

# DB RREEF Trust

## June 2005 Full Year Results

DB RREEF Funds Management Limited  
ABN 24 060 920 783  
As Responsible Entity



Presented by Victor Hoog Antink  
CEO, DB RREEF Funds Management Limited  
25 August 2005

**DB RREEF**

Managed in partnership with Deutsche Bank 

# Overview

1. Achievements & Financial Highlights
2. June 2005 Results
3. DRT
4. Third Party Funds Management
5. Management Structure
6. Future Direction & Strategy
7. Important Information



One Margaret Street, Sydney

**DB RREEF**

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# 1. Achievements & Financial Highlights

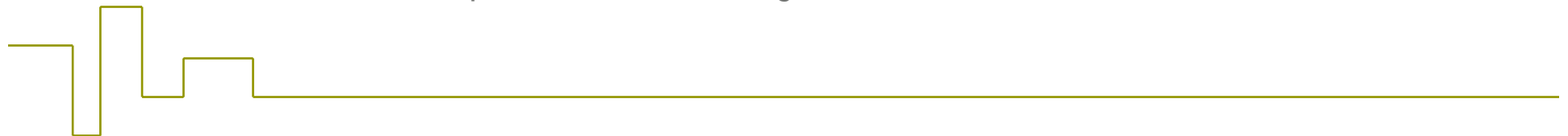


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# 1. Achievements

- Stapling of DDF, DIT, DOT & DRO to form DRT and partial internalisation
- Transactions - DRT over \$2.0bn (Managed funds over \$3.0bn)
- Leasing - DRT over 450,000sqm (Managed funds over 500,000sqm)
- Development - 60,000sqm completed, 70,000sqm underway
- Capital management - Almost \$2.0bn in debt & equity funding
- Restructured management platform- including 21 new staff
- Stabilised business platform for future growth



# 1. Financial Highlights

- EPS / DPS in line with Explanatory Memorandum (EM) forecast
  - Net income before capital items \$280.8m
  - Distribution to investors \$281.3m
  - EPS/DPS 10.5 cents per security
  - Confirm FY06 forecast distribution 11.0 cps
  
- Balance Sheet well positioned, ahead of EM forecast
  - Gearing 39%
  - NTA increased 7 cents to \$1.29
  - Refinancing of debt facilities undertaken



## 2. June 2005 Results



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## 2. June 2005 Results

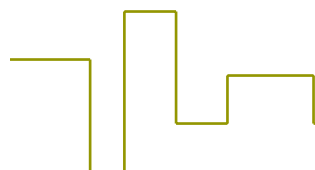
| Statutory Accounts <sup>1</sup> |                                                                | EM Forecasts <sup>1</sup> | Actual - Grouped <sup>1</sup> |
|---------------------------------|----------------------------------------------------------------|---------------------------|-------------------------------|
| \$241.0                         | Net Profit before capital items (\$m) <sup>2</sup>             | \$278.9                   | \$280.8                       |
| 12.1                            | Earnings per security (cps)                                    | 10.5                      | 10.5                          |
| 10.5                            | Distribution per security (cps)                                | 10.5                      | 10.5                          |
| \$219.5                         | Net Profit Attributable to Security holders (\$m) <sup>3</sup> | \$260.2                   | \$261.3                       |
| 10.1                            | Earnings Per Security (cps)                                    | 9.8                       | 9.8                           |

<sup>1</sup>The "actual grouped" figures reflect the aggregation of the four Trusts for the initial period to 30 June 2005. This accounting treatment is consistent with the disclosures as outlined in the EM and represent the summation of the results for the four Trusts comprising the stapled entity. It should be noted that investors in DRT have been entitled to the returns of the underlying Trusts from 1 July 2004.

For statutory reporting purposes, DB RREEF Diversified Trust (**DDF**) has been deemed as the head entity. Accordingly, the other three listed entities comprising DB RREEF Office Trust (**DOT**), DB RREEF Industrial Trust (**DIT**) and DB RREEF Operations Trust (**DRO**) are consolidated as subsidiary entities for accounting purposes. The financial statements reflect twelve months of DDF results and nine months of DOT, DIT and DRO results. The earnings per stapled security per the 30 June 2005 accounts is 10.1 cents (based on the weighted number of securities on issue for DDF from 1 July 2004 to 30 June 2005). This is calculated based on the reported net profit after capital items.

<sup>2</sup> Capital items comprise net profit from asset sales and costs associated with the restructure.

<sup>3</sup> Net Profit Attributable to Security Holders reflects the writing off of transaction costs and includes capital profits.



## 2. June 2005 Results

### Profit & Loss Statement

| Consolidated<br>Jun 05 | AUD (\$000s)                                                  | EM<br>Jun 05 | Grouped<br>Jun 05 | %    |
|------------------------|---------------------------------------------------------------|--------------|-------------------|------|
| 388,358                | Total Income                                                  | 475,092      | 460,380           |      |
| (21,141)               | Responsible Entity Fees & Other Expenses                      | (32,772)     | (32,106)          |      |
| (111,333)              | Borrowing Costs                                               | (154,691)    | (132,582)         |      |
| 255,884                | Income after Interest & Expenses                              | 287,628      | 295,692           | + 3% |
| (3,062)                | Tax                                                           | (2,474)      | (3,061)           |      |
| (11,791)               | Outside Equity Interest                                       | (6,208)      | (11,791)          |      |
| 241,031                | Net Income Before Capital Items                               | 278,945      | 280,840           | + 1% |
| 25,707                 | Profit on Sale of Assets                                      | 21,712       | 25,707            |      |
| (42,281)               | Transaction Costs                                             | (40,506)     | (42,281)          |      |
| (4,934)                | Increment / (Decrement) on Valuation of Investment Properties | -            | (3,011)           |      |
| 219,523                | Net Income After Capital Items                                | 260,151      | 261,255           | + 0% |





## 2. June 2005 Results

### DRT Net Sector Income - Analysed

| \$000s                                  | EM<br>Jun 05   | Grouped<br>Jun 05 |
|-----------------------------------------|----------------|-------------------|
| Commercial Portfolio                    | 221,707        | 215,257           |
| Industrial Portfolio                    | 108,168        | 105,395           |
| Retail Portfolio                        | 48,721         | 44,208            |
| US Industrial Portfolio                 | 82,481         | 83,422            |
| <b>Total Sector Income</b>              | <b>461,077</b> | <b>448,282</b>    |
| Income from DRO                         | 5,698          | 6,793             |
| Other Income                            | 1,009          | 748               |
| <b>Total Income excl Income Support</b> | <b>467,784</b> | <b>455,823</b>    |
| US Income Support                       | 7,308          | 4,557             |
| <b>Total Income</b>                     | <b>475,092</b> | <b>460,380</b>    |



## 2. June 2005 Results

### DRT Balance Sheet

|                                                         | AUD \$m        |                                             | AUD \$m        |
|---------------------------------------------------------|----------------|---------------------------------------------|----------------|
| Cash                                                    | 69.0           | Contributed equity                          | 3,094.3        |
| Investment properties (including equity accounted)      | 6,751.0        | Reserves                                    | 423.8          |
| Other equity accounted investments, receivables & other | 177.0          | Undistributed income                        | 16.6           |
| <b>Total assets</b>                                     | <b>6,997.0</b> | Outside equity interests                    | 366.7          |
| Payables, provisions & other                            | 304.1          | <b>Total equity</b>                         | <b>3,901.3</b> |
| Interest bearing liabilities                            | 2,791.6        | Net equity attributable to security holders | 3,534.7        |
| <b>Total liabilities</b>                                | <b>3,095.7</b> | Gearing (net of cash)                       | 39%            |
| <b>Net assets</b>                                       | <b>3,901.3</b> | Securities on issue                         | 2,732.1 m      |
|                                                         |                | NTA per security                            | \$1.29         |



## 2. June 2005 Results - Material impacts from adopting AIFRS

### DRT Profit & Loss - Statement of Financial Performance

|                                                                                 |                |
|---------------------------------------------------------------------------------|----------------|
| Net profit attributable to security holders (AGAAP)                             | 219,523        |
| AIFRS adjustments                                                               |                |
| Recognition of revaluation increments in the Statement of Financial Performance | 208,403        |
| Additional income recognised from the straight lining fixed rent reviews        | 6,718          |
| Amortisation of lease incentives                                                | (8,140)        |
| Fair value adjustments                                                          | 1,422          |
| Indicative net profit attributable to security holders (AIFRS)                  | <u>427,926</u> |

Notes:

