

Property Income Fund

Announcement – 5 January 2010

Property revaluations

Three of the Fund's properties were independently valued during December with a change from their previous book value of -\$1.52m or -4.28%.

The fall in the value of the properties is mainly due to the valuer adopting higher capitalisation rates for the Wakerly and Salisbury properties, and higher than expected refurbishment costs and letting-up allowances for the Canberra property.

The substantial refurbishments at 40 Allara Street, Canberra has repositioned the property as an A Grade office property targeting a 4 - 4.5 star National Built Environment Rating System (NABERS) energy rating, to ensure it meets the requirements of prospective government tenants.

The modest reduction in the values of the Wakerley and Salisbury properties supports our view that commercial property markets have begun to stabilise.

The revaluations comprised:

Property	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value %
40 Allara Street Canberra ACT	\$21,182,193	\$19,850,000	8.25%	8.25%	-\$1,332,193	-6.29%
98 Ingleston Road Wakerley QLD	\$7,512,975	\$7,500,000	9.00%	9.50%	-\$12,975	-0.17%
Salisbury Cinema Complex SA	\$6,773,541	\$6,600,000	9.25%	10.00%	-\$173,541	-2.56%
Total	\$35,468,709	\$33,950,000			-\$1,518,709	-4.28%

Please refer to other pages of this website or contact Investor Services on 13 29 39 for up to date information about the Fund.