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PROPERTY FUNDS AUSTRALIA

Capital Collection Syndicate (CCS)
Capital Collection Property Trust (CCT)

Property Funds Australia ("PFA") announces the renegotiation of two interest rate swaps, previously expiring 03/01/2005, and now due to expire on 31/12/2008.

The previous two separate swaps were for amounts of \$31,020,000 and \$15,457,000 set at 7.20% and 7.07% respectively before margins (1.00% & 1.35%).

The new swap covers \$46,477,000 set at 6.32% from 1/10/2003 until 31/12/2008. Variable interest applies until 30/09/2003 at 4.80% before margins (Forward Start Rate from 01/07/2003 until 30/09/03) and from 01/04/ - 30/06 already set @ 4.85% before margins.

Expected interest rate savings compared to forecast this financial year are \$207,000, next financial year compared to pre-renegotiations \$578,949 and \$404,000 each year thereafter.

It is not the manager's intention to vary the distribution rate for this financial year.



Chris Morton
MANAGING DIRECTOR
COMPANY SECRETARY