head of Corporate Development | Qualified 19 March 2007 |
| Mark F Turner | Head of Unlisted Funds | |

Remuneration received by key management personnel of the Trust is a cost of DRFM and not the Trust. DRFM does not recover any proportion of their remuneration from the Trust.

No key management personnel or their related parties held an interest in the Trust for the years ended 30 June 2006 and 30 June 2007 or at the date of this report.

There were no loans or other transactions with key management personnel or their related parties during the years ended 30 June 2006 and 30 June 2007 or at the date of this report.

Note 14. Events occurring after reporting date

Since the end of the year, the directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in their 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 periods.

Note 15. Segment information

Geographical segments

The Trust's investments are all located in Australia.

Business segments

The Trust operates solely within the property trust investment sector.

Note 16. Reconciliation of net profit to net cash inflow from operating activities

| | 2007 | 2006 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Profit | 15,542 | 14,157 |
| Net increment on revaluation of investments | (15,593) | (14,312) |
| Distributions received credited against investments | 15,593 | 14,312 |
| Change in operating assets and liabilities | | |
| (Increase)/decrease in receivables | (256) | 584 |
| Increase/(decrease) in payables | (8) | 60 |
| Net cash inflow from operating activities | 15,278 | 14,801 |

Note 17. Earnings per unit

| | 2007 | 2006 |
|---|---------------|---------------|
| | cents | cents |
| (a) Basic earnings per unit | | |
| Basic earnings per ordinary unit | - | - |
| Basic earnings per preference unit | 761.86 | 693.97 |
| (b) Diluted earnings per unit | | |
| Basic earnings per ordinary unit | - | - |
| Basic earnings per preference unit | 761.86 | 693.97 |
| (c) Reconciliation of earnings used in calculating earnings per unit | | |
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| Profit attributable to ordinary unitholders of the Trust used in the calculation of basic and diluted earnings per unit | - | - |
| Profit attributable to preference unitholders of the Trust used in the calculation of basic and diluted earnings per unit | 15,542 | 14,157 |
| Profit attributable to unitholders of the Trust used in the calculation of basic and diluted earnings per unit | 15,542 | 14,157 |
| (d) Weighted average number of units used as a denominator | | |
| Weighted average number of ordinary units outstanding used in the calculation of basic and diluted earnings per unit | 1 | 1 |
| Weighted average number of preference units outstanding used in the calculation of basic and diluted earnings per unit | 2,040,000 | 2,040,000 |

**DB RREEF RENTS TRUST
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2007**

The directors of DB RREEF Funds Management Limited as Responsible Entity of DB RREEF RENTS Trust ("the Trust") declare that the financial statements and notes set out on pages 6 to 25:

- (i) comply with applicable Australian Equivalents to International Financial Reporting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (ii) give a true and fair view of the Trust's financial position as at 30 June 2007 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*;
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (c) the Trust has operated in accordance with the provisions of the Constitution dated 27 January 2005 during the year ended 30 June 2007.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Christopher T Beare
Chair
Sydney
27 August 2007

**Independent auditor's report to the unitholders of
DB RREEF RENTS Trust**

PricewaterhouseCoopers
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Report on the financial report

We have audited the accompanying financial report of DB RREEF RENTS Trust (the Trust), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for DB RREEF RENTS Trust.

Directors' responsibility for the financial report

The directors of the DB RREEF Funds Management Limited (the Responsible Entity of the Trust) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website
<http://www.pwc.com/au/financialstatementaudit>.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report and remuneration disclosures of DB RREEF RENTS Trust (the Trust) for the financial year ended 30 June 2007 included on the DB RREEF RENTS Trust web site. The directors of the Responsible Entity are responsible for the integrity of the DB RREEF RENTS Trust web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration disclosures to confirm the information included in the audited financial report presented on this web site.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion on the financial report

In our opinion:

- (a) the financial report of DB RREEF RENTS Trust is in accordance with the *Corporation Act 2001*, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.



PricewaterhouseCoopers



JA Dunning
Partner

Sydney
27 August 2007

DB RREEF RENTS TRUST

TOP 20 INVESTORS REPORT as at 31 July 2007

| Rank | Investor | Balance | Issued Capital% |
|------|--|-----------|-----------------|
| 1 | J P MORGAN NOMINEES AUSTRALIA LIMITED | 740,061 | 36.28% |
| 2 | RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <GSENI A/C> | 122,720 | 6.02% |
| 3 | PAN AUSTRALIAN NOMINEES PTY LIMITED | 119,732 | 5.87% |
| 4 | COGENT NOMINEES PTY LIMITED<SMP ACCOUNTS> | 105,559 | 5.17% |
| 5 | ANZ NOMINEES LIMITED <CASH INCOME A/C> | 82,652 | 4.05% |
| 6 | TYNONG PASTORAL CO PTY LTD <TYNONG PASTORAL UNIT A/C> | 50,000 | 2.45% |
| 7 | CITICORP NOMINEES PTY LIMITED <CFSIL CWLTH SPEC 5 A/C> | 47,374 | 2.32% |
| 8 | RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MLCI A/C> | 43,419 | 2.13% |
| 9 | GOLDMAN SACHS JBWERE CAPITAL MARKETS LTD <HYBRID PORTFOLIO A/C> | 39,045 | 1.91% |
| 10 | UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD | 34,822 | 1.71% |
| 11 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 32,386 | 1.59% |
| 12 | CITICORP NOMINEES PTY LIMITED | 22,394 | 1.10% |
| 13 | MR JOHN EDWARD MYTTON BARNES | 21,238 | 1.04% |
| 14 | AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT> | 21,174 | 1.04% |
| 15 | MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED | 20,389 | 1.00% |
| 16 | ELISE NOMINEES PTY LIMITED | 19,000 | 0.93% |
| 17 | COGENT NOMINEES PTY LIMITED | 12,500 | 0.61% |
| 18 | GINGER MAX (AUSTRALIA) PTY LTD | 12,200 | 0.60% |
| 19 | CHAMPAMES PTY LIMITED <THE JAMES FAMILY A/C> | 10,000 | 0.49% |
| 19 | IAN BRADLEY ROBERTSON | 10,000 | 0.49% |
| | TOTAL FOR TOP 20: | 1,566,665 | 76.80% |
| | TOTAL OTHER INVESTORS: | 473,335 | 23.20% |
| | GRAND TOTAL: | 2,040,000 | 100.00% |

INVESTOR RANGES as at 31 July 2007

| Ranges | Investors | Securities | % Issued Capital |
|-----------------|-----------|------------|------------------|
| 1 - 1000 | 1,224 | 287,057 | 14.07 |
| 1001 - 5000 | 70 | 156,173 | 7.66 |
| 5001 - 10000 | 6 | 50,105 | 2.46 |
| 10001 - 100000 | 14 | 458,593 | 22.47 |
| 100001 and Over | 4 | 1,088,072 | 53.34 |
| Total | 1,318 | 2,040,000 | 100.00 |

The number of security investors holding less than a marketable parcel of 5 securities (\$101.800 on 31/07/2007) is 0 and they hold 0 securities.