



INVESTA
Property Group

Investa Properties Limited
ABN 54 084 407 241
Level 17, 135 King Street
Sydney NSW 2000
GPO Box 4180
Sydney NSW 2001
Tel: 02 8226 9300

28 March 2003

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

Dear Sir

**Investa Property Group
Chairman and Managing Director's Address
to the Meeting of Securityholders – 28 March 2003**

Please find attached a copy of the addresses of our Chairman, Mr I.K. Payne, and our Managing Director, Mr C.D O'Donnell, given today at the General Meeting of the Shareholders of Investa Properties Limited, and a meeting of the Unitholders of the Investa Property Trust.

Yours faithfully

Brian McGarry
Company Secretary

Tel: (02) 8226 9300
Fax: (02) 8226 9499
Email: bmcgarry@investa.com.au

Chairman's Address
Investa Property Group

General Meeting of Securityholders
March 28th, 2003
Inter Continental Hotel, Macquarie Street, Sydney

The purpose of today's meeting is to consider and, if thought fit, approve resolutions for the ratification of the three issues of equity totalling \$176 million which have been made since the Annual General Meeting held last October. However, I would like first to spend a few moments to highlight some of our achievements during the half-year to 31 December 2002.

As you are aware, the Group reported a creditable Half-Year result for the period to 31 December 2002, against a backdrop of possible conflict in the Middle East and volatile global and domestic equities markets.

During this period, the Group maintained its momentum and continued to realise significant value for our investors.

We continued to pursue our strategic aims of consolidating several major A-Grade property acquisitions including the \$570 million Telstra portfolio, generating sustainable returns from our development business and enhancing the performance of our investment portfolio with the addition of new commercial assets.

We believe these achievements reinforce the value to our investors of pursuing our property value chain strategy.

Moving forward, notwithstanding the global situation, our domestic economic outlook remains reasonably robust.

We believe Investa Property Group will continue to realise strong, sustainable investor returns from the growth opportunities that our integrated property solutions platform has delivered.

Both the Trust and the Group's major operating divisions, particularly the Development business, continued to generate solid earnings over the last six months, underlying the strength of our commitment to realising sustainable returns from the property value chain.

With a quality executive management team in place, Investa is well positioned to consolidate its position as one of Australia's leading providers of end-to-end property solutions.

Against this background of achievement, your Board today is seeking from investors the ratification of the three issues of equity made since we met in October last year.

You will have received a copy of the Half-Year Report for the Group, and the Notice of Meeting that set out in detail the resolutions before you today.

The Resolutions are ordinary resolutions and will be passed if more than 50% of the votes cast by Securityholders entitled to vote on each Resolution are cast in favour of the Resolution.

By way of background, our investors have continued to benefit from the flexibility of our capital structure. There is no doubt this has enabled us to achieve a high level of capital efficiency and move quickly to capture opportunities. Indeed, it is this flexibility we are seeking to maintain with today's resolutions to reset the Group's equity placement capacity.

The Group raised \$176 million in new equity from two placements and the Securityholder Purchase Plan during the period following the Annual General Meeting held in October 2002.

This consisted of:

- ◆ Some \$90.9 million was raised in October 2002 by way of private placement at a discount of 5 cents per unit;
- ◆ As a result of our offer to all securityholders (other than those who participated in the October placement) \$10.7 million was secured in December 2002 at a discount of 9 cents per unit; and finally
- ◆ \$74.4 million was raised at a discount of 8 cents to fund the purchase of 589 Collins Street, Melbourne.

Each issue was very well supported, reinforcing the continued confidence shown by investors in the Group's increasing participation across the property value chain. However, these issues have fully utilised the Group's capacity to place new equity without approval (approximately 10% of the ordinary stapled securities on issue). The Corporations Act, as modified by ASIC class orders and ASX listing rules, govern the amount of equity which may be issued without your approval.

Under those provisions, securityholders who participated in an issue of securities may not vote in a resolution which relates to that particular issue of securities. Approval of the resolutions will give the Group the capacity to make further issuances by private placement of up to 95 million securities, having a value at current prices of approximately \$200 million.

