

26 February 2004

BSX Announcements
Facsimile No. (03) 5444-0033
(20 pages)



**PFA DIVERSIFIED PROPERTY TRUST ("PFD")
ANNEXURE 3A - HALF YEARLY DISCLOSURE
FOR THE PERIOD ENDED 31 DECEMBER 2003**

PROPERTY FUND MANAGERS

The Directors of Property Funds Australia Limited ("PFA"), the manager of the PFA Diversified Property Trust ("the Trust"), are pleased to announce the following financial results for the six months ended 30 December 2003 ("Period").

December 2003 Half Year Highlights

- Total revenue for the six month period was \$12.3 million, an increase of almost 5% on forecasts which were incorporated into the explanatory memorandum released in June 2003 ("the previous forecasts").
- Net Profit (after tax) for the period was \$2.25million. Net profit (before amortization and merger costs) of \$4.7million for the Period surpassed the previous forecasts by 21%.
- Net asset backing per unit of the Trust increased to \$1.03 per unit as at 31 December, 2003.
- Six properties were revalued during the Period, resulting in an increase of \$6.54M over prior valuations. The total property portfolio value of the Trust as at 31 December, 2003 was \$207million. Total assets as at 31 December 2003 increased to almost \$220million.
- As a result of the above revaluations, the net tangible asset backing per unit has impressively increased by approximately 7% since 1 July, 2003.
- Monthly distributions per unit during the period have been \$0.79 per unit (annualised at 9.48 cents per unit) in line with the previous forecasts.
- As previously announced, PFA has successfully refinanced approximately \$120 million of Trust debt during November and January 2004. This refinancing achieved substantial benefits in terms of reduced financier margins, additional financing capabilities and flexibility of future acquisitions to facilitate the Trust's growth.

Stephen Bernard


COMPANY SECRETARY

All



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References

Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

PFA Diversified Property Trust

Name of entity

097 860 690 (ARSN)

Half yearly (tick)

X

31/12/2003

ABN, ACN or ARBN

Annual (tick)

Half year/financial year ended
(‘Current period’)

Summary

Sales revenue or operating revenue

Up

436%

to

\$A,000

12,284

Profit (loss) before abnormal items and
after tax

Up

277%

to

2,253

Abnormal items before tax

gain (loss) of

Profit (loss) after tax but before outside
equity interests

Up

277%

to

2,253

Extraordinary items after tax attributable
to members

gain (loss) of

Profit (loss) for the period attributable to
members

Up

985%

to

8,015

Dividends (distributions)

Franking rate applicable

N/A

Current period

Final

Refer to Annexure A (1) ¢
¢

Interim

Previous corresponding period

Final

Refer to Annexure A(1) ¢
¢

Interim

Record date for determining entitlements to the dividend, (in the
case of a trust distribution)

Last day of the month

Date 23/8/2000

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Annexure 3A Half Yearly/Yearly Disclosure

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

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Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	12,284	2,815
Expenses from ordinary activities	(5,082)	(936)
Borrowing costs	(4,969)	(1,066)
Share of net profit (loss) of associates and joint venture entities	0	0
Profit (loss) from ordinary activities before tax	2,253	813
Income tax on ordinary activities	0	0
Profit (loss) from ordinary activities after tax	2,253	813
Outside equity interests	0	0
Profit (loss) from ordinary activities after tax attributable to members	2,253	813
Profit (loss) from extraordinary activities after tax attributable to members	0	0
Profit (loss) for the period attributable to members	2,253	813
Retained profits (accumulated losses) at the beginning of the financial period	Refer to Annexure A(5)	Refer to Annexure A(5)
Net transfers to and from reserves		
Net effect of changes in accounting policies	Refer to Annexure A(5)	Refer to Annexure A(5)
Dividends paid or payable	Refer to Annexure A(1)	Refer to Annexure A(1)
Retained profits (accumulated losses) at end of financial period	Refer to Annexure A(5)	Refer to Annexure A(5)

Profit restated to exclude amortisation of goodwill

Annexure 3A Half Yearly/Yearly Disclosure

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	2,253	813
Less (plus) outside equity interests	0	0
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	2,253	813

Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Rent Received	11,105	2,428
Outgoings recovered	1,124	335
Interest Received	33	52
Sundry revenue	22	0

