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Property Fund Managers

Press Release/BSX Announcement

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PFA DIVERSIFIED PROPERTY TRUST (BSX CODE: PFD) PFA SWAPS 388 QUEEN STREET FOR FOXTEL CALL CENTRE

Property Funds Australia Limited ("PFA"), the responsible entity of the PFA Diversified Property Trust ("the Trust"), announced today it has entered into an unconditional contract to purchase the Foxtel Building, a commercial office building located at Moonee Ponds, Melbourne for a purchase price of \$28,500,000. The property is being acquired from Trinity Funds Management Limited.

The previously announced contract to sell 388 Queen Street, Brisbane to Trinity for \$40 million is now unconditional and the swap of the two properties is to settle contemporaneously. Settlement is expected to occur on 28 June 2007.

The Foxtel property is 100% leased by Foxtel Management Pty Ltd on a 10 year remaining lease through to March 2017, with three four year options to renew. Foxtel operates a national Customer Solutions Centre from this property, which directly employs over 750 people.

The property is situated at 1-21 Dean Street, Moonee Ponds approximately 6 radial kilometres north-west of the Melbourne CBD. The property is located adjacent to the south-west corner of the Moonee Valley Racecourse whilst other surrounding development generally comprises a mix of established residential, retail and commercial properties. The property is also close to public transport services and within easy access to City Link.

The property was purpose built by Foxtel in 2004 for its own occupation. It consists of five levels (including basement car park) and has a net lettable area of 7,136m². The building design features a central, four level high, atrium with a translucent ceiling and suspended stairways within the void. The lift core and peripheral offices are positioned at the eastern and western ends of the building, with the result being virtually uninterrupted light from the extensively glazed northern and southern facades (and the atrium).

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In addition to 68 basement car spaces, the property also provides 182 spaces within 4 split levels of deck parking to the eastern side of the office building.

The Foxtel property has been acquired at a price that represents an initial yield of 7.2% or \$4,008 per square metre. The 388 Queen Street property was on the other hand sold at an initial yield of 5.2% based on current rentals.

PFA's Managing Director, Mr Chris Morton, said "Following Trinity's offer to acquire 388 Queen Street, and their willingness to swap one of their assets as a part of the transaction, we identified from their portfolio the Foxtel property as a suitable acquisition for the Trust. We believe that it is an opportune time to dispose of the 388 Queen Street property given the strategic nature of the buyer, the current position of the Brisbane commercial office market cycle and the property's lease profile following the extension of the Suncorp lease to 2012."

"We have been gradually reducing the Trust's exposure to the Brisbane office market as part of our ongoing diversification strategy. The acquisition of the Foxtel property provides an opportunity for The Trust to increase its geographical diversification into the Melbourne office market, where the Trust currently has minimal exposure. We are of the belief that the Melbourne office market offers value at this time."

"This property acquisition is attractive for the Trust given its strong lease profile and a new modern building that will require limited capital and maintenance expenditure in the future," said Mr Morton.

With a clear strategy for the Trust to continue to grow its asset base through the acquisition of quality investment grade property, the Trust is undertaking a \$25 million capital raising through a recently release product disclosure statement – PDS No. 5.

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