Importantly, by consenting to each of the resolutions that constitute the formal business of today's meeting, eligible securityholders will effectively ensure that the Group's capital raising capacity can be renewed, allowing the Group to continue to pursue opportunities.

Finally, on behalf of the Board, I would take this opportunity to thank the entire team at Investa for their effort and the results they have achieved. We continue to be on track and I am confident we can continue to deliver on satisfactory distributions for 2003.

Managing Director's Address
Investa Property Group

General Meeting of Securityholders
March 28th, 2003
Inter Continental Hotel, Macquarie Street, Sydney

I am pleased to report that Investa Property Group has experienced a period of substantial, yet measured, expansion in the Group's core activities for the half-year to December 2002. This activity has been in keeping with our strategy of maximising opportunities across the Property Value Chain.

We talk a lot about the property value chain and its importance in our overall strategy. The concept is simple – in every transaction we do, we look to ensure the group is involved in as many parts of the value chain as possible, therefore maximising returns to the group and ultimately to you, the investors. Over time, the value chain will be broadened and deepened, which will provide the group with more growth opportunities.

Since our inception in November 2000, the Group has maintained momentum by implementing a measured expansion strategy of building a resilient, integrated national property platform that can realise long-term earnings growth.

For the six month period to 31 December 2002, Investa continued to perform strongly, consolidating its position as Australia's leading commercially focused integrated property Group. The \$570 million purchase of seven office buildings from Telstra Corporation was one of the largest transactions of its kind in the sector during the period and underscores Investa's strength and substance. Following the transaction, Investa Property Group became the largest listed office entity in Australia with property assets of approximately \$2.1 billion.

Including the Telstra portfolio, some \$730 million of acquisitions were made to ultimately support the Group's investment, funds management and development activities. These acquisitions and the performance of the Group during the period reinforce the value to our investors of increasing our participation across the property value chain.

The market capitalisation of the Group now stands at \$1.8 billion, positioning Investa among the Top 80 of Australian listed companies. Investa is now the largest entity in the UBSW Commercial Property Trust Index.

As a result of strong underlying performance and with expected benefits generated by several significant transactions undertaken during the past year, the Group expects to deliver above average earnings and distribution growth of 15.6 cents per security for financial year 2003, an increase of 5.8% on the previous period.

Supporting this target, earnings before revaluations and amortisation per security for the first half of the year were 8.07 cents per security, up 12.7% on the previous

corresponding period. The distribution rate declared for the period was 7.7 cents per security and NTA increased to \$1.78.

The Group continues to maximise the utility of our strong balance sheet despite the uncertain conditions that have plagued the general equities markets in recent times.

As of 31 December 2002, gearing was a conservative 27.5%, underlining our commitment to prudent, measured investment principles.

The Group has raised a total of \$614 million in new equity via several significant capital raisings over the past eighteen months. In the six months period to 31 December 2002, the Group raised \$452 million in new equity at an average issue price of \$1.92 per security.

These equity raisings (of which three are set down for your ratification this morning) are vitally important for the Group. They allow Investa to quickly capitalise on growth opportunities that satisfy our measured investment strategy. The Group's strength and substance was recognised during the year when Investa was nominated as Trust Manager of the Year by Property Investment Research's investor survey.

Our continued solid performance and ability to execute our measured expansion strategy is underpinned by the significant expertise and innovation of our executive management team.

We are establishing a strong leadership position in sustainable asset management. In November last year Investa was nominated as the leading Australian Real Estate Trust for the second year running by Sustainable Asset Management, an international sustainability, research and investment company.

For example, our Macquarie Street, Parramatta, commercial office building will comply with the Sustainable Energy Development Authority's 4-star energy efficiency rating, while we are realising over \$185,000 per annum in energy cost savings for our 60 Martin Place property.

Through this innovation we are meeting tenants' 'green' property needs by generating real environmental and economic outcomes.

In the relatively short time since listing in November 2000 we have made significant progress towards achieving our target of generating some 15-20% of Group earnings from corporate activity. This last half-year saw corporate earnings reach 14% of Group earnings, further reducing our future dependence on returns from the Trust.

