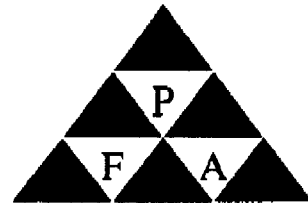


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BSX Announcements

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**PROPERTY FUNDS  
AUSTRALIA LIMITED**  
A.C.N. 078 199 589

PROPERTY FUND MANAGERS

**PFA DIVERSIFIED PROPERTY TRUST  
TO ACQUIRE CBD COMMERCIAL PROPERTY**

Property Funds Australia Limited, as responsible entity for The PFA Diversified Property Trust (BSX Code: PFD) announced today it has exchanged contracts for the unconditional purchase of the Lands Building located at 134 Macquarie Street, Hobart for \$28.92 M.

The Lands Building is a 10 level office building located in the prime southern precinct of Hobart's CBD and one block from the core of Hobart's CBD retail heart. The building has an excellent outlook over Hobart and its harbour.

The Lands Building is fully leased on a 14 year remaining lease term to the State Government of Tasmania. It houses a number of state government agencies under the umbrella of the Department of Primary Industry Water & Environment. The ground floor is home to the Tasmanian State Government's customer service centre known as Service Tasmania.

The building has recently had a substantial refurbishment.

Property Funds Australia Limited Managing Director, Mr Chris Morton, said "We are delighted with this new acquisition for the Trust. The Lands Building offers strong fundamentals and will provide geographic and tenant diversification for the Trust. We have been able to purchase the property below current valuation. The acquisition delivers to the Trust an impressive initial yield of 10.2% particularly given it's 14 year lease term, the quality of the tenant and the fact that it is a net lease. In a time of firming yields we consider this to be a more than sound acquisition."

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"Relevant economic factors are definitely improving in Tasmania and Hobart. Next to Queensland, it is seeing the next most positive net migration (in percentage terms). Furthermore, the recently released Property Council of Australia office market statistics show that Hobart CBD had the largest reduction in vacancy rate percentage of any Australian capital city. It now has a vacancy rate of just over 6%", Mr Morton said.

The Trust has a clear strategy to invest in a growing portfolio of quality properties, diversified by property sector, geographic location, tenant profile and lease expiry. The Lands Building fits within our purchase price range of \$10M to \$50M and will provide a stable income stream.

The acquisition will initially be funded through extended debt facilities. The extended debt will however be retired from part of the proceeds of a \$25M capital raising, the details of which will be announced in a separate release. The Product Disclosure Statement will be available to retail investors in early March.

The sale of the Lands Building was negotiated by Randall Jackson and Ian Wells of Knight Frank, Hobart.

**For further information:**

Contact Chris Morton – (07) 3221 7170