

1 February 2002

The Manager
Company Announcements
The Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

**Re: Investa Property Group (IPG)
Acquisition of 209 Kingsway, South Melbourne**

Continuing the strategy to broaden the earnings base of the Group, IPG has been progressing the purchase of a development site at 209 Kingsway, South Melbourne. We are pleased to advise that contracts for the land have been exchanged between Multiplex Developments (Vic) Pty Ltd and Investa South Melbourne Trust (ISMT), owned 50% by the Investa Property Trust (IPT) and 50% by Investa Properties Limited (IPL). A consideration of \$24.9 million is to be paid, comprising a \$2.0 million deposit with a further \$22.9 million to be paid within 4 weeks.

In addition, a development agreement has been entered into to carry out the construction of the proposed scheme. The project is estimated to have an end value of around \$100 million, based upon an 8% yield. A completion payment will be paid by ISMT, reflecting the end value.

The site is approximately 9,632m² with construction underway on a building comprising the following:

- a ground floor showroom together with offices and workshop of approximately 3,500m² and basement parking for 129 spaces;
- a four level carpark podium with around 752 car spaces; and
- a 6 level office building with an NLA of around 19,800m² plus ground floor commercial and retail tenancies of around 740m².

BMW Australia Ltd has been secured to occupy the ground and basement levels for 15 years whilst the ANZ Banking Group Ltd will occupy the balance of the building for a lease term of 12 years.

Multiplex will pay ISMT a license fee of 8% based upon the initial payment of \$24.9 million. It is envisaged that the 50% interest held by IPL will be used to establish a vehicle for retail investors.

Should you require further information regarding this announcement, please contact either; Chris O'Donnell, Managing Director on 02 8226 9301, or Andrew Junor, General Manager, Investment Funds, on 02 8226 9305.

Yours faithfully,

Brian McGarry
Company Secretary