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	0	0	0
Amortisation of other intangibles	2,481	0	2,481
Total amortisation of intangibles	2,481	0	2,481
Extraordinary items (details)	0	0	0
Total extraordinary items	0	0	0

Annexure 3A Half Yearly/Yearly Disclosure

Comparison of half year profits (Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	2,253	813
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	0	0

Consolidated balance sheet

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Current assets			
Cash	767	449	944
Receivable	629	136	256
Investments	0	0	0
Inventories	0	0	0
Other (provide details if material) (Prepaid expenses & deposits)	351	116	61
Total current assets	1,747	701	1261
Non-current assets			
Receivables	0	0	0
Investments	206,860	42,810	42,073
Inventories	0	0	0
Other property, plant and equipment (net)	0	0	0
Intangibles (net)	11,131	3,434	3,719
Other (provide details if material)	0	300	314
Total non-current assets	217,981	46,544	46,106
Total assets	219,728	47,245	47,367
Current liabilities			
Accounts payable	1,311	285	245
Borrowings	0	0	0
Provisions	766	0	0

Annexure 3A Half Yearly/Yearly Disclosure

Other (provide details if material)	0	0	0
Total current liabilities	2,077	285	245
Non-current liabilities			
Accounts payable	0	0	0
Borrowings	121,408	24,583	24,583
Provisions	0	0	0
Other (provide details if material)	0	0	0
Total non-current liabilities	121,408	24,583	24,583
Total liabilities	123,485	24,868	24,828
Net assets	96,243	22,377	22,539
Equity (Refer to Annexure A)			
Capital	0	0	0
Reserves	6,125	363	0
Retained profits (accumulated losses)	0	0	0
Equity attributable to members of the parent entity	90,118	22,014	22,539
Outside equity interests in controlled entities	0	0	0
Total equity	96,243	22,377	22,539
Preference capital and related premium included	N/A		

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	13,439	2,885
Payments to suppliers and employees	(5,332)	(893)
Dividends received	0	0
Interest and other items of similar nature received	33	52
Interest and other costs of finance paid	(3,853)	(895)
Income taxes paid	0	0
Other (provide details if material)	0	0
Net operating cash flows	4,287	1,149
Cash flows related to investing		

Annexure 3A Half Yearly/Yearly Disclosure

activities		
Payments for purchases of property, plant and equipment	(556)	(21)
Proceeds from sale of property, plant and equipment	0	0
Payment for purchases of equity investments	0	0
Proceeds from sale of equity investments	0	0
Loans to other entities	0	0
Loans repaid by other entities	0	0
Other (provide details if material) Net cash paid as a result of merger	(723)	0
Net investing cash flows	(1,279)	(21)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	0	0
Proceeds from borrowings	1,454	0
Repayment of borrowings	0	(900)
Distributions / Dividends paid	(3,866)	(1,165)
Other (provide details if material)	(278)	342
Net financing cash flows	(2,690)	(1,723)
Net increase (decrease) in cash held		
Cash at beginning of period (see Reconciliation of cash)	449	1,539
Exchange rate adjustments	0	0
Cash at end of period (see Reconciliation of cash)	767	944

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

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Annexure 3A Half Yearly/Yearly Disclosure

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	2,765	944
Deposits at call	0	0
Bank overdraft	(1,998)	0
Other (provide details)	0	0
Total cash at end of period	767	944

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	18%	29%
Profit after tax/equity interests		
Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	2.5%	3.6%

Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	0.024	0.035
(b) Diluted EPS (if materially different from (a))	N/A	N/A

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.915	0.807

Annexure 3A Half Yearly/Yearly Disclosure

Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period A\$'000
Interest revenue included	33	52
Interest revenue included but not yet received (if material)	0	0
Interest costs excluded from borrowing costs capitalised in asset values	0	0
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	0	0
Depreciation (excluding amortisation of intangibles)	0	0
Other specific relevant items (borrowing costs)	(566)	(265)

Control gained over entities having material effect

Name of entity

Refer to Annexure A (4)

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired

\$2,253,000

Date from which such profit has been calculated

1 July 2003

Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period

\$813,000

Loss of control of entities having material effect

Name of entity

N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control

\$

Date from which the profit (loss) has been calculated

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period

\$

Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of

\$

Annexure 3A Half Yearly/Yearly Disclosure

control

Reports for industry and geographical segments

Refer to Annexure A (2)

Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit from ordinary activities after tax (before equity accounting)