- Revaluation increments are recognised in net operating profit under AIFRS
- Rental incentives are to be capitalised and amortised over the life of the lease
- Tax liabilities in the US will be recognised if sale proceeds are not rolled into the acquisition of other assets
- Fair value adjustments reflect movements to property values that may be impacted by lease amortisation or rental straight lining



## 2. June 2005 Results - Material impacts from adopting AIFR

DRT Balance Sheet - Statement of Financial Position

|                                                                               |                  |
|-------------------------------------------------------------------------------|------------------|
| Net Assets (AGAAP)                                                            | 3,901,323        |
| AIFRS adjustments                                                             |                  |
| Deferred tax liability to be recognised for US REIT                           | (18,244)         |
| Opening balance sheet adjustment for off balance sheet derivatives (1 Jul 05) | (9,998)          |
| <b>Indicative net assets (AIFRS)</b>                                          | <b>3,873,081</b> |

Notes:

The Board has elected to apply the exemption and will not adopt AASB 132 and 139 until the year ended 30 June 2006



## 3. DRT

- 3.1 Portfolio
- 3.2 Commercial
- 3.3 Industrial
- 3.4 Retail
- 3.5 US Industrial
- 3.6 DB RREEF Operations Trust (DRO)
- 3.7 Capital Management

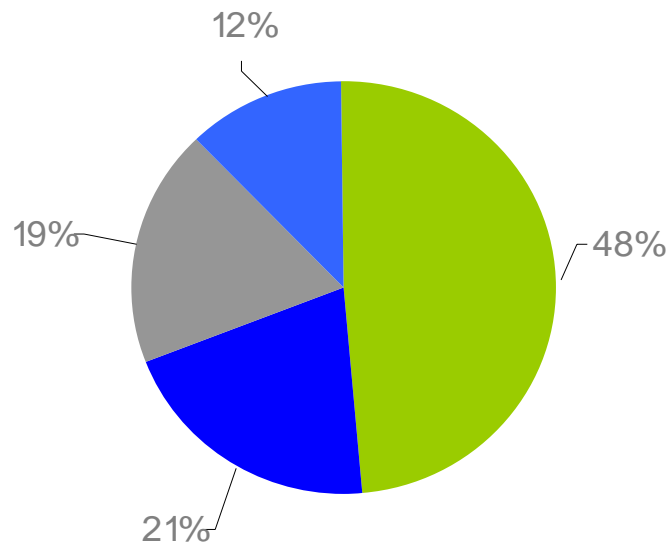


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# 3.1 DRT - Portfolio

## Asset Diversification



| As at<br>30 Jun 05         | \$ bn      | %          | Occupancy<br>% <sup>2</sup> | Avg<br>Lease<br>Term <sup>3</sup> |
|----------------------------|------------|------------|-----------------------------|-----------------------------------|
| Commercial                 | 3.1        | 48         | 93.6                        | 5.9                               |
| Industrial                 | 1.3        | 21         | 98.4                        | 5.1                               |
| US Industrial <sup>1</sup> | 1.2        | 19         | 88.5                        | 3.4                               |
| Retail                     | 0.8        | 12         | 99.5                        | 6.1                               |
| <b>TOTAL</b>               | <b>6.4</b> | <b>100</b> | <b>93.1</b>                 | <b>5.3</b>                        |

<sup>1</sup> represents 80% ownership of US industrial portfolio

<sup>2</sup> by area

<sup>3</sup> by income

■ Commercial 
 ■ Industrial 
 ■ US Industrial 
 ■ Retail

## 3.1 DRT - Portfolio

### Transactions Completed

Transactions totalling over \$900m during the period, sales delivered profits on sale greater than \$25m

| Sales                                     | Settled   | \$m   | P & L - \$m |
|-------------------------------------------|-----------|-------|-------------|
| ▪ Whitford City, WA (50%)                 | Aug 04    | 192.5 | 14.9        |
| ▪ Plenty Valley, Vic (50%)                | Aug 04    | 19.0  | 1.3         |
| ▪ Axxess Corporate Park, Seven Hills, NSW | Oct 04    | 16.6  | (0.2)       |
| ▪ McDowell St, Welshpool, WA              | Nov 04    | 4.2   | (0.2)       |
| ▪ 144 Edward Street, Brisbane, Qld        | Nov 04    | 44.7  | 3.4         |
| ▪ Redwood Gardens, Dingley, Vic (part)    | To Jun 05 | 5.5   | 0.7         |
| ▪ Rothschild Ave, Rosebery, NSW (land)    | Feb 05    | 22.0  | 1.2         |
| ▪ 1 Chifley Square, Sydney, NSW           | March 05  | 54.0  | (0.3)       |
| ▪ West Lakes, SA (50%)                    | May 05    | 122.5 | 1.8         |
| ▪ Dornoch Court, San Diego, CA (80%)      | June 05   | 15.2  | 3.0         |



## 3.1 DRT - Portfolio

### Transactions On-going

#### Acquisitions

- North Lakes, Qld (50%)
- Mt Druitt, NSW (50%)
- 16-20 Barrack Street, NSW
- Hurstville Shopping Centre, NSW (50%)
- Ft Holabird, Baltimore, MD (80%)

#### Acquisitions (Pending)

- Lumley Centre, Auckland

#### Settled \$m Cap Rate

|         |       |       |
|---------|-------|-------|
| Aug 04  | 60.8  | 7.25% |
| Sept 04 | 132.5 | 7.25% |
| Feb 05  | 44.5  | N/A   |
| May 05  | 232.5 | 6.75% |
| June 05 | 13.2  | 8.15% |

#### Due \$m Cap Rate

|         |              |       |
|---------|--------------|-------|
| Sept 05 | NZ110.0(est) | 8.00% |
|---------|--------------|-------|





## 3.1 DRT - Portfolio

### Valuations Summary

| Percentage of Sector | Sector              | Valuation \$bn | Net Revaluation Increment \$m | Percentage Movement over Book Value |
|----------------------|---------------------|----------------|-------------------------------|-------------------------------------|
| 100%                 | US Industrial       | 1,203          | 92                            | 8%                                  |
| 71%                  | Office              | 2,084          | 91                            | 5%                                  |
| 44%                  | Industrial          | 583            | 47                            | 9%                                  |
| 33%                  | Retail <sup>1</sup> | 263            | 18                            | 7%                                  |
| 64%                  | Total Valuations    | 4,133          | 248                           | 6%                                  |

#### Weighted average cap rates by sector

|                   |                    |
|-------------------|--------------------|
| US Industrial     | 7.87% <sup>2</sup> |
| Office & Car Park | 7.42%              |
| Industrial        | 8.71%              |
| Retail            | 7.24%              |

<sup>1</sup>Directors Valuations

<sup>2</sup>Terminal Yield

## 3.2 DRT - Commercial

| Earnings (\$000s)                  | EM<br>Jun 05   | Grouped<br>Jun 05 |
|------------------------------------|----------------|-------------------|
| Net Sector Income                  | 221,707        | 215,257           |
| Lumley Centre Impact (Delay)       | 1,357          | 393               |
| 144 Edward St Impact (Sold Nov 04) | 3,398          | 1,161             |
| <b>Net Property Income</b>         | <b>216,952</b> | <b>213,703</b>    |

- Slower than forecast leasing in major assets

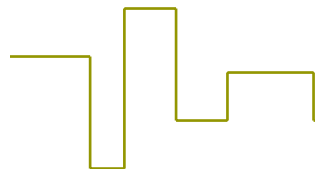


## 3.2 DRT - Commercial

- Portfolio income up 5% over Jun 04
- Comparable income down 2% from Jun 04
- Portfolio quality enhanced
  - 45 Clarence Street, Sydney refurbishment completed
  - 321 Kent Street, Sydney refurbishment underway
  - 130 George Street, Parramatta refurbishment underway
  - Lumley Centre, Auckland scheduled for completion in Sept 05
- Leasing
  - Almost 86,600 sqm of new leasing, renewals and heads of agreement
  - Approximately 17% of the portfolio by area
  - Occupancy is 93.6% (91.0% at June 04)
  - Strong lease profile of 5.9 years by income (5.9 years at June 04)



