



INVESTA
Property Group

Investa Properties Limited
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14 July 2003

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

Dear Madam

**INVESTA PROPERTY GROUP
RESPONSE TO POF'S SUPPLEMENTARY TARGET'S STATEMENT**

Attached is a media release detailing Investa Property Group's initial comments regarding Principal Office Fund's second Supplementary Target's Statement.

Yours faithfully

Brian McGarry
Company Secretary

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MEDIA STATEMENT

POF Announcement Creates Uncertainty and Increased Risk for Unitholders

Investa's Offer remains the only one available and is scheduled to close next Monday

Sydney 14 July, 2003: Investa Property Group ("Investa") said the Supplementary Target's Statement, issued by the Manager of Principal Office Fund ("POF") today does not, after seven weeks of waiting, represent an alternative bid to Investa's cash and scrip Offer, which is due to close next Monday.

While there is little detail as yet, POF's Supplementary Target's Statement is nothing more than the announcement of a potential proposal that will be subject to a number of conditions, will involve a related party transaction with the Manager's parent and will take a great deal of time to implement, if it eventuates.

Investa's Managing Director, Chris O'Donnell said: "POF unitholders should be very concerned at the about-face in investment policy that the Directors of both POF's Responsible Entity and its Manager are now considering.

"What has been flagged by Principal today is contradictory to the key issues that the Directors focused on in their Target Statement just ten days ago," Mr O'Donnell said.

"Just ten days ago the Directors were placing great importance on the quality of POF's CBD commercial assets, maintaining a low gearing level and avoiding a higher risk profile. Yet today they say they are well advanced in discussion of a deal that would appear to put all of these principles into doubt.

"As POF's largest unitholder, Investa would be very concerned at the prospect of having a substantial proportion of our capital invested in suburban office and industrial properties in the United States. We will also have to analyse the risks associated with taking on the current Manager's corporate liabilities and entering the hotel property management business.

"Our concerns are compounded at the prospect of such a high risk strategy being completely debt funded and at the consequences of this for POF's gearing levels. Again, just ten days ago, the Directors of POF also espoused the virtues of not increasing POF's average gearing levels.

"POF investors should be concerned about the fundamental change that the deal with Principal in the US would make to POF's overall business profile. We are very concerned about taking such a high risk path, which would undermine the key investment attributes for unitholders," Mr O'Donnell said.

Investa's offer remains the only one available. Investa encourages POF unitholders to accept its unconditional Offer which is scheduled to close next Monday, 21st July. POF unitholders accepting Investa's Offer will be paid within five days of receipt of valid acceptance forms.

For further information please contact Chris O'Donnell on 02 8226 9301 or John Frey 0411 361 361.

ENDS