Our acquisition of the Silverton development business in 2001, has enabled the Group to become a manufacturer of property assets as well as a manager, owner and distributor. Contributions from this division have more than doubled over twelve months to \$28.8 million on a comparable period basis.

Including the Telstra portfolio acquisition, the Group secured over \$850 million in transactions across Australia for the period ending 31 December 2002. These

transactions will support Investa's investment, funds management and development activities and generate secure, recurring revenue streams.

Taken together, these achievements demonstrate that with the appropriate structures and funding mechanisms in place, the Group has continued to achieve significant growth.

Maintaining this momentum is critical to the Group's ability to grow earnings for its investors, hence the importance of the resolutions which will be voted on in the formal part of this meeting.

I will now review our various group activities.

Development

The development business, is responsible for over \$104 million worth of projects spread across the residential, commercial office and industrial sectors.

The Group's 10,000m² commercial office building in Macquarie Street, Parramatta has received DA approval, with construction expected to commence once pre-commitments are secured for at least 30% of the building.

This month, the Group secured the only development pre-commitment to have been made in the "hi-tech" precinct of North Ryde, Sydney, in almost a year when it leased over half of our 11,120 m² hybrid industrial and office development to pharmaceutical company Contract Pharmaceutical Services of Australia.

The Group's residential projects of Mill Park Lakes in Victoria, Quinns Beach, Perth and Manly in Queensland continue to realise substantial earnings from contract sales. For the six months ending 31 December 2002, 176 land sale contracts valued at \$22 million were completed, while contracts for the sale of an additional 204 lots have been exchanged and are scheduled for completion in the second half of the year.

A) Syndicates

The Group launched its sixth syndicate, the \$59.5 million Investa Fourth Commercial Trust, during the period, bringing total funds under management to \$324.3 million.

Importantly, applications for this syndicate, which included assets acquired from Telstra far exceeded the amount on offer and it is planned that Investa's seventh syndicate will be launched in the coming weeks. You will have noticed we have just secured MacArthur Central, Brisbane for \$96.9m which is also earmarked for future syndication.

B) Wholesale funds

The Group remains committed to its long-term strategy of offering institutional investors its two tailored closed and open ended funds – Martin Place Wholesale Syndicate and the Investa Commercial Property Fund.

During the period ending 31 December, the Group undertook several transactions on behalf of the Commercial Property Fund to achieve its objective of enhancing the Fund's asset mix. The Fund has now been included in the Mercers Unlisted Property Trust index.

Our closed end fund, Martin Place Wholesale Syndicate, continues to perform in line with information memorandum forecasts with 53% of units already sold.

The Trust's portfolio of 26 A-Grade commercial office buildings continues to generate solid earnings growth for the Group, with like for like property income increasing 2.2% during the six months to 31 December 2002.

Importantly, despite the current soft commercial office leasing environment, particularly in Sydney, leasing activity has continued through both solid tenant retention and securing new tenancies.

In total, the Group leased over 11,000m² of floor space in the six months to December 2002, bringing the group's occupancy rate to 98.0%.

The security of the portfolios' future earnings stream has been strengthened considerably, following the significant acquisition and disposal activity undertaken in the last six months. Now, only 30% of the portfolio's leases expire over the next three financial years.

Asset Management and Corporate Property Services

Part of the strength of the group is its integrated asset and facilities management team which subscribes to the view that financial outcomes are a function of high quality tenant service. This approach is a real differentiator for the group.

The asset management team manage 38 properties with a total area of approximately 1.3 million m².

We also manage Westpac Banking Corporation's Australian property portfolio and the main focus here is providing a high level of service so that the client can focus on its core business and leave us to deal with the property issues. Clearly, Investa Property Group continues to maintain momentum and investors are benefiting from our strong commitment to participating across all facets of the property value chain.

Our stapled securities structure has enabled the Group to consolidate several significant transactions concluded over the past eighteen months, whilst providing investors with steady, secure income streams from our diversified investment, funds management and development portfolios.

With this solid foundation in place, combined with a proven executive team, and given the prospect of increasing diversified earnings from our corporate activities of development and funds management, we are well positioned to achieve our goal of being Australia's leading end-to-end provider of property solutions.