45 Clarence Street, Sydney



## 3.2 DRT - Commercial

### Leasing Update

- Significant leasing transactions

| Property                    | Area (sqm) | Major Tenant                                                                                         | Term (yrs) |
|-----------------------------|------------|------------------------------------------------------------------------------------------------------|------------|
| 45 Clarence St, Sydney      | 20,207     | <ul style="list-style-type: none"><li>Hudson Global (6,811)</li><li>HBOS Australia (5,244)</li></ul> | 7.0        |
| 321 Kent St, Sydney         | 10,583     | <ul style="list-style-type: none"><li>Sparke Helmore (10,583)</li></ul>                              | 10.0       |
| Australia Square, Sydney    | 10,700     | <ul style="list-style-type: none"><li>Various</li></ul>                                              |            |
| Southgate Towers, Melbourne | 10,893     | <ul style="list-style-type: none"><li>Dairy Australia (2,157)</li></ul>                              | 4.0        |
| 44 Market St, Sydney        | 9,161      | <ul style="list-style-type: none"><li>Tomen Australia (856)</li></ul>                                | 6.0        |
| 130 George St, Parramatta   | 8,640      | <ul style="list-style-type: none"><li>NSW Police (7,200)</li></ul>                                   | 5.0        |
| 383 Kent St, Sydney         | 5,335      | <ul style="list-style-type: none"><li>Custom Call (3,589)</li></ul>                                  | 5.0        |
| The Zenith, Chatswood       | 4,056      | <ul style="list-style-type: none"><li>Paramount Home Entertainment (949)</li></ul>                   | 5.0        |



## 3.2 DRT- Commercial

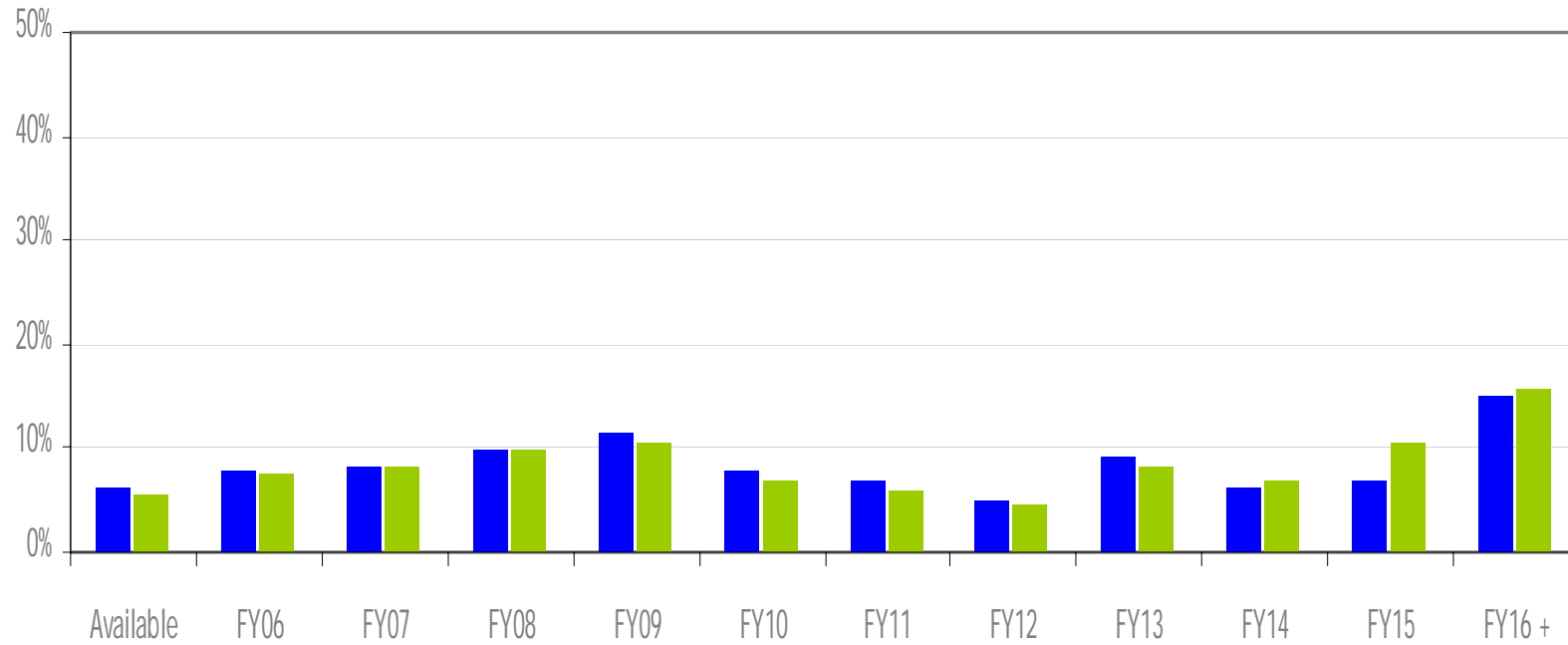
### Key Leasing Priorities

| Property                                | 30 June 05<br>Available (sqm) | Additional<br>H o A in place |
|-----------------------------------------|-------------------------------|------------------------------|
| 130 George Street (under refurbishment) | 11,867                        | 11,867                       |
| Australia Square                        | 10,554                        | 5,352                        |
| 45 Clarence St                          | 4,999                         | 2,611                        |
| Others                                  | 15,055                        | 2,470                        |
| <b>Total portfolio availability</b>     | <b>41,578</b>                 | <b>22,300</b>                |
| <b>DRT economic interest</b>            | <b>33,597</b>                 | <b>19,632</b>                |



## 3.2 DRT - Commercial

### Lease Expiry Profile



■ Area ■ Income



## 3.2 DRT - Commercial

### Development & Refurbishment Update

#### Completed

45 Clarence Street, Sydney

- Refurbishment works complete

#### Underway

309-321 Kent Street, Sydney

- \$15m Refurbishment due for completion, Jan 06

Ferguson Centre, Parramatta

- \$22m Refurbishment due for completion, Jan 06

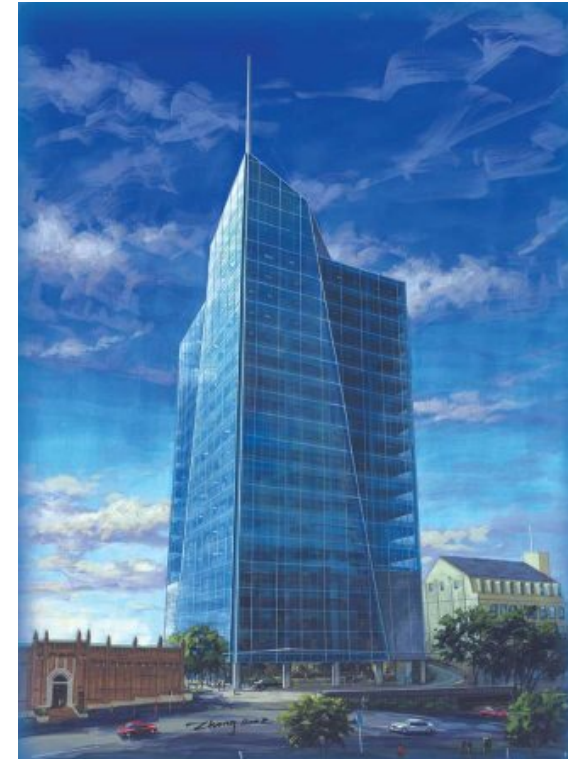
Lumley Centre, Auckland

- \$NZ110m development under construction, completion scheduled for Sept 05

#### Pipeline

Bent Street, Sydney

- Planning commenced



Lumley Centre, Auckland

### 3.3 DRT - Industrial

#### Portfolio

| Earnings (\$000s)   | EM<br>Jun 05 | Grouped<br>Jun 05 |
|---------------------|--------------|-------------------|
| Net Property Income | 108,168      | 105,395           |
| Net Sector Income   | 108,168      | 105,395           |

- Leasing remains challenging in North Shore markets



Pound Road West, Dandenong VIC



## 3.3 DRT - Industrial

### Leasing Update

- Portfolio income up 8% over Jun 04
- Like on like income growth of 5% over Jun 04
- Leasing
  - New leases, renewals and heads of agreement of over 175,000 sqm
  - 15% of portfolio by area
  - Portfolio occupancy 98.4% (95.0% in June 04)
  - Average lease term 5.1 years by income (4.3 years at June 04).
- Significant leasing transactions during the period included

| Property                                        | Area (sqm) | Tenant                   | Term (years) |
|-------------------------------------------------|------------|--------------------------|--------------|
| DB RREEF Industrial Estate, Laverton North, Vic | 43,705     | Coles Myer Ltd           | 15.0         |
| Evans Road, Salisbury, SA                       | 15,272     | Welded Tube/Old Slitting | 5.0          |
| Birmingham St, Villawood, NSW                   | 11,401     | Road Sea Rail            | 7.2          |
| Old Pittwater Rd, Brookvale, NSW                | 11,307     | Fujifilm Australia       | 3.0          |
| Redwood Gardens, Dingley, VIC                   | 10,996     | Various                  | 7.2          |

