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BSX Announcements
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PFA DIVERSIFIED PROPERTY TRUST ("PFD") ANNOUNCES \$25M CAPITAL RAISING

Property Funds Australia Limited ("PFA") announces that it lodged a product disclosure statement for a new \$25M capital raising with the Australian Securities and Investments Commission late on last Friday afternoon.

The capital raising is fundamentally as a consequence of the acquisition announced last Friday of the Lands Building in Hobart for \$28.92M.

The PFA Diversified Property Trust will now comprise \$236M of quality investment grade Australian property spread over 11 properties, a broad range of commercial property sectors and 4 states.

The PFA Diversified Property Trust evolved from the merger in June, 2003 of all of PFA's managed property funds. It invests on a diverse basis in Australian property generally in the \$10M to \$50M price range.

PFA's managing director Mr Chris Morton said, "The merger has enabled us to buy properties like the Lands Building on a competitive unconditional basis to the benefit of our investors. PFA has however never gone about growth for growth's sake. We try to get our structures right first as demonstrated by the merger. We then wait until we find the appropriate properties and raise capital for the right reasons."

The offer is forecast to deliver a 9.3% per annum distribution to investors during the forecast period of which 66% is expected to be tax deferred

"We believe that this offer is well priced delivering a good initial yield, particularly in comparison to the general property funds marketplace at the moment. Approximately 80% of the Trust's income now comes from national or government tenants. To get this initial yield on a monthly basis with this portfolio quality should make investment a worthwhile consideration for a broad range of investors. For example, currently approximately 50% of our income comes from the likes of State governments, Coles Myer, Suncorp Metway, Energex, National Australia Bank and Kings Car Parking – all "A" grade tenants," Mr Morton said.

The Trust is listed on the Bendigo Stock Exchange and has currently in excess of 2,700 investors. The minimum application amount for this offer is \$5,000.

The Trust recently announced its half yearly results which demonstrated gross revenue up 5% over previous forecasts as well as a net tangible asset backing per unit increase of 7% over the six months.

For further information, contact Chris Morton (07) 3221 7170.