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Property Fund Managers

PRESS RELEASE

PFA DIVERSIFIED PROPERTY TRUST DELIVERS IMPRESSIVE HALF-YEAR RESULTS

Property Funds Australia Limited ("PFA"), the responsible entity of the PFA Diversified Property Trust ("the Trust"), is pleased to report on an active period which has resulted in some impressive half-year financial results for the Trust.

The Trust is an open-ended Bendigo Stock Exchange listed property trust with 15 properties in Queensland, New South Wales, Victoria, Western Australia, ACT and Tasmania with a property value of \$353M. The Trust currently has in excess of 3,700 unitholders.

Total revenue from operating activities for the six month period was \$18M, an increase of 24% over the corresponding period. Profit (after amortisations and before unitholder distributions) for the half-year also showed an increase of 260% over the previous corresponding period at \$13.26M. The Trust's general monthly distributions continue at a rate of 9.48 cents per unit per annum in accordance with previous financial forecasts. This distribution in addition to the special distribution in December of 6.76 cents per unit means that almost all unitholders have received 11.5 cents per unit for the six month period – an impressive distribution rate.

PFA's managing director, Mr Chris Morton said, "We are again pleased with the sound and consistent performance of the Trust. Our commitment to meeting the objectives and strategies of the Trust has seen significant achievements including the acquisition of 180 Queen Street, Brisbane for \$18.0M and a 50% interest in the Civic Tower, Goulburn Street, Sydney for \$54.85M. Also, revaluations of 2 of the Trust's 15 properties have added a further \$6.1M to the portfolio's value."

The most significant achievement during the period was the sale of the Post Office Square, Brisbane property for \$70.5M, \$9.0M above its book value and approximately \$20.0M above its original purchase price. Following the sale of Post Office Square a special distribution of 6.76 cents per unit was paid to eligible unitholders.

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"The financial results for the half-year have been impressive which is significantly due to the Post Office Square sale. We are also pleased by the nature of the acquisitions during the period and the successful capital raising. The outlook for the Trust appears strong with the long term fundamentals for the Trust remaining positive. Further, the Trust as at 31 December, 2005 had a low 2.1% vacancy rate and strong tenant profile with national and government tenants accounting for approximately 87% of the income of the Trust thus underpinning the future stability of future portfolio income."

Following the positive revaluations of two of the properties and the sale of Post Office Square and the subsequent special distribution of 6.76 cents per unit, the Trust's NTA per unit as at 31 December, 2005 is \$1.08 per unit which is in line with previous forecasts.

"Looking forward, our key focuses for the forthcoming six months will include the acquisition of a further property as canvassed in the recent PDS No. 3 and also the launch of PDS No. 4 due to be released in April," said Mr Morton.

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