## 3.3 DRT- Industrial

### Key Leasing Priorities

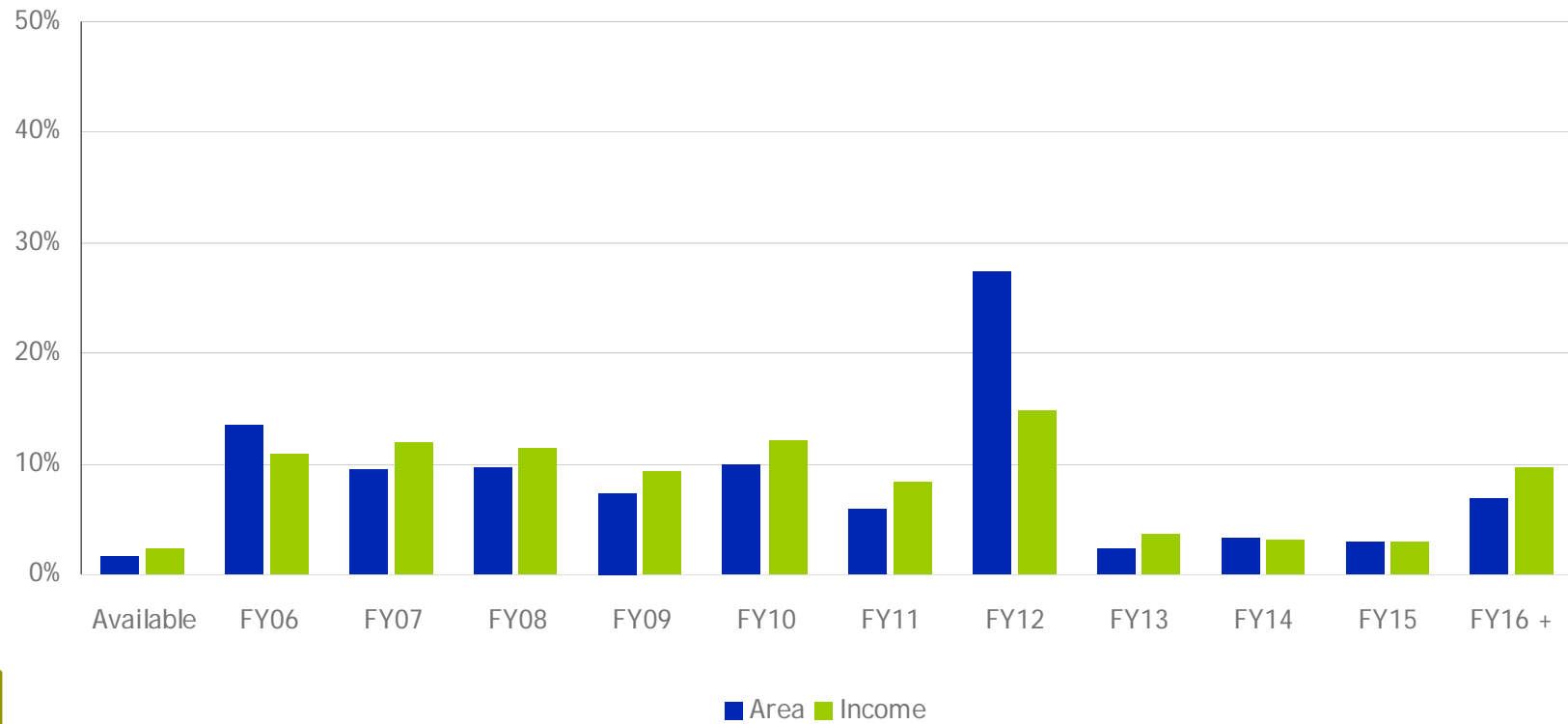
| Property                                        | Available (sqm) | Total %     |
|-------------------------------------------------|-----------------|-------------|
| 706 Mowbray Rd, Lane Cove, NSW                  | 4,218           | 0.4%        |
| 11 Talavera Rd, North Ryde, NSW                 | 3,835           | 0.4%        |
| Redwood Gardens Industrial Estate, Dingley, Vic | 2,593           | 0.2%        |
| Others                                          | 7,218           | 0.6%        |
| <b>Total</b>                                    | <b>17,864</b>   | <b>1.6%</b> |



2 Alspec Place, Eastern Creek NSW

### 3.3 DRT - Industrial

#### Lease Expiry Profile



## 3.3 DRT - Industrial

### Development Update

- Completed - Approximately 60,000sqm of developments were delivered during the period

| Property                   | Tenant                | Area (sqm) | Valuation \$m | Completed |
|----------------------------|-----------------------|------------|---------------|-----------|
| Laverton, Vic              | Visy Steel            | 20,234     | 15.7          | Dec 04    |
| Dandenong, Vic             | Aluminium Specialties | 7,628      | 6.4           | Dec 04    |
| Axxess Corporate Park, Vic | Draeger Medical       | 3,000      | 7.2           | Nov 04    |
| Kings Park, NSW            | CSL Limited           | 1,854      | 3.0           | Sep 04    |
| Dandenong, Vic             | Westgate Logistics    | 10,600     | 7.9           | Feb 05    |
| Eastern Creek, NSW         | CCL                   | 16,875     | 23.1          | Mar 05    |

- Underway

| Property                   | Tenant             | Area (sqm) | Est. Val. \$m | Due      |
|----------------------------|--------------------|------------|---------------|----------|
| Axxess Corporate Park, Vic | Alinta Gas         | 7,650      | 27.4          | Oct 05   |
| Laverton North, Vic        | Coles Myer Limited | 43,705     | 99.5          | Early 07 |

## 3.4 DRT - Retail

### Portfolio

| Earnings (\$000s)   | EM<br>Jun 05 | Grouped<br>Jun 05 |
|---------------------|--------------|-------------------|
| Net Property Income | 48,721       | 44,208            |
| Net Sector Income   | 48,721       | 44,208            |

- Timing differences between actual & forecast settlement have primarily contributed to differences and have been substantially offset by interest cost savings.



## 3.4 DRT - Retail

### Centre Statistics

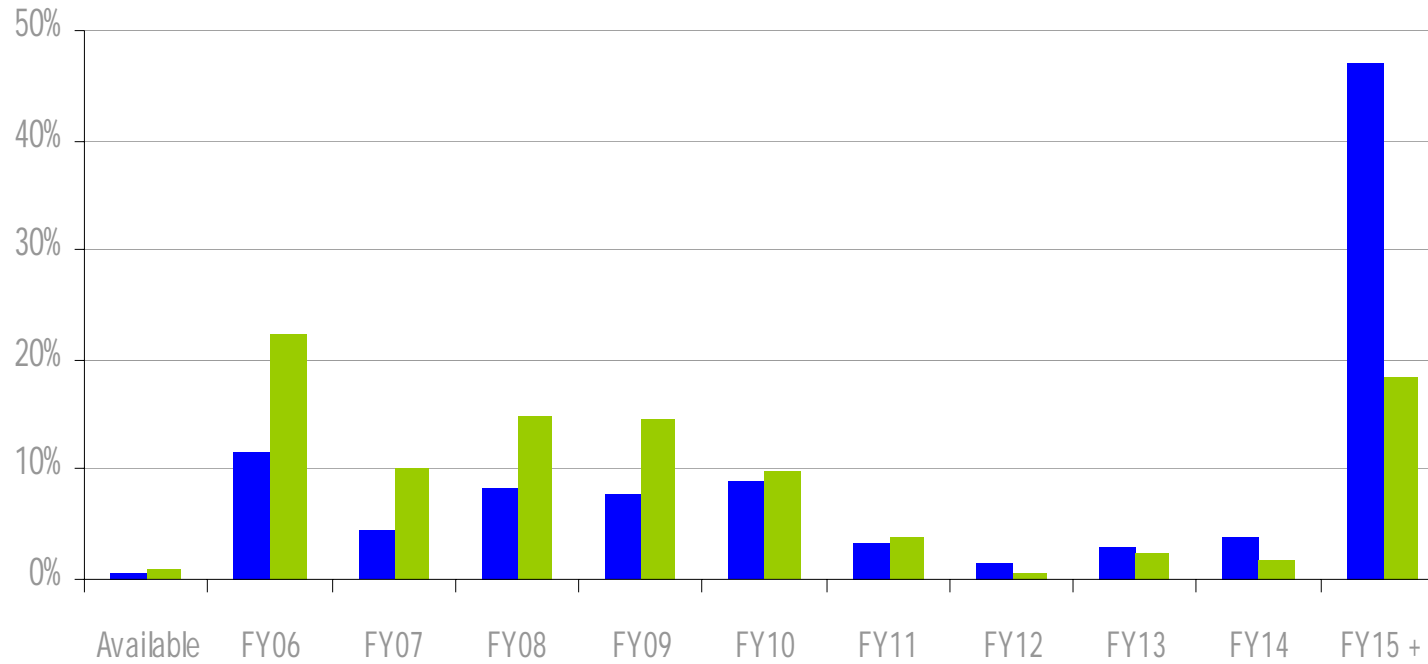
| Centre        | Centre T/O<br>\$psm | Specialty T/O<br>\$psm | Total Centre<br>MAT Growth | Total Specialty<br>MAT Growth | Occ Cost<br>Specialty % |
|---------------|---------------------|------------------------|----------------------------|-------------------------------|-------------------------|
| Whitford City | 5,933               | 7,636                  | 4.0%                       | (0.3)%                        | 13.7%                   |
| West Lakes    | 5,387               | 8,198                  | 0.5%                       | (7.5)%                        | 12.5%                   |
| Plenty Valley | 8,328               | 6,479                  | 1.2%                       | 6.9%                          | 10.0%                   |
| North Lakes   | 5,240               | 6,233                  | 35.3%                      | 25.1%                         | 12.3%                   |
| Mt Drutt      | 5,939               | 7,717                  | 38.9%                      | 4.6%                          | 15.1%                   |
| Hurstville    | 5,901               | 8,266                  | 2.9%                       | 2.7%                          | 17.8%                   |