Segment assets

Unallocated assets

Total assets

) Comparative data for segment assets should be as at the
) end of the previous corresponding period
)

Dividends

Date the dividend is payable

Refer to Annexure A (1)

Record date to determine entitlements to the dividend (ie. on
the basis of registrable transfers received up to 5.00 pm)

Last day of month

Amount per security

		Franking rate applicable			
			%	%	%
(annual report only)					
Final dividend:	Current year	\$	N/A	\$	N/A
	Previous year	\$	\$	\$	\$
(Half yearly and annual statements)					
Interim dividend:	Current year	\$	N/A	\$	N/A
	Previous year	\$	\$	\$	\$

Annexure 3A Half Yearly/Yearly Disclosure

Total annual dividend (distribution) per security
(Annual statement only)

	Current year	Previous year
Ordinary securities	¢	¢
Preference securities	¢	¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$	\$
Preference securities	\$	\$
Total	\$	\$

Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$	\$
Preference securities	\$	\$
Total	\$	\$

The dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices to the dividend or distribution plans

Any other disclosures in relation to dividends (distributions)

Annexure 3A Half Yearly/Yearly Disclosure

Equity accounted associated entities and other material interests

Equity accounting information attributable to the to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.	N/A	N/A
Income tax		
Profit (loss) from ordinary activities after tax		
Extraordinary items net of tax		
Net profit (loss)		
Outside equity interests		
Net profit (loss) attributable to members		

Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period A\$'000	Previous corresponding period A\$'000
	N/A	N/A	N/A	N/A
Total				
Other material interests				

Annexure 3A Half Yearly/Yearly Disclosure

Total				

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities

	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities (description)	N/A	N/A	N/A	N/A
Changes during current period				
Ordinary securities	93,014,987	93,014,987	\$1.00 Refer to Annexure A(4)	\$1.00 Refer to Annexure A(4)
Changes during current period	69,714,987	69,714,987	\$1.00 Refer to Annexure A(4)	\$1.00 Refer to Annexure A(4)
Convertible debt securities (description and conversion factor)	N/A	N/A	N/A	N/A
Changes during current period	N/A	N/A	N/A	N/A

			Exercise price	Expiry date
Options (description and conversion factor)	N/A	N/A	N/A	N/A
Changes during current period	N/A	N/A	N/A	N/A
Exercised during current period	N/A	N/A	N/A	N/A

Date 23/08/2000

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Annexure 3A
Half Yearly/Yearly Disclosure

Expired during current period	N/A	N/A	N/A	N/A
Debentures	N/A	N/A		
Unsecured Notes	N/A	N/A		

Discontinuing Operations

Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue						
Other revenue						
Expenses from ordinary activities						
Profit (loss) before tax						
Less: tax						
Profit (loss) from ordinary activities after tax						

Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows						

Date 23/08/2000

Annexure 3A Half Yearly/Yearly Disclosure

Net investing cash flows

--	--	--	--	--	--

Net financing cash flows

--	--	--	--	--	--

Other disclosures

Current period
A\$'000

Previous corresponding
period A\$'000

Carrying amount of items to be disposed of:

- total assets

- total liabilities

Profit (loss) on disposal of assets or settlement of liabilities

Related tax

Net profit (loss) on discontinuance

N/A

N/A

N/A

N/A

Description of disposals

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Comments by directors

Basis of accounts preparation

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

**Annexure 3A
Half Yearly/Yearly Disclosure**

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

Refer to Annexure A (4)

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

None

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Not Applicable

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

None

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

Refer to Annexure A (3)

Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

196,213

Annexure 3A Half Yearly/Yearly Disclosure

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees (Accountancy & Registry fees)

0
545,622
50,346

Annual meeting

(Annual statement only)

The annual meeting will be held as follows:

Place

N/A

Date

Time

Approximate date the annual report will be available

Compliance statement

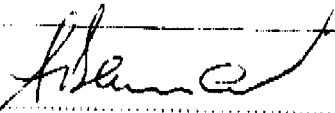
- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are followed as compared with the most recent annual accounts.
- 4 This statement does give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:
(Tick one)
 - ☐ The financial statements have been audited.
 - ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
 - ☒ The financial statements are in the process of being audited or subject to review.
 - ☐ The financial statements have *not* yet been audited or reviewed.
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications will follow immediately they are available* (*delete one*).
- 7 The entity does not have a formally constituted audit committee.

