

30 August 2007



Property Fund Managers

BSX Announcements

By Email: announcements@bsx.com.au

(2 pages)

PFA DIVERSIFIED PROPERTY TRUST - BSX CODE: PFD
34 CENT INCREASE IN NTA FROM REVALUATIONS

Property Funds Australia Limited ("PFA"), as responsible entity for The PFA Diversified Property Trust ("Trust") today announced a \$57.31 million increase in the value of the Trust's property portfolio following the independent revaluation of 10 out of 18 of the Trust's properties as at 30 June 2007. The remaining 8 properties have reasonably up to date valuations having during the past 2 years, either been independently revalued or purchased. These revaluations represent an increase of approximately 16.2% over the last 12 month period in the independent valuations of that part of the portfolio held as at 30 June 2006. Following these positive revaluations and the acquisition of 4 properties during the financial year, the Trust's total property portfolio held as at 30 June 2007 had a book value of over \$571M, up from \$407M as at 30 June 2006. Since that date, the value has further increased as a result of the acquisition of 390 St Kilda Road, Melbourne for \$63.225M.

As a result of these revaluations, the Trust's (proforma) net tangible asset value per unit ("NTA") as at 30 June 2007 is now around \$1.53 per unit. However, the NTA should reduce to around \$1.50 per unit following the payment of the special distribution of 2.88 cents per unit in mid-September. This resultant NTA per unit increase is approximately 34 cents above the NTA per unit calculations for 30 June 2006.

A summary of the revaluations for the 2006/07 year is as follows:-

Property	Book Value as at 30/6/2006	New Book Value as at 30/6/2007	Increased Amount	Increase %
Civic Tower	\$58.87M	\$68.75M	\$ 9.88M	16.78
Lands Building	\$29.00M	\$35.00M	\$ 6.00M	20.68
Cairns Hypermart	\$20.00M	\$25.50M	\$ 5.50M	27.50
Anzac Square	\$24.00M	\$37.00M	\$13.00M	54.17
544 Kessels Road	\$13.69M	\$17.70M	\$ 4.01M	29.29
Centro on James – Stage 3	\$14.70M	\$17.90M	\$ 3.20M	21.77
180 Queen Street	\$19.18M	\$25.50M	\$ 6.32M	32.95
AAPT Centre	\$16.56M	\$17.50M	\$ 0.94M	5.67
303 Sevenoaks Street	\$48.80M	\$55.00M	\$ 6.20M	12.70
33 McDowell Street	\$ 7.49M	\$ 9.75M	\$ 2.26M	30.17

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PFA's managing director, Mr Chris Morton, said "We are obviously extremely pleased with the increase in valuations that have occurred and the subsequent impressive increase in the Trust's NTA to around \$1.50 per unit."

"The revaluations generally reflect the firming of capitalisation rates that have occurred in the property market generally, but particularly office markets in Australia (for example, in the Brisbane and Perth office markets). We had intentionally focussed heavily on these markets in recent years. The Trust's portfolio continues to have a low vacancy rate of 1.3% and a strong 6.7 weighted average lease expiry profile. The portfolio's strong position (as reflected in the revaluations) is also due to the active management of the Trust's property portfolio."

"In this past financial year, we have been able to take advantage of the current position of the Brisbane commercial office market cycle, with the divestment of two properties being Garden Square Office Park and 388 Queen Street, Brisbane. Our unitholders should be happy with the performance of their investment. They have continued to benefit from the sound performance of the Trust with those unitholders who held units throughout the 2006/07 financial year receiving distributions of 15.06 cents per unit comprising ordinary distributions of 9.8 cents per unit and a special distribution of 5.26 cents per unit. A further special distribution of 2.88 cents per unit, as a result of the sale of 388 Queen Street on 30 June 2007, will be paid around 14 September 2007."

"We are hopeful that the Trust's strong performance and particularly the increase in the NTA per unit will be subsequently reflected in the pricing of units by investors on the Bendigo Stock Exchange (www.bsx.com.au)."

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