- Portfolio Occupancy 99.5%
- Portfolio Debtors 0.1%



# 3.4 DRT - Retail

## Lease Expiry Profile



## 3.4 DRT - Retail

### Development Update

- **Completed**  
Westlakes, SA
  - \$64 million, 8.75% forecast return
  - All stages complete
  
- **Under Development**  
Mount Druitt, NSW
  - \$60 million, 7.63% forecast return
  - Stage 1 completed Jun 05
    - 15 shops, 4 kiosks, Coles Supermarket
  - Stage 2 due Sept 05
    - 43 shops, new Target store
  - Final completion due Mar 06
  
- **Development pipeline**  
Plenty Valley, Vic  
North Lakes, Qld



Westfield, Mount Druitt, NSW



## 3.5 DRT - US Industrial

### Portfolio

| Earnings (\$000s)           | EM<br>Jun 05  | Grouped<br>Jun 05 |
|-----------------------------|---------------|-------------------|
| Net Property Income (\$USD) | 56,203        | 59,352            |
| Net Property Income (\$AUD) | 82,481        | 83,422            |
| US Income Support           | 7,308         | 4,557             |
| <b>Net Sector Income</b>    | <b>89,789</b> | <b>87,979</b>     |

- NPI (\$USD) up 5% before Income Support
- EM assumed \$AUD/USD exchange rate of \$0.6814, actual rate was \$0.7242



## 3.5 DRT - US Industrial

### Leasing Update

- New leases and renewals of more than 1.4 million square feet (7% of portfolio area)
- Occupancy 88.5% (87.0% at June 04)
- Average lease term (by income) 3.4 years (3.2 years at June 04)
- Significant leasing transactions during the period include:

| Property                                | Tenant            | Area (sq ft) | Lease Term (yrs) | Lease Type         |
|-----------------------------------------|-------------------|--------------|------------------|--------------------|
| 10397 West Van Buren St, Tolleson, AZ   | States Logistics  | 278,142      | 1.25             | Renewal/ Expansion |
| 1614 Westbelt Dr, Columbus, OH          | United Stationers | 229,200      | 5.0              | Renewal            |
| 9565 Santa Anita Ave, Riverside, CA     | Weber Inc         | 212,300      | 5.0              | New                |
| 3601 East Plano Pkway, Plano, TX        | Tekelec           | 87,195       | 10.0             | New                |
| 912 113 <sup>th</sup> St, Arlington, TX | B&E Industries    | 79,735       | 6.0              | New                |
| 11093 Kenwood Rd, Cincinnati, OH        | Gateway Dist.     | 62,500       | 2.0              | New                |

## 3.5 DRT - US Industrial

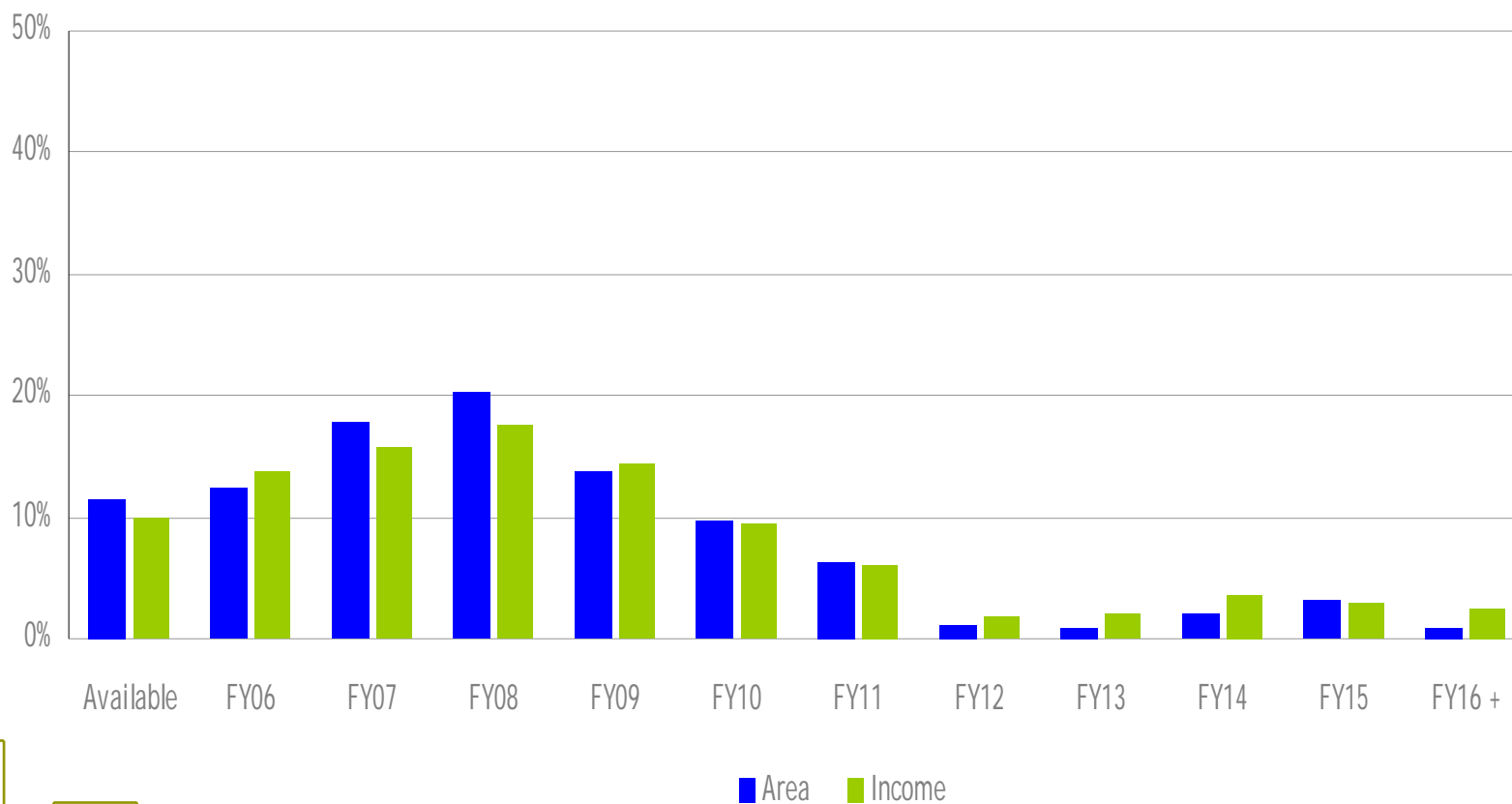
### Key Leasing Priorities

| Property                        | City          | State | Available (Sq Ft) | % Total Portfolio |
|---------------------------------|---------------|-------|-------------------|-------------------|
| 9756 International Blvd         | Cincinnati    | OH    | 192,000           | 1.0%              |
| West 21902 64 <sup>th</sup> Ave | Seattle       | WA    | 157,135           | 0.8%              |
| 2626 Port Rd                    | Columbus      | OH    | 156,000           | 0.8%              |
| 3520 Westinghouse Blvd          | Charlotte     | NC    | 121,900           | 0.6%              |
| 3601 E Plano Parkway            | Plano         | TX    | 116,068           | 0.6%              |
| 7453 Empire Drive, Bldg C       | Independence  | KY    | 101,250           | 0.5%              |
| 181 Fulling Mill Road           | Mechanicsburg | PA    | 70,232            | 0.4%              |
| Other vacancies                 |               |       | 1,359,025         | 6.8%              |
| <b>Total</b>                    |               |       | <b>2,283,610</b>  | <b>11.5%</b>      |