Date 23/08/2000

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**Annexure 3A
Half Yearly/Yearly Disclosure**

Sign here:


(Company secretary)

Date: 26 February 2004....

Print name: Stephen Barnard.....

Notes

True and fair view If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

Income tax If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

The Trust should not be subject to taxation on net income derived for tax purposes provided that it is fully distributed to Unitholders.

Additional Information An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.

THE PFA DIVERSIFIED PROPERTY TRUST**BSX LISTING RULES - ANNEXURE 3A****ANNEXURE A****For the Financial Period Ended 31 December 2003****Annexure A (1)**

<u>Distributions Paid</u>	<u>Current Period</u>	<u>Cents per unit on an annual basis</u>	<u>Previous Period</u>	<u>Cents per unit on an annual basis</u>
Jul-03	\$ 194,082	10c	\$ 194,166	10c
Aug-03	\$ 734,819	9.476c	\$ 194,166	10c
Sep-03	\$ 733,096	9.476c	\$ 194,166	10c
Oct-03	\$ 734,477	9.476c	\$ 194,166	10c
Nov-03	\$ 734,666	9.476c	\$ 194,167	10c
Dec-03	\$ 734,423	9.476c	\$ 194,166	10c
	\$ 3,865,563		\$ 1,164,997	

Annexure A (2)**Reports for industry and geographical segments**

The PFA Diversified Property Trust operates in one business segment, being property investment and in one geographical segment being Australia.

Annexure A (3)**Changes in the amounts of contingent liabilities or assets since the last annual report**

None

Annexure A (4)**Events since the end of the previous reporting period - 30 June 2003**

The merger of PFA Diversified Property Trust (formerly The Trilogy Trust) with the following trusts.

Merging Trusts:

The Riverdale Fixed Term Property Trust	ARSN : 100 666 920
The Capital Collection - Diverse Sector Fund Syndicate No.1	ARSN : 088 775 375
The Capital Collection - Diverse Sector Fund Trust No.1	ARSN : 088 775 259
The Metropolitan Collection - Brisbane Syndicate	ARSN : 093 295 544
The Metropolitan Collection - Brisbane Trust	ARSN : 093 313 690
Garden Square Syndicate	ARSN : 104 858 219
Garden Square Trust	ARSN : 104 858 284

was effected on the 1 July, 2003. This merger was in accordance with the Explanatory Memorandum dated 2 June, 2003 previously lodged with the BSX.

The merger took place by a series of cancellations of units or lots in all the merging trusts. Ultimately the owners of those units or lots in the merging trusts received units in PFA Diversified Property Trust as consideration. The merged fund PFA Diversified Property Trust became the ultimate holding entity and has (directly or indirectly) 100% of all units or lots on issue in the merging trusts. Through this ownership structure the PFA Diversified Property Trust owns and controls the property portfolio.

The merger resulted in the number of issued units in PFA Diversified Property Trust increasing from 23,300,000 to 93,014,987.

THE PFA DIVERSIFIED PROPERTY TRUST**BSX LISTING RULES - ANNEXURE 3A****ANNEXURE A****For the Financial Period Ended 31 December 2003****Issue Summary**

	\$
Units on Issue prior to Merger	23,300,000
Units issued to:	
Garden Square Trust and Syndicate Investors	11,013,037
The Metropolitan Collection - Brisbane Trust and Syndicate Investors	16,463,875
The Capital Collection - Diverse Sector Fund Trust No.1 and Syndicate No.1 Investors	34,136,906
Riverdale Fixed Term Property Trust	8,101,169
Units on Issue on completion of Merger	<u>93,014,987</u>

Annexure A (5)**Unitholders Equity**

	PE 31 December 2003	PE 31 December 2002
Contributed Capital	93,014,987	23,300,000
Accumulated profits/(losses) beginning of financial year	2,487,817	1,033,340
Current year profit	2,253,227	812,821
Capital raising costs	(387,538)	(387,538)
Accumulated distributions beginning of financial year	(3,384,765)	(1,064,771)
Current year distributions	(3,865,564)	(1,164,997)
Closing balance	<u>90,117,964</u>	<u>22,538,855</u>

Reserves

Opening balance	363,475	0
Asset revaluation increment	5,762,001	0
Closing balance	<u>6,125,476</u>	<u>0</u>