



MIRVAC PFA DIVERSIFIED PROPERTY TRUST

BSX ANNOUNCEMENT

MIRVAC PFA DIVERSIFIED PROPERTY TRUST STRATEGIC REVIEW OUTCOMES

Mirvac PFA Limited (Mirvac PFA) today announced the outcomes of its Strategic Review of the Mirvac PFA Diversified Property Trust (BSX code: PFD) outlining a clear direction forward for the Trust.

Mirvac PFA focussed its review on the key aspects of the Trust's operations and issues relevant to the changing economic landscape. The review included an assessment of market conditions incorporating the review of:

- PFA's property portfolio
- capital management (including debt and equity);
- financial and investment metrics
- distribution policy
- administrative systems
- compliance and governance
- market environment

Grant Hodgetts, Chief Executive Officer, Mirvac Funds Management said, "Real estate and financial markets have entered a period of volatility which dictated the need for a review to be conducted. The recent events in global credit markets, and the subsequent flow on effect to share markets, have seen the Trust's operations impacted resulting in some changes that we will need to implement."

"A key outcome of the review is that the fundamentals of the underlying properties within the portfolio remain sound. The portfolio is 100 per cent domiciled in Australia, has strong diversification by asset and sector, high occupancy levels at 97.5 per cent and a Weighted Average Lease Expiry above 6 years."

Capital management

The Trust's existing debt facilities expire in November 2008 and the renewal of these debt facilities will be an absolute priority for Trust management. Discussions are well advanced for a new term facility and it is expected that management shall be able to conclude this refinancing by late June 2008. In addition, rationalisation of the Trust's portfolio shall take place.

Management fee reduction

Effective 1 July 2008, Mirvac PFA will reduce the current management fee charged from 0.6 per cent to 0.4 per cent of funds under management. It is intended that this fee be increased with distribution increases to unitholders to a cap of 0.6 per cent of funds under management.

FY09 distribution forecast

Due to the expected increase in debt costs, and to ensure the Trust remains in compliance with its debt covenants moving forward, management will reduce investor distributions from 9.8 cents per unit to 6.9 cents per unit. This reduction will be effective from 1 July 2008.

Mr Hodgetts said, "The reduction in distributions is essential to ensure the Trust maintains a strong financial position over the long term."

"We remain focussed on the basics including control of the Trust's debt, expense reduction, improving the management of assets and delivering security of income and maintaining investor value."

"We believe the outlook for the Trust is positive and it's investment portfolio is expected to perform well driven by high occupancy and strong underlying leases," Mr Hodgetts said.

For further information:

Grant Hodgetts
CEO - Australia
Mircac Funds Management
T: +61 3 9695 9401

Ben Hindmarsh
Trust Manager
Mircac PFA Diversified Property Trust
T: + 61 2 9080 8000