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

October 7th, 2004

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

Dear Madam

Investa Property Group
Chairman's Address and Director's Address to AGM

Please find attached a copy of the addresses of our Chairman, Mr. I.K. Payne and our Managing Director, Mr. C.J. O'Donnell to our Annual General Meeting today.

A copy of the presentation material is also attached.

Yours faithfully

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

Investa Property Group
Annual General Meeting
October 7th, 2004

Chairman's Address

The meeting comprises the Annual General Meeting of the Securityholders of Investa Properties Limited, and a meeting of the Unitholders of the Investa Property Trust.

Given the securities in Investa Properties Limited and the units in Investa Property Trust are stapled, with your permission I propose that I chair the Investa Property Trust Meeting as well, and run both concurrently.

That being so, I will refer to the Trust and the Company collectively as Investa, given the securities are stapled and unless the topic is specific to either entity.

This morning I will take you through a brief overview of the Group's performance, strategy and governance, before handing over to our Managing Director, Chris O'Donnell, who will give us a more detailed review of the Group's operations in the past year and an indication of how we are travelling in fiscal 2005.

We will finish the meeting with the formal business, at which point we will welcome your questions and comments.

Notice of Meeting:

The Notice of Meeting was sent to security holders on 13 September 2004 and accordingly sufficient notice of the business of this meeting has been given.

Since you have received the Notice of Meeting and accompanying materials, with your permission I will take the Notice of Meeting as read.

Before I start, let me introduce the people sitting at this table: your non-executive directors [names in order of seating], Chris O'Donnell, Managing Director and Brian McGarry, Company Secretary.

As you would be aware, Shaun Mays retired earlier this year. I would like take this opportunity to acknowledge Shaun's contribution to the Board. He was a member of the Audit & Risk Management Committee and Chairman of the Sustainability Committee. Shaun contributed to the sustainability practices of Investa which have established us as one of the leaders in sustainability in the property industry.

The search process for his replacement is well progressed, with an appointment likely to be made in the next month.

I would also like to introduce our auditor, James Dunning, from PricewaterhouseCoopers, who will also be available to answer questions at the end.

The Company Secretary has confirmed that the meeting is properly constituted, and that a quorum is present, that proxies have been inspected and all those validly lodged have been accepted.

This time last year, Investa reported a net profit of $128m.

Today, despite a year of difficult market conditions, I am pleased to report that the group lifted net profit after tax by 68% over the year to $215 million, principally as a result of the acquisition of the Delta portfolio. This acquisition lifted the group's assets under management from $3.2 billion to $5.1 billion.

This acquisition also assisted us to increase distributions by almost 6% during the period, from 15.6 cents per security to 16.5 cents per security which includes a small element of equity, as foreshadowed in the Bidder's Statement, and offsets a write-down of intangibles. However, our total return to securityholders - our ultimate measure of performance - was 4.9%, against the UBS-W commercial property trust index, which delivered 5.9%.

Two of the contributing factors to this short-term underperformance against this benchmark include the fortunes of the commercial office sector, particularly in Melbourne, which underperformed against other property asset classes, and major consolidation in the Listed Property Sector, leading many institutional investors to shift their weightings in the market away from Investa.

However, if we look at our total return over the past 3 years, to June 30, Investa has delivered 10.2% per annum, against UBS-W Commercial Property Index performance of 7.4%per annum.

On this basis, the Board regards Investa's performance to date as strong and anticipates that our security price will continue to strengthen as office markets improve and the investment community gains a greater understanding of the strength of our Group strategy.

The Delta acquisition added 12 properties to our Investment Portfolio, including 126 Phillip Street, one of Sydney's major office developments that next year will house Deutsche Bank, Ebsworth & Ebsworth and our own corporate head office.

These additional assets gave Investa the scale needed to protect our competitive advantage and improved the quality of our asset base, providing better tenant and geographic diversity.

In addition to the Delta acquisition, other progress was made during the year in executing our value chain strategy. For example:

– Corporate Property Services introduced an advisory component to its services, leading to a major new contract with Suncorp Metway, and in December 03, we launched our eighth syndicate: the $95 million Investa Sixth Commercial Trust.
– The Development business also delivered a very solid result, with substantial residential lot sales and a strong development pipeline.