# 3.5 DRT - US Industrial

## Lease Expiry Profile



## 3.5 DRT - US Industrial

### Development Update

- Put & call agreements on five parcels totalling \$US18m, due by June 06
- DRT will exercise call on Turnpike Distribution Center, Medley, FL at \$US5.7m in 3Q05
- Proposed \$17m development project, 12 month construction period, forecast stabilised return of approximately 8%
- Remaining properties to be called as appropriate by June 06



## 3.6 DRT - DRO

| Earnings (\$000s)   | EM<br>Jun 05 | Grouped<br>Jun 05 |
|---------------------|--------------|-------------------|
| Income from DRO     | 5,698        | 6,793             |
| Income Tax          | 323          | 990               |
| Net Income from DRO | 5,375        | 5,803             |

- 50% contribution from DB RREEF Holdings Pty Ltd
- Income comprises asset and property management fees less operating costs



# 3.6 DRO Analysis

P&L Summary

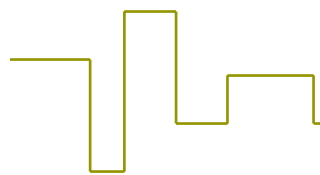
## DB RREEF Holdings Pty Ltd

## DB Operations Trust

9 Months  
30 June 05

9 Months  
30 June 05

|                              | \$m                |                               | \$m               |
|------------------------------|--------------------|-------------------------------|-------------------|
| Asset Management fees        | 32.1               | Interest Income (50%)         | 3.7               |
| Other Fees                   | 7.6                | Equity accounted profit *50%) | 2.5               |
| <b>Total Income</b>          | <b><u>39.7</u></b> | Net Property Income           | <u>1.0</u>        |
| Profit before interest & tax | 13.9               | <b>Total income</b>           | <b><u>7.2</u></b> |
| Interest - loan notes        | (7.4)              | Interest expense              | (0.4)             |
| Tax expense                  | (1.5)              | <b>Net profit before tax</b>  | <b><u>6.8</u></b> |
| <b>Net income after tax</b>  | <b><u>5.0</u></b>  |                               |                   |
| Distribution DRO             | <u>2.5</u>         |                               |                   |



## 3.6 DRT - DRO

Active Opportunity

343 George Street, Sydney

- DRT exercised call as outlined in EM, Feb 05
- Purchase Price \$44.5m
- Refurbishment underway
- Completion expected Dec 05
- Strata title development & sale opportunity
- DB RREEF Funds Management to occupy top three floors





## 3.7 DRT - Capital Management

### Equity

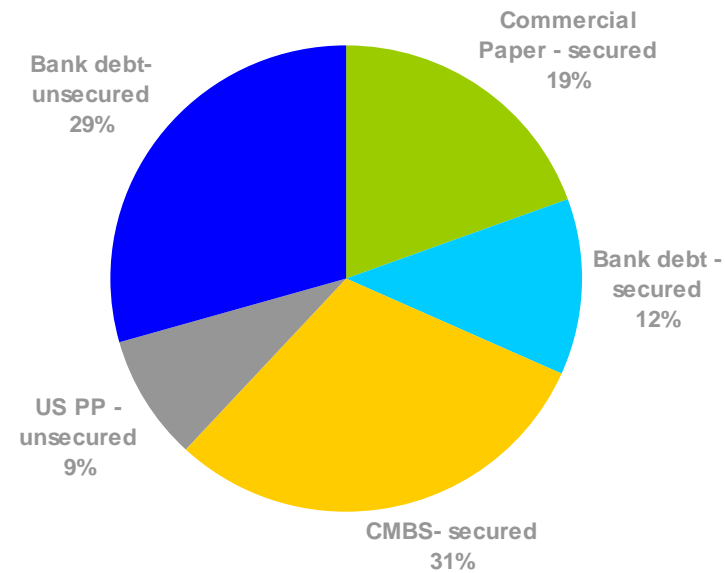
- 2,625.3m securities Issued in line with restructure
- 106.7m securities issued Feb 05 DRP at \$1.279
- 33.7m securities issued Aug 05 DRP at \$1.348
- 2,765.8m securities on Issue as at 1 September 2005
  
- \$204m RENTS securities issued in May 05 (ASX: DRRPA)
  - 130 bps premium over 90 day BBSW
  - Dividend rate set each quarter
  - 7 year term



## 3.7 DRT - Capital Management

### Debt

- Refinancing & new raisings including:
  - A\$900m Syndication facility
  - US\$200m US Private Placement
  - A\$445m of Bridge Facilities subsequently repaid
- Greater diversification of funding sources
- Strategy for FY2006 maturities underway



## 3.7 DRT - Capital Management

### Debt Profile

- Duration of debt currently 3.0 years
- 85% of debt hedged at 30th June 2005<sup>1</sup>
- Interest rate hedging duration 5.2 years
  
- Gearing reduced to 39% as at 30 June 2005
- Forecast cost of debt for 2006 (inclusive of margins & fees)<sup>2</sup>
  - A\$ 6.22%
  - US\$ 4.44%
  - NZ\$ 7.30%
  
- Over 90% of forecast US earnings hedged in FY06

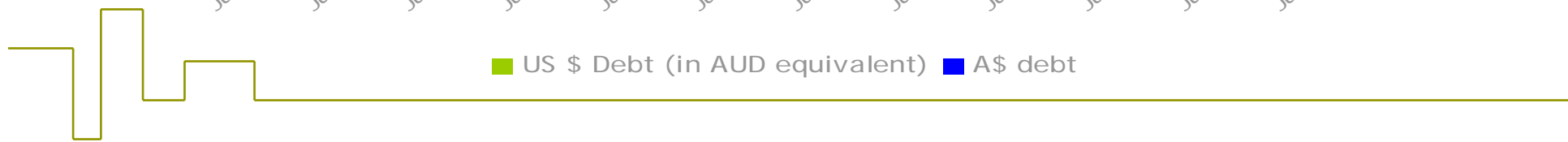
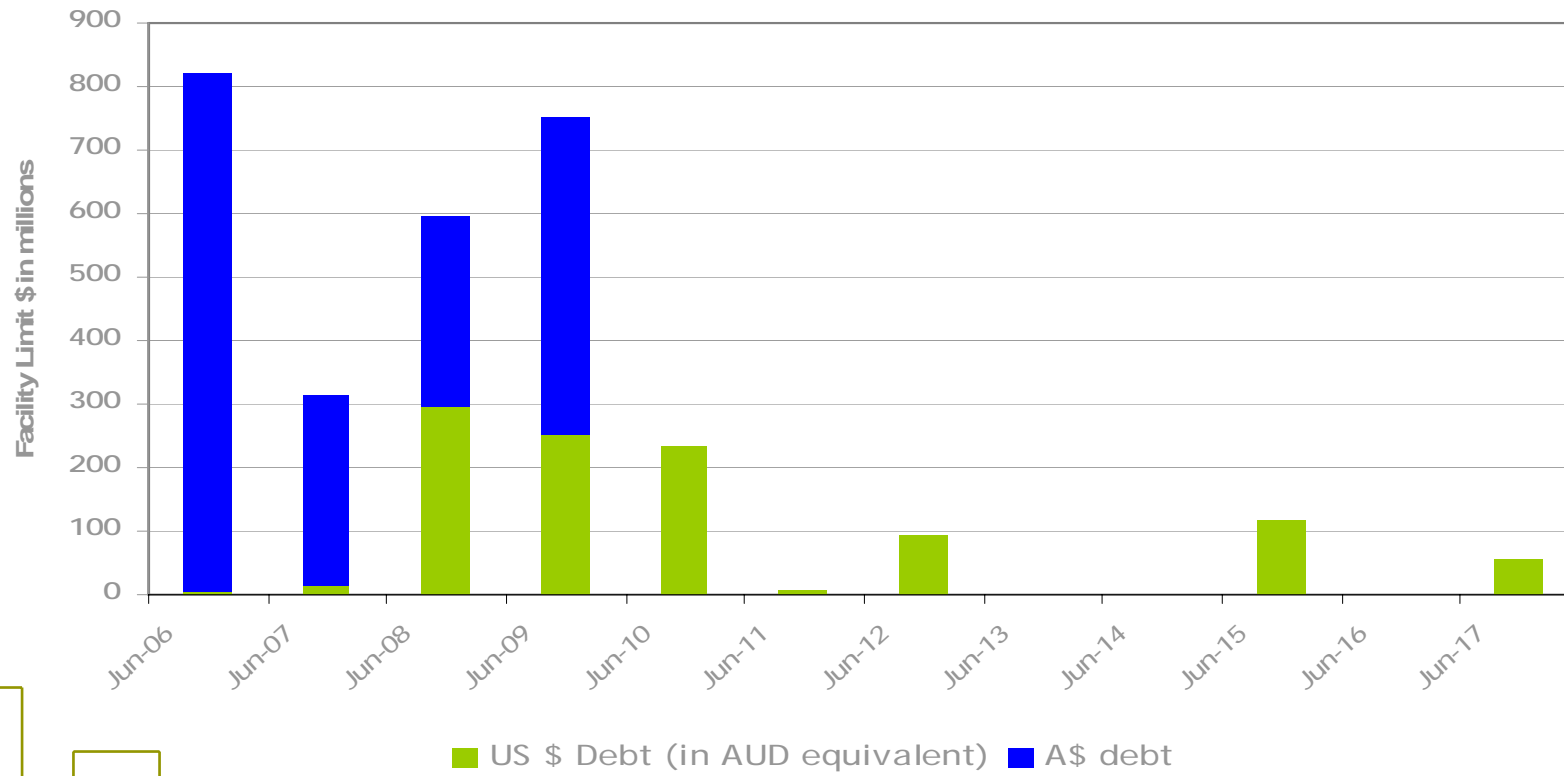
<sup>1</sup>US JV included at 80%

