

14 October 2002

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

Dear Sir

**INVESTA PROPERTY GROUP
PENRHYN HOUSE, ACT**

The Investa Property Group is pleased to announce the purchase of Penrhyn House, Bowes Street, ACT for \$38.6 million, equating to a passing yield of 9.9% before acquisition costs. Settlement of the transaction is due in early December 2002.

Investa Property Trust will hold a 50% interest in the asset, through a sub trust, with the remainder to form part of a new syndicate offering.

Investa Property Trust's purchase of its interest will be debt funded from existing facilities. The acquisition increases Investa Property Trust's weighting to the Canberra market, which now stands at 4.6% by book value. This partially restores the Trust's Canberra weighting to a level held prior to the acquisition of the Telstra portfolio.

Penrhyn House comprises a complex of three interconnected buildings, with a total net lettable area of 12,622m². The asset is 100% leased to the Commonwealth of Australia at \$328m² gross, with a remaining lease term of 6.7 years. Average floor areas are approximately 2,900m², with the property also containing 131 car spaces. The purchase price is at valuation and reflects a discount rate of 10.75% p.a, with a terminal yield of 9.50%.

The acquisition is expected to be accretive to earnings and takes advantage of the stapled structure of the group. The net rental income from the asset will be augmented with management fee income, following the establishment of the new syndicate.

If you have any further questions regarding this announcement please contact Andrew Junor on (02) 8233 9305 or Adam Learmonth on (02) 8225 9381.

Yours Faithfully

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