Consolidation of the listed property trust sector over the past two years has been rapid and extensive, through a number of mergers, acquisitions and restructures. There has also been a broadening of the risk profile of the sector including international property ownership and construction contracting.

The increase in the size of market participants has been significant and has been driven partly by the belief that the bigger you are, the more efficient you can be and the lower the cost of funding.

This has changed the competitive landscape and in this environment, a focused and committed management with a clear strategy and direction, remain the keys to commercial success and I believe that your Group meets these criteria. We continue to have an Australian based strategy and intend to maintain this strategic direction.

Your Board is responsible for Corporate Governance of the Group and regards this as being critical to all of Investa's stakeholders. A high standard of Corporate Governance is fundamental to our culture and our operations.

When we established Investa 4 years ago, we put together a robust corporate governance platform so that we could manage risk associated with our existing business operations as well as approach acquisitions in a measured and diligent fashion.

As a result, we have been able to successfully acquire substantial assets, such as Silverton, the Telstra office portfolio and Delta, while minimising the transaction and execution risks.

Our growth has been rapid. But it has also been calculated, strategic and controlled – as has been clearly demonstrated by our results.

We will continue to take a pro-active approach to corporate governance, recognising that this is a requirement not an option.

The Board believes that good corporate citizenship is an essential part of good governance. We will continue to reflect this principle in all that we do as the Group consolidates its position as Australia's largest listed owner of office property.

Our long-term commitment to social, environmental and economic responsibilities is inherent in our Sustainability policy and practices. This was confirmed by our inclusion in the Dow Jones Global Sustainability Index for the second year and by the Prime Minister sponsored Banksia Foundation award for "Leadership in Socially Responsible Investment".

As we move forward, we will continue to build on our value chain strategy by:

- Offering our clients the only end-to-end property solution in Australia
- Using our Development business to generate quality assets and earnings
- Deploying our management capabilities across our development programs
- Leveraging the size of our investment portfolio to attract new funds management clients.

This will not only serve to support earnings growth in the future, but will also help to spread risk across the business, better protecting us from fluctuations in the commercial office market.

That said, in the coming year, we anticipate greater stability from this market where we see positive signs emerging in most of the major leasing markets, as consistent growth in white collar employment and consumer confidence drives an improvement in tenant demand.

For example, Brisbane and Canberra have been delivering steady growth for nearly a year, and we believe Sydney is poised for rental growth in early 2005. However, Melbourne – with new construction creating over supply – will continue to be difficult.

So we enter the new financial year with confidence:

– Confident that our value chain model will continue to deliver value
– Confident of a number of new growth opportunities
– And confident in the professionalism and skill of our management team.

I K Payne
Chairman
Investa Property Group

Investa Property Group
Annual General Meeting
October 7th, 2004

Managing Director's Address

Four years ago, when we sat down to plan the launch of Investa, we had a very clear picture of how we wanted the Group to develop:

We imagined a property development business that, as well providing an income stream in its own right, would build investment assets.

We imagined a facilities management company that would differentiate Investa in the eyes of our tenants.

We imagined a funds management business that would manage other people's property investments, leveraging the experience and economies of scale of our major portfolio.

And we imagined all this coming together through measured, strategic acquisition, so that within four years we now have a property investment business that is a top 60 listed company.

Clearly, the Property Value Chain is now fully established and we have a strong, cohesive business model as a solid base to provide opportunities for growth.

Our 2004 result, which is in line with the forecast made in our Bidder's Statement of June 03, demonstrates the potential of this model.

Not only did we increase our market capitalisation by 56%, we increased net profit by 68%.

The Chairman has already spoken about distributions, but I should add that earnings per security rose to 16.55 cents, an increase of 1.7%. The lower level of earnings growth primarily reflects accounting treatments of the Delta acquisition.

In addition, the Delta acquisition has affected some items in our financial reports.

Goodwill of $93m was recognised on the acquisition of Delta accounting for all of the increased intangibles on our balance sheet. This represented 6% of the total consideration paid for Delta, which is a good outcome recognising that stamp duty was not incurred on the acquisition of these assets.