<sup>2</sup>Based on current floating rates



# 3.7 DRT - Capital Management

## Debt Maturity Profile



## 3.7 DRT - Capital Management

### Interest rate hedging profile

|                              | FY06   | FY07   | FY08   | FY09   | FY10   |
|------------------------------|--------|--------|--------|--------|--------|
| A\$m hedged                  | 1643   | 1518   | 1388   | 978    | 858    |
| A\$ hedge rate <sup>1</sup>  | 6.22%  | 6.23%  | 6.23%  | 6.27%  | 6.31%  |
| Average rate <sup>2</sup>    | 6.22%  | 6.22%  | 6.24%  | 6.27%  | 6.30%  |
| US\$m hedged <sup>3</sup>    | 635    | 679    | 671    | 610    | 223    |
| US\$ hedge rate <sup>1</sup> | 4.48%  | 4.47%  | 4.54%  | 4.50%  | 4.84%  |
| Average rate <sup>2</sup>    | 4.44%  | 4.55%  | 4.63%  | 4.67%  | 5.11%  |
|                              | FY06   | FY07   | FY08   | FY09   | FY10   |
| US\$m hedged                 | 17.8   | 13.3   | 10.7   | 7.2    | 2.1    |
| Avg A\$/US\$ hedge rate      | 0.6991 | 0.6893 | 0.6824 | 0.6858 | 0.7172 |

1 Weighted average hedge rate including margin & fees

2 Weighted average fixed and floating rate including margin & fees

3 includes 80% of total hedges of DBRREEF Industrial LLC (US JV)

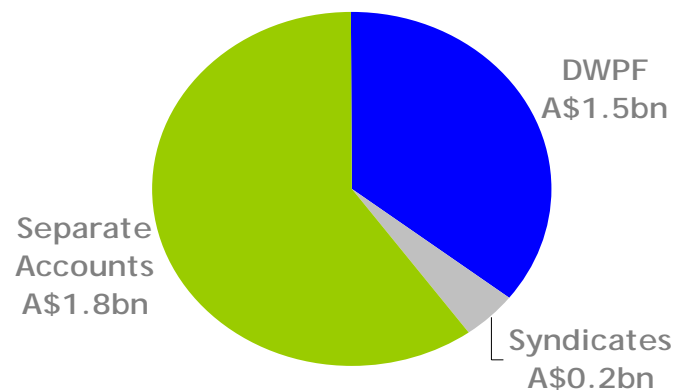
## 4. Third Party Funds Management



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## 4. Third Party Funds Management



DWPF \$1.5bn (128 investors)

- Managed under delegated authority
- No DRT investment - existing investor priority
- Acquired 50% of Regents Park, NSW
- Constitution changed in July 05
- \$37m capital raising completed in Aug 05
- AGM to be held Oct 05

Separate Accounts

- STC \$1.4bn
- AXA \$0.4bn

Syndicates (989 investors)

- Three funds, \$0.2bn
- Gordon Property Syndicate
- Northgate Property Syndicate
- Abbotsford Property Syndicate

## 5. Management Structure



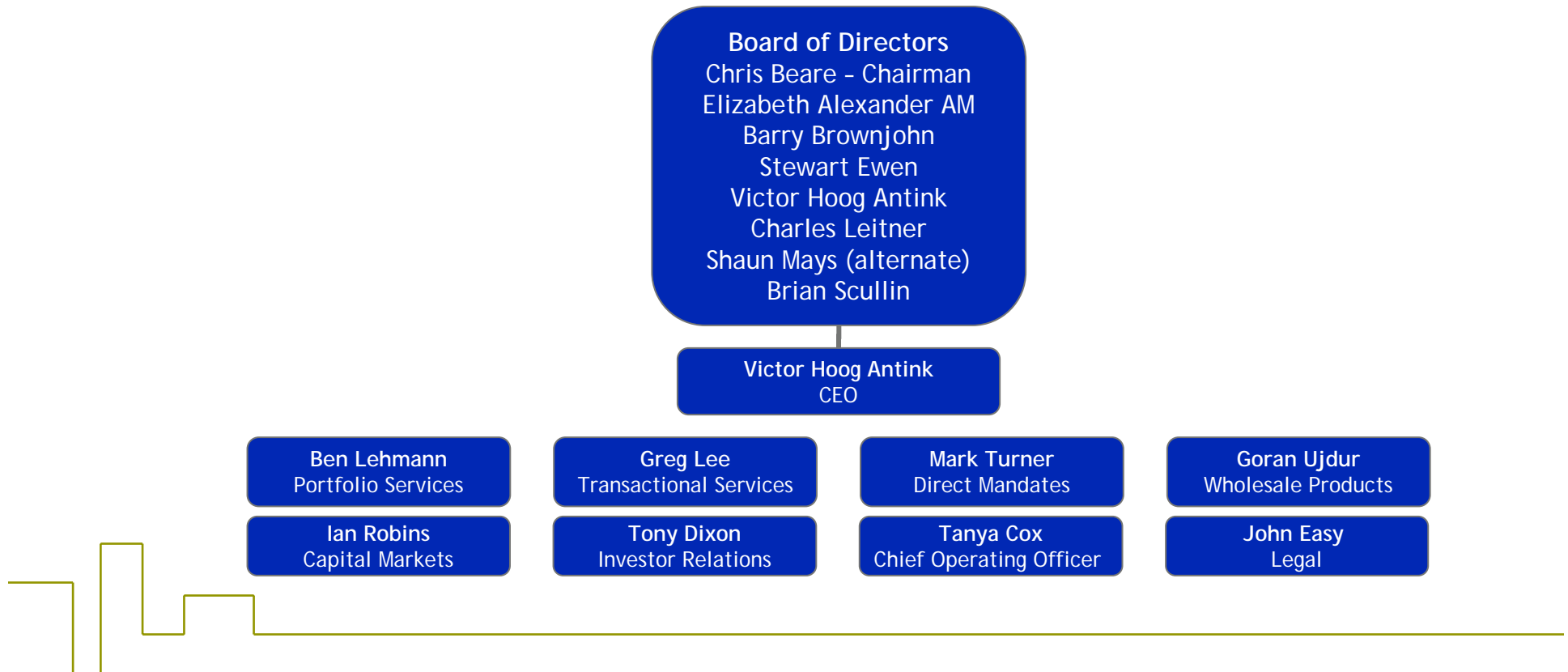
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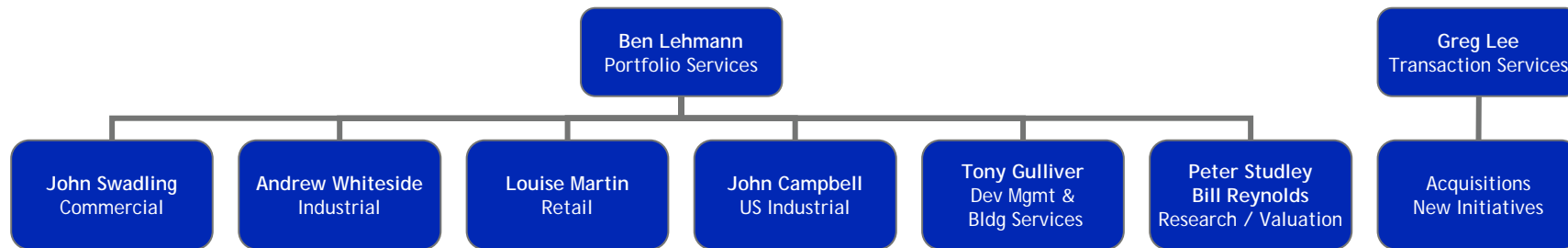
# 5. Group Management Structure

