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BSX Announcements
(2 pages)



PFA DIVERSIFIED PROPERTY TRUST - BSX CODE: PFD
ACQUISITION OF 180 QUEEN STREET, BRISBANE, QLD

Property Funds Australia Limited ("PFA"), as responsible entity for The PFA Diversified Property Trust ("Trust") announced today it has exchanged contracts for the unconditional purchase of 180 Queen Street, Brisbane for \$18.0M.

180 Queen Street is a nine level retail and commercial office building located in the heart of Brisbane's Queen Street Mall. The building was purpose built for the National Australia Bank and was completed in 1930. It underwent extensive refurbishment works in 1990/91 and is a heritage listed.

The property's major tenant is retailer Country Road who occupy 866m² on the ground and mezzanine levels on a 10 year lease to 2010. The basement level consists a safe deposit facility for the National Australia Bank Security Deposit on a 5 year lease to 2007. The upper levels provide commercial office accommodation comprising larger tenancies and individual suites ranging in size from 15m² to 492m² leased to a wide variety of businesses ranging from jewellers to valuers to legal firms.

Property Funds Australia Managing Director, Mr Chris Morton, said "We are pleased with this new acquisition for the Trust. With the pending sale of Post Office Square, it provides the opportunity for the Trust to continue to have some retail property exposure within the Brisbane CBD. We also believe that the property has some interesting value-adding potential in the medium term particularly within the office component. The acquisition delivers an initial yield of around 8% to the Trust. "

"We were also attracted to this property because of its location within the Queen Street Mall, being situated towards the northern end of the mall between the old David Jones building which is currently being redeveloped and Broadway on the Mall. It is also directly across from the Wintergarden/Hilton complex. This end of the mall has recently undergone a significant transformation with the completion of the upmarket retail shopping complex, Queens Plaza, which incorporates a new David Jones store and

upmarket retailers. The next stage of the Queens Plaza development is currently under construction and includes the redevelopment of the old David Jones store adjacent to 180 Queen Street. We see this end of the Mall becoming the up-market section of the Mall which will continue to attract quality brands like Country Road.”

This latest property acquisition brings the Trust’s total portfolio to 15 properties valued at around \$350M.

The sale of 180 Queen Street was negotiated by agents Matthew Curtain and Craig O’Donnell.

For further information, please contact Chris Morton (Managing Director of PFA) on (07) 3221-7170 or 0419 302 600.