Due to the Goodwill recognised, our NTA fell by 3 cents per security to $1.78 and our gearing levels increased from 32.9% to 36.3%. Clearly, the debt required to fund the Delta acquisition and the capital expenditure absorbed by the Phillip Street development have caused this increase.

Our target debt range is 28-32% and we are working towards this by continuing to sell down units held in the Investa Commercial Property Fund and pursuing other initiatives.

Having spoken about our success in spreading our activities across the property value chain, the sheer size of the Delta acquisition has diluted the *percentage* impact of the company earnings, which is down from 18% to 13%.

However, company earnings have increased from $34m to $45.7m, representing an increase of 34%.

We believe that contributions from business activities will eventually reach the 20-25% mark and achieving this sort of balance is currently a major focus for the Group.

In fact, during the year each link in the chain has become materially stronger.

Let's look at the year's performance in detail.

The Development division continues to expand across Australia, delivering strong earnings from residential land sub-division, commercial development and commercial and industrial unit projects.

Residential lot sales continued at a healthy rate, achieving improved prices over the previous year.

Having sold 289 lots in the last year, the development pipeline has been extended with a land bank of over 7,500 lots in Western Australia, Victoria and Queensland.

During the year, we also made substantial progress in commercial and industrial development, selling 16 units at Turner Street, Port Melbourne.

We are due to complete the $31m CPSA Building in Sydney's North Ryde precinct in November and construction on the first development stage of our residential land holding on the Sunshine Coast is likely to begin early 2005.

DA approval for our 290 unit project in Brisbane's West End, is expected at the end of 2004. If you look to the screen, our animation gives you an indication of what this will look like.

The Asset Management division took on an additional 11 properties, almost doubling its rent roll.

This is now a significant, national operation, managing 13% of Australia's prime grade CBD office market.

This national coverage benefits our tenants and owners, giving them access to greater purchasing power, comprehensive risk management and best practice in OH&S and environmental performance.

During the year this was recognised with a 5 star OH&S rating and the portfolio's average Australian Building Greenhouse Rating increasing from 2.3 to 2.6 stars.

We also increased our sustainability program from 16 to 25 properties.

As previously mentioned, the significant achievement in our Corporate Property Services business was a five year agreement to manage the property portfolio of Suncorp Metway Ltd, from July of this year.

The contract includes: leasing, project management, planning and design, facilities management and workplace accommodation strategies.

In addition to continuing to service the large Westpac portfolio, CPS also managed the refurbishment of RACV's headquarters and undertook work for Investa's Asset Management and Development divisions.

CPS is now well positioned for growth and will be instrumental in delivering new business opportunities for the whole Group.

The Investment portfolio, bolstered by the Delta acquisition, delivered earnings growth of 89% and increased its funds under management to $3.7 billion.

With the portfolio now including 3 premium grade assets, the weighted average capitalisation tightened by 0.5% to 7.7%. Like on like income growth for the year was 2.1%.

As foreshadowed in our Bidder's Statement, the merged entity has reduced our weighted average lease term to 4.4 years and our team is very focused on increasing this measure.

However, having secured leasing deals for over 97,000 square metres of space, occupancy is over 96% and the likely recovery of the Sydney market, where 60% of the portfolio is located, bodes well for future occupancy rates.

During the year, Funds Management launched the $95m Investa Sixth Commercial Trust with assets purchased from Investa Property Trust.

Our flagship wholesale fund, Investa Commercial Property Fund, continued to attract new investment.

This fund now has six institutional investors and is well positioned to move into a growth phase this year.

Our second wholesale fund, the closed end Martin Place Trust, continued to perform well, delivering a total return since inception of nearly 10%.

As a result, the division finished the year managing $850 million of funds.

Linking third party capital with passive investment opportunities is a key for the success of our business model.
Reflecting the increased scale of our portfolio following the Delta acquisition, we have undertaken a significant restructure of debt.

Most of our debt facilities have now moved to be on an unsecured basis, thereby significantly simplifying administration. We have diversified our sources of funds to include a group of Australian banks, the US bond market and the domestic bond market. Debt has been issued with a range of terms out to 12 years thereby spreading the refinancing risks.

The restructure has been completed while also achieving a small reduction in the cost of our debt.