## Organisational Chart



# 5. Property Services Management Structure

## Organisational Chart



## 6. Future Direction & Strategy



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## 6. Future Direction & Strategy

- Portfolio performance
  - Continued leasing focus on existing assets
  - Stabilise income stream
- Management platform
  - Continue to strengthen DRFM Management team
  - Incremental resources to match portfolio requirements
- Enhance eps growth
  - Extract enhanced returns from existing asset base
  - Continue to source new investment opportunities for third party funds and DRT
- Leverage the global platform
  - US primary focus
  - Incremental focus on additional market opportunities



## 7. Appendix

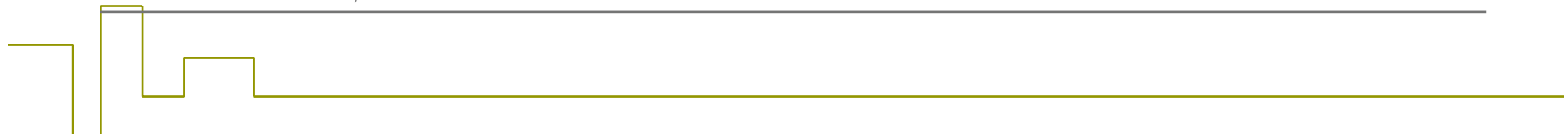


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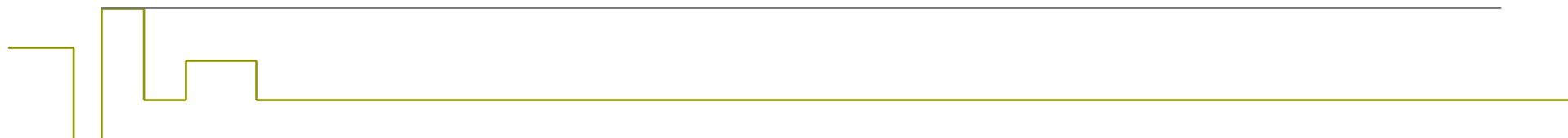
## 7. Appendix - Valuation Schedule

|                                                                             | Date   | Valuation \$m | Cap Rate | Net Movement \$m |
|-----------------------------------------------------------------------------|--------|---------------|----------|------------------|
| US Industrial Portfolio (80%)                                               | Jun 05 | 1,203.1       | 7.87%    | 92.0             |
| Southgate Complex Melbourne VIC                                             | Jun 05 | 361.0         | 7.75%    | 39.8             |
| Governor Phillip Tower & Governor Macquarie Towers Sydney NSW               | Dec 04 | 512.5         | 6.60%    | 24.1             |
| Whitford City Shopping Centre & Whitfords Avenue Hillarys WA <sup>1,3</sup> | Jun 03 | 153.4         | 7.13%    | 14.3             |
| 45 Clarence Street Sydney NSW                                               | Jun 05 | 195.0         | 7.50%    | 11.9             |
| 240 St Georges Terrace Perth WA                                             | Jun 05 | 270.0         | 7.00%    | 11.5             |
| Kings Park Industrial Estate, Bowmans Road, Marayong, NSW                   | Jun 05 | 78.5          | 8.00%    | 9.5              |
| 8 Nicholson Street, Melbourne, Vic                                          | Jun 05 | 91.8          | 7.25%    | 7.5              |
| O'Connell House 15-19 Bent Street Sydney NSW                                | Sep 04 | 55.5          | 8.00%    | 7.2              |
| 12 Frederick Street St Leonards NSW                                         | Jun 05 | 31.5          | 8.50%    | 5.3              |
| 145-151 Arthur Street Flemington NSW                                        | Jun 05 | 31.0          | 8.00%    | 4.9              |
| 1 Margaret Street Sydney NSW                                                | Jun 05 | 139.0         | 7.20%    | 4.5              |
| 79-99 St Hilliers Road Auburn, NSW                                          | Jun 05 | 41.0          | 8.00%    | 3.8              |
| 121 Evans Road Salisbury QLD                                                | Dec 04 | 18.5          | 8.75%    | 3.8              |



## 7. Appendix - Valuation Schedule (cont'd)

|                                                           | Date   | Valuation \$m | Cap Rate | Net Movement \$m |
|-----------------------------------------------------------|--------|---------------|----------|------------------|
| Pound Road West Dandenong VIC                             | Jun 05 | 56.3          | 8.20%    | 3.5              |
| Target Distribution Centre Taras Avenue Altona North Vic  | Jun 05 | 35.0          | 8.00%    | 3.1              |
| 2 Minna Close Belrose NSW                                 | Dec 04 | 32.4          | 8.50%    | 3.1              |
| 1 Foundation Place Greystanes NSW                         | Dec 04 | 41.7          | 8.00%    | 2.8              |
| 1 Garigal Road Belrose NSW                                | Dec 04 | 27.4          | 8.50%    | 2.7              |
| 25 Donkin Street South Brisbane QLD                       | Jun 05 | 20.7          | 8.25%    | 2.6              |
| West Lakes Shopping Centre West Lakes SA <sup>1,3</sup>   | Jun 03 | 86.0          | 7.50%    | 1.8              |
| 436-484 Victoria Road Gladesville NSW                     | Dec 04 | 43.0          | 8.50%    | 1.7              |
| 15-23 Whicker Road Gillman SA                             | Jun 05 | 21.3          | 9.75%    | 1.5              |
| Plenty Valley Town Centre South Morang Vic <sup>1,3</sup> | Jun 03 | 16.0          | 7.75%    | 1.3              |
| 250 Forest Road South Lara VIC                            | Jun 05 | 34.6          | 9.65%    | 0.8              |
| Whitfords Avenue Hillarys WA <sup>1,3</sup>               | Jun 03 | 7.9           | 8.50%    | 0.7              |
| 2 O'Connell Street Sydney NSW                             | Sep 04 | 7.8           | 8.00%    | 0.6              |



## 7. Appendix - Valuation Schedule (cont'd)

|                                                  | Date   | Valuation \$m  | Cap Rate | Net Movement \$m |
|--------------------------------------------------|--------|----------------|----------|------------------|
| 4 O'Connell Street Sydney NSW                    | Sep 04 | 12.0           | 8.00%    | 0.5              |
| 9 Bligh Street Sydney NSW                        | Sep 04 | 5.5            | 8.00%    | 0.4              |
| 114-120 Old Pittwater Road Brookvale, NSW        | Jun 05 | 42.0           | 9.00%    | 0.2              |
| 201 Elizabeth Street Sydney NSW                  | Dec 04 | 117.0          | 7.25%    | (0.4)            |
| 14 Moore Street, Canberra, ACT                   | Apr 05 | 36.3           | 8.75%    | (1.0)            |
| 40 Talavera Road, North Ryde, NSW                | Apr 05 | 28.5           | 8.25%    | (2.6)            |
| Australia Square 264 George St Sydney NSW        | Jun 05 | 184.0          | 8.00%    | (4.9)            |
| 1 Bligh Street Sydney NSW                        | Sep 04 | 10.5           | 7.20%    | (5.3)            |
| Victoria Cross 60 Miller Street North Sydney NSW | Mar 05 | 86.0           | 7.50%    | (5.3)            |
| <b>TOTAL INVESTMENT PROPERTIES</b>               |        | <b>4,133.5</b> |          | <b>248.0</b>     |





## 8. Important Information



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