

23 January 2003

The Manager
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

**Investa Property Group
Equity Raising Completed**

Investa Property Group has successfully completed a \$74.4million capital raising, made in support of the recent acquisition of 589 Collins Street, Melbourne and to fund various initiatives including the allocation of further capital to expand the Group's general development activities.

The placement was underwritten by UBS Warburg and Deutsche Bank.

The placement was made through an institutional book build, and after receiving strong demand for the issue, we are pleased to announce the equity raising has now been finalised, with approximately 35.4 million stapled securities to be issued at \$2.10 per security.

Presentation material supporting the placement is attached together with the Appendix 3B application.

As the most recent Securityholder Purchase Plan (SPP) was made available to holders in December, there will be no SPP offered in connection with this placement.

The trading halt placed on Investa Property Group securities will be lifted with trading to recommence from the opening of business tomorrow morning.

Should you require further information please contact either Chris O'Donnell, Managing Director (02) 8226 9301 or Andrew Junor, General Manager, Investments Funds (02) 8226 9305.

**BRIAN MCGARRY
COMPANY SECRETARY**

Attach

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

Investa Property Group: formed by the stapling of securities of Investa Property Trust (IPT) and Investa Properties Limited (IPL)

ABN

IPT 54 088 705 882 (ARSN)
IPL 54 084 407 241 (ACN)

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Stapled Securities |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 35,442,857 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The securities will rank equally with all other securities and will first participate for distributions for the March quarter.</p>				
<p>5 Issue price or consideration</p>	<p>\$2.10</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To fund the acquisition of 589 Collins Street, Melbourne and future development activities</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>30 January 2003</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="721 1360 997 1392">Number</th> <th data-bbox="1002 1360 1265 1392">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="721 1398 997 1430">871,586,391</td> <td data-bbox="1002 1398 1265 1430">Fully paid ordinary</td> </tr> </tbody> </table>	Number	+Class	871,586,391	Fully paid ordinary
Number	+Class				
871,586,391	Fully paid ordinary				

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	N/A
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change in distribution policy

Questions 11 – 33 do not apply to this application

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

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New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Questions 35 – 42 do not apply to this application

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

(now go to 43)

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

N/A

39 Class of +securities for which
 quotation is sought

N/A

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

N/A

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

N/A

42 Number and +class of all +securities
 quoted on ASX (including the
 securities in clause 38)

Number	+Class
N/A	

(now go to 43)

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 23 January 2003
Company Secretary

Print name: ..Brian McGarry.....

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+ See chapter 19 for defined terms.

Investa Property Group

Institutional Bookbuild

23 January 2003



INVESTA
Property Group

Overview

- Investa Property Group proposes to raise approximately 35.4 million securities under a book build
- Proceeds will be used to fund capital commitments including the settlement of 589 Collins Street, Melbourne (\$54million)
- It is intended that a 50% interest in the Collins Street property will be sold into a new syndicate soon to be launched and managed by the Group
- The proceeds from the syndication will be allocated to funding the general expansion of development activities
- Issue is underwritten by UBS Warburg and Deutsche Bank
- Transaction adds 0.1c per security to FY03 EPS, and 1c to NTA



589 Collins Street, Melbourne

Key Statistics

Purchase Price	\$ 54m
Initial Yield	16.5%
NLA	31,906m ²
Rate per m ²	\$1,692m ²
Occupancy	100%
Average Lease Term	2.3years
Rent Guarantee	\$3.5m
Car parking	156 spaces
% of Investa (50%)	1.2%

Property Overview

- ◆ Well located Collins Street address, one block west of Rialto and 530 Collins St. Completed in 1984, the building features large floors for a CBD location. These attributes provide an opportunity to reposition the asset within the Melbourne market.



589 Collins Street, Melbourne

Valuation Details

Valuation

\$ 56m

Net Passing Income	\$8.9m	10 year rent growth	3.4%
Gross Passing Office Rental	\$320m ²		
Net Market Income	\$6.3m	A Cap rate (on mkt)	10.5%
Gross Market Office Rental	\$230m ²		
Outgoings rate	\$60m ²	Terminal yield	10.0%
Capital Expenditure (10yr)	\$14.8m	IRR	11.7%

Tenancy Profile

Tenant	Area	Expiry	Rent (g/m ²)
Minister of Finance	31,906	6/04	\$320
Ext to Min Of Finance	16,424	12/05	\$320



Comparable Sales Analysis

Property	Sale Date	Price (\$M)	NLA (m2)	Rate / m2'
589 Collins St	Jan-03	54.0	31,906	1,692
589 Collins St –after capex	Jan-03	68.8	31,906	2,156

114 William St	Sep-02	50.7	20,937	2,422
460 Lonsdale St	Jul-01	54.0	11,570	3,169
461 Bourke St	Jun-01	30.8	15,743	1,956
570 Bourke St	May-01	114.0	35,149	3,243
469 Latrobe St (Valuation)	Jun-02	53.1	19,830	2,677

Source: Knight Frank



INVESTA
Property Group

Application of Funds

- IPG anticipates gearing will be 27.1% of total assets post syndication of 589 Collins Street
- At this time, IPG intends to recycle capital into other opportunities including future acquisitions and funding the development business
- Purchase price of 589 Collins St maintains EPS growth momentum while ensuring the balance sheet remains flexible



Financial Impact

- EPS
 - ↑ 0.10 cps (03)
 - ↑ 0.10 cps (04)
 - ↑ 0.07 cps (05)
- NTA
 - ↑ 1.0 cent
- Gearing
 - 27.1%



Issue Terms

- 35.4 million securities through a book build
- New securities will rank for distributions commencing the March quarter 2003
- 2003 financial year distribution of 15.6cps confirmed



Timetable

Verbal demand advice	Due 2:00pm 23 January 2003
Acceptance letters	6:00pm 23 January 2003
Settlement of new securities	29 January 2003
Allotment of new securities	30 January 2003
Quotation of new securities	31 January 2003

