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ASX Announcement

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DDF TO OWN 50% OF A \$1.45 BILLION NATIONAL RETAIL PORTFOLIO

DB Real Estate Australia Limited ("DBRE") as the Responsible Entity of Deutsche Diversified Trust (ASX:DDF) is pleased to announce it has entered into sale and acquisition agreements resulting in ownership of a 50% interest in \$1.45 billion portfolio of retail properties, to be jointly owned with the Westfield Group (ASX:WDC)

Under the transaction:

- DDF will sell to Westfield a 50% interest in Whitford City Shopping Centre in Perth, Western Australia, for \$184.5 million at a property yield of 7.0%, and a 50% interest in an adjacent bulky goods property for \$8.0 million at a property yield of 9.0%, exceeding DDF'S current book value.
- DDF will sell to Westfield a 50% interest in West Lakes Mall in Adelaide, South Australia, for \$122.5 million, at a property yield of 7.4% exceeding DDF'S current book value.
- DDF will sell to Westfield a 50% interest in Plenty Valley Town Centre in Melbourne, Victoria, for \$10.25 million at a property yield of 8.0% and a 50% interest in the adjacent parcel of land for \$8.75 million exceeding DDF'S current book value.
- DDF will acquire from Westfield a 50% interest in Westfield North Lakes shopping centre and adjacent land in Brisbane, Queensland for \$61 million at a property yield of 7.25% for the centre.
- DDF will acquire (pursuant to put and call arrangements) from SAS Trustee Corporation (SAS) a 50% interest in Westfield Mount Druitt in Sydney New South Wales for \$132.5 million at a property yield of 7.25%.
- DDF will acquire (pursuant to put and call arrangements) from SAS Trustee Corporation (SAS) a 50% interest in Westfield Hurstville Sydney New South Wales at a valuation price to be determined on exercise of the option. This is estimated to be in the range of \$215 million to \$220 million based on an indicative yield of 7.0 %.



"This transaction significantly enhances the quality and diversification of our retail investments, provides DDF the benefits of a national retail presence and is further enhanced as a result of the portfolio being managed by Westfield, the world's largest retail property group by equity market capitalisation," said Greg Lee, General Manager of DDF.

The transaction will have a positive impact on NTA going forward, is earnings accretive post acquisition costs and will not have a material impact on the Trust's gearing having regard for contracted asset sales.

The \$110 million net acquisition price will be funded from debt facilities. At completion of this transaction DDF's gearing is forecast to be approximately 31%.

Settlement of Westfield North Lakes, Whitford and Plenty Valley is anticipated to take place on 20 August 2004. Settlement of Mount Druitt is anticipated to be achieved by early September 2004. Settlement of West Lakes and Westfield Hurstville are anticipated to settle on 31 March 2005 in line with the anticipated completion of the current development at West Lakes.

DDF and Westfield will each have pre-emptive rights over each owner's interest for each asset. All sales are unconditional and all acquisitions are subject to FIRB approval which is anticipated pre-settlement.

ENDS

About Deutsche Diversified Trust

Deutsche Diversified Trust has assets valued at approximately A\$1.6 billion. This highly diversified trust, by sector as well as geographic allocation, has 26 properties across the retail, office, industrial and car park property sectors in five major Australian states and the ACT. Deutsche Diversified Trust is part of the DB Real Estate Australia group. DB Real Estate Australia is one of the country's largest real estate fund managers responsible for assets valued at more than \$10 billion. DB Real Estate Australia manages more than 130 properties in Australia and New Zealand, across the commercial, retail, industrial and car parking sectors.

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FACT SHEET – Centre Profiles

Centres in which 50% interests have been sold.

Whitford City is an established shopping centre located 24 kms north-west from the Perth CBD in Western Australia. The centre has a total area of approximately 68,400 square metres and includes Target, Big W, Woolworths, Action supermarket, Greater Union cinemas and more than 200 specialty retailers. There is also 3,000 square metres of office suites in a freestanding building on the site. The 9,400 square metre bulky good centre is located across the road and is anchored by Bunnings.

West Lakes Mall is an established shopping centre located 14 kms north-west of the Adelaide CBD in South Australia. On completion of its current redevelopment, scheduled for March 2005, the centre is forecast to have a total area of approximately 62,000 square metres including a David Jones, Kmart, Harris Scarfe, Woolworths, Coles, Reading cinemas, and more than 140 specialty retailers.

Plenty Valley Town Centre is a 5,700 square metre convenience centre anchored by Coles supermarket with approximately 23 specialty retailers. The centre is located on a site of approximately 50 hectares at South Morang, 25 kms north of the Melbourne CBD, in one of the city's main growth corridors. The trade area population is forecast to grow at a rate of 4.5% per annum over the next ten years while retail spend in the trade area is forecast to more than double over the next ten years to \$1.2 billion in 2014 representing an average annual growth rate of 8.0%¹.

Centres in which 50% interests have been acquired.

Westfield Hurstville is established shopping centre, located approximately 20km south-west of the Sydney CBD in the densely populated city of Hurstville. The centre has a total area of more than 64,800 square metres and includes Myer, Target, Kmart, Coles, Food for Less, Aldi, Toys 'R' Us, Dan Murphys, Greater Union Cinemas and approximately 248 specialty retailers.

Westfield Mt Druitt is an established shopping centre located in Sydney's Western suburbs approx 43km from the Sydney CBD. The centre has a total area of more than 69,000 square metres and includes Kmart, Woolworths, Coles, Hoyts Cinemas and approximately 185 specialty retailers and a recently announced new Target store to be added.

Westfield North Lakes is Westfield's newest shopping centre, and is the company's first green field development in 8 years. Opened in August 2003, Westfield North Lakes is located 25 kilometres north of Brisbane's CBD, in one the fastest-growing areas in the region. The centre is part of a master-planned 25 hectare precinct that will eventually include 20,000 square metres of bulky goods space and 60,000 square metres of retail. The precinct is incorporated into a residential development comprising more than 8,000 homes, roads, parks, bikeways, lakes, a golf course and a business park. With more than 70 specialty retailers, and major stores including Target, Coles and Best & Less, Westfield North Lakes is a convenient and accessible centre that serves both its immediate community and that of the surrounding district.

1. Source: Urbis JHD Research