Our corporate rating of BBB+(Positive) has been recently reaffirmed by Standard & Poors reflecting the strength of our balance sheet and providing a strong base from which to manage our capital.

The team has done an excellent job in reducing our gearing ratio following the Delta acquisition from 38.4% to 36.3% at 30 June 04, whilst at the same time investing in the purchase of development assets and the funding of our major showcase building, 126 Phillip Street.

We are on track for completion in September 2005 and as you can see, it is progressing at an impressive rate and is having a real impact on the Sydney skyline.

Pre-committed tenants include:

- Deutsche Bank 13,000m2
- Ebsworth & Ebsworth 5,000m2
- Investa 2880m2

The office space remaining for lease provides exciting opportunities for businesses to locate in what will be Sydney's premium commercial address and we are in negotiation with a number of additional tenants.

We have applied Investa's sustainability principles to this development and we are expecting to obtain a four star rating, in keeping with the Group's sustainability philosophy on which I would now like to expand.

As we have grown the business, we have been careful to introduce sustainability practices at every step of the way because we believe engaging in sustainability practices makes good business sense and attracts tenants, employees and business partners.

This is why, in 2004, we have led the drive for sustainability practices in the property sector, by being one of the few Australian companies in our industry to publicly set and surpass environmental performance targets.

We currently have 37 properties participating in the Investa sustainability program and Environmentally Sustainable Development principles are applied to all new developments valued at $15m and above, undertaken or commissioned by Investa.

We recently assisted the City of Melbourne launch its Sustainability Melbourne Fund, where we are partnered with 3 Victorian water retailers to participate in a water management program.

As our shareholders, you will also be pleased to know that as well as protecting the environment, these measures saved the Group nearly half a million dollars in operating costs.

Next year, our targets will build on these savings and improve our environmental performance as we include more of our properties into our environmental management program.

None of the achievements of the last year would have been possible without our senior management team.

Each member of this team is responsible for providing the leadership to various aspects of our business – and they do this extremely well, looking to ensure the implementation of the value chain is considered in every activity we undertake and even though each of them are quite different they all share a common belief in the Group core values. And this is really the cement that keeps this team together.

Good as they are, with Investa reaching a critical mass, we need a real depth of talent to support this highly experienced team.

During the year, we made great progress in recruiting a management team that includes some of Australia's most experienced property professionals.

Recognising that we are now large enough to generate our own skills base, we also started a graduate recruitment program to combine youthful energy and new ideas with the depth of experience already in the team.

We now have 220 employees, all focused on the core values you see on screen. These values, as much as our business model and our approach to sustainability, are also key differentiators for Investa.

When they were established we wanted values that people could genuinely live and work by and I believe we have achieved this. Ensuring a healthy culture is a key for ongoing success for the group.

Now that Investa has achieved our four year vision of scale and diversity, we will be able to extract greater value from our business platform and continue to realise solid investor returns.

Already in the first quarter of this financial year

- We have completed a $325m US Private Placement and a $175m domestic note issue, completing our restructure of debt facilities.
- For the second year, Investa has achieved a National Safety Counicl of Australia 5 star OH&S rating increasing the number of buildings rated from 16 to 25.
- In August, we purchased a 194 hectare industrial site in Melbourne's Deer Park, with Stage 1 land sales due to commence late 2005.
- The sell-down of ICPF now includes an investment by Prudential Australia Property Trust (Pru). The $50m commitment in ICPF and sale of 25% interest in 400 George Street to Pru, will reduce IPG's debt gearing ratio by 3%; and
- We have also leased a further 38,300m2 in the first three months of 04/05.

So as you can see we are continuing to be very active in pursuing our strategy.

Following on from a strategic review conducted this year, we have added another 'link' to the value chain – ideas.

With over 1100 clients and the broad nature of our business we are in a unique position to be able to provide property solutions to our clients. We have a great opportunity here which is just waiting to be harvested.

Ladies and gentlemen we have a clear strategy, a strong management team and a culture of being able to implement in keeping with this strategy.

In the next 12 months we have many challenges in front of us, however, I'm certain we have a solid base to allow us to successfully deal with these challenges and we are confident of distributing at least 16.5 cps in the 04/05 year.

Thank you,

Chris O'Donnell
Managing Director