

21 June 2007



Property Fund Managers

Press Release/BSX Announcement

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PFA DIVERSIFIED PROPERTY TRUST (BSX CODE: PFD) CONDITIONAL SALE OF 388 QUEEN STREET, BRISBANE

Property Funds Australia Limited ("PFA"), the responsible entity of the PFA Diversified Property Trust ("the Trust"), announced today it has entered into a conditional sale of 388 Queen Street, Brisbane to diversified property group, Trinity for \$40 million.

The transaction is conditional upon events which must occur by 27 June 2007. Should the contract go unconditional, the settlement should occur on 28 June 2007.

The Trust is close to finalising negotiations for the purchase of a replacement property for 388 Queen Street. It is expected that an announcement relating to this will be made within the week.

388 Queen Street was purchased in 2001 by the Trust for a purchase price of \$16.0 million. The sale price of \$40 million (\$6,384/sqm) is \$20 million above the property's current book value. At current rentals, this sale price reflects a yield of approximately 5.3%.

PFA's Managing Director, Mr Chris Morton, said "We have been reviewing the 388 Queen Street property, following a number of off-market approaches by potential purchasers. We recognised that Trinity is a strategic buyer for this property, given their recent acquisition of 4 adjoining properties. We therefore felt, given the sound price offered, that it is an opportune time for the Trust to realise profit from the Brisbane market."

"The sale is also consistent with the ongoing diversification strategy of the Trust".

For further information, please contact Chris Morton (Managing Director of PFA) on (07) 3221-7170 or cmorton@pfaltd.com.au.

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