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BSX Announcements
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PFA DIVERSIFIED PROPERTY TRUST - BSX CODE: PFD
ACQUISITION OF 180-188 BURNLEY STREET, RICHMOND, VIC

Property Funds Australia Limited ("PFA"), as responsible entity for The PFA Diversified Property Trust ("Trust") today announced the acquisition of a telecommunications and office facility located in the inner Melbourne suburb of Richmond, Victoria. The property was purchased for \$15.25 million.

The Burnley Street property is an internet data, telecommunications and office administration centre located in the Melbourne CBD eastern fringe suburb of Richmond. The property comprises basement level carpark, ground floor offices and data facility storage and first floor offices. The property has a total net lettable area of 5,501m².

The property was acquired from AAPT Limited under a sale and leaseback structure with a commencement yield of 8.25% and a new 12 year "double net" lease arrangement which includes rental increases of 3.5% per annum. The lease commenced at the settlement of the property which was simultaneous with exchange of contracts. The lease provides for the Trust to fund up to \$3M in fitout and refurbishment of the property. Rental will increase so as to deliver an 8.25% return on this further investment.

AAPT is one of Australia's three largest telecommunications carriers and is part of the Telecom New Zealand Group, and provides a range of voice, mobile, data and internet services to business, government, wholesale and residential customers throughout Australia.

Property Funds Australia Managing Director, Mr Chris Morton, said "The acquisition of the Richmond property is pleasing in that it provides a strong lease covenant from AAPT and further strengthens the portfolio's weighted average lease expiry. The Trust has previously had no exposure to the Melbourne property market and therefore further enhances the geographical diversification of the Trust in accordance with the Trust's stated diversification objectives."

This latest property acquisition brings the Trust's total portfolio to 14 properties currently valued at over \$300M.

About AAPT

AAPT provides a range of voice, mobile, data and Internet services to business, government, wholesale and residential customers throughout Australia, supported by an extensive national voice and data network. AAPT is part of the Telecom New Zealand Group. For more information on AAPT, visit www.aapt.com.au.

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