

22 December 2006



Property Fund Managers

To: BSX Announcements
By Email: announcements@bsx.com.au
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**5.26 CPU SPECIAL DISTRIBUTION
THE PFA DIVERSIFIED PROPERTY TRUST (ARSN 097 860 690)
BSX CODE PFD**

Property Funds Australia Limited ("PFA"), as responsible entity for The PFA Diversified Property Trust ("Trust") advises that consequent upon the recently announced sale of Garden Square Office Park to the Stockland Trust, it is the intention of PFA to make a special distribution to unitholders on the following terms and conditions:-

1. **Amount of special distribution: 5.26 cents per unit;**
2. **Record date for distribution: 1 March, 2007;**
Investors who become unitholders on the register after 1 March, 2007 will not be entitled to this special distribution. Should a unitholder on the register as at 1 March, 2007 subsequently sell their units they will still receive the special distribution subject to the conditions below.
3. **Payment date: Approximately fourteen (14) days after settlement** of the sale contract for Garden Square Office Park. Pursuant to the Contract for Sale, this settlement is scheduled to be on 28 February, 2007;
4. **Conditions: The special distribution is conditional** upon the completion of the sale contract for Garden Square Office Park referred to above.
5. **Capital Gains Tax:** Unitholders receiving the special distribution will be liable for the payment of any capital gains tax on the gain on sale of the Garden Square property. Advice as to the amount of this capital gain will be given in the annual income statement forwarded to unitholders after 30 June 2007.

Background

The special distribution is proposed to be made out of the capital profit which would arise from the Garden Square Office Park sale. The Garden Square Office Park property is currently carried in the financial statements of the Trust at a book value of \$35M. The net sale price under the Contract for Sale (after deduction of the cost to the Trust of outstanding tenancy related incentives and the currently anticipated cost of rental guarantees) will be in the vicinity of \$56M.

A handwritten signature in black ink, appearing to read 'Chris Morton', with a long horizontal line extending to the right.

Chris Morton
Managing Director

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