



INVESTA
Property Group

Investa Properties Limited
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22 December, 2004

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

Dear Madam,

**Investa increases its commitment to residential development
Further step in growing long-term company earnings stream**

Investa Property Group (Investa) announced today that it has acquired a 40 percent interest in Clarendon Property Group Australia Pty Ltd (CPG). CPG is an integrated residential developer with approximately 4,400 lots under its control and is Australia's 3rd largest homebuilder. The transaction has been funded by a private placement of equity (\$60 million) to the principals of CPG and by debt (\$40 million).

Investa has a Call Option and CPG has a Put Option for the remaining 60% of the business. The options are exercisable between July and September 2005. The 100% acquisition price is approximately \$250¹ million plus debt of \$325 million (\$575 million assets) plus a potential earn out capped, in today's dollars, at \$60million. The earn out is linked to out-performance above forecasts contractually defined over the next three years and shall be assessed at the end of that time. The founder and current CEO of CPG, Peter Campbell, has been appointed to the Board of Investa Properties Ltd and four Investa representatives have been appointed to the Board of CPG.

Through this transaction Investa acquires an interest in a portfolio of approximately 4,400 lots (under control) of residential development land for subdivision, predominantly in Greater Sydney, and CPG's substantial contract home building business. The company's main housing brands are: Clarendon Homes, Domaine Homes, Bellevale Homes and Greenway Homes.

Chris O'Donnell, Managing Director of Investa Properties Limited, said: "The acquisition of a major stake in CPG enables Investa to take advantage of the changing nature of residential development toward higher density integrated built solutions, which is being encouraged by local and State governments across Australia.

"The incorporation of CPG's design and construction capability will be an added benefit for Investa, especially across Investa's existing 9,000 lot land bank."

¹ To be determined following working capital adjustments from October 1 through to December 22, 2004

Mr O'Donnell also said that "the structure of the transaction enabled Investa to gain an important position in the Sydney residential land development market, complementing its extensive holdings in Victoria, Queensland and Western Australia."

"This is a measured but exciting step into expanding our residential land development capability, with the addition of a highly skilled design and construction function that will provide many value adding opportunities for our existing portfolio," he said.

CPG's acknowledged expertise in housing development, particularly integrated and 'small lot' housing, will enable Investa to extract maximum value from its substantially increased land bank by providing the built form. This will be particularly relevant in New South Wales which continues to suffer from a chronic shortage of developed land and where the majority of CPG's land stocks are held.

"The transaction will have minimal impact on earnings per security (eps) in 2005, however will be eps accretive in 2006. The transaction also moves the contribution from company earnings closer to our strategic aim of 25% with debt estimated to be in the order of 35% in the same period," Mr O'Donnell said.

Peter Campbell, founder and CEO of CPG said: "I see this as a great opportunity to grow the CPG business and builds upon its brands with the support of a strongly capitalised business, and one with which we share many cultural values.

"The CPG business has been built on quality and integrity in our dealings with residential purchasers, land owners and suppliers in both the private and public sectors and our staff. I am very confident that these are values that Investa strongly shares," he said.

The major operational component of CPG's business is its contract housing division, which employs some 410 people whilst CPG's development business employs about 60 people. The existing directors, senior management and staff of CPG will remain in place.

Citigroup has acted as financial advisor to CPG in regards to this transaction. In addition CPG has received legal advice from Minter Ellison and tax and accounting advice from PricewaterhouseCoopers.

For further information, please contact Chris O'Donnell, Managing Director on 02 8226 9300 or David Bromell, General Manager, Developments on 02 8226 9397.

Yours faithfully



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Company Secretary

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Investa Property Group

Investa Property Group (IPG) is a fully integrated property investment company, listed in the Top 60 of companies on the Australian Stock Exchange.

It operates solely in Australia and is the largest listed owner of commercial property in Australia, with a market capitalisation of \$3 billion and assets under management of over \$5.1 billion. Investa's business platform includes investment, funds management, corporate property services, property and facilities management, and residential and commercial development.

The Residential Development Portfolio – Investa Property Group

	No of Lots
Mill Park Lakes, South Morang, Vic	1003
Quinns Beach Estate, Perth, WA	61
River Point Apartments, Brisbane, Qld	280
Edens Crossing, Brisbane, Qld	1,650
Sippy Downs, Caloundra, Qld	4,412
Henley Brook, Perth, WA	946
Coomera, Qld	575
C-Air (Hillary's), WA	87
Total	9,014

CPG Australia Pty Ltd

The CPG Group was established by Peter Campbell in 1978, in Penrith, Western Sydney and is now Australia's 3rd largest homebuilder and the largest in NSW, building approximately 2,500 homes p.a. and employing some 470 people.

The principle operating business is contract home building, however in the 1990s, the Group began to focus on land development and masterplanned estates. The Group's scope has expanded to include medium density developments and lifestyle residential projects capitalising on its commercial advantage in 2-storey construction.

The group operates in New South Wales, Queensland and Victoria.

CPG businesses have variously received HIA NSW Housing Awards, National MBA Awards, UDIA NSW Awards, as well as adaptive use and heritage awards.

The Portfolio – CPG Australia Pty Ltd

Property	State	Ownership Interest	No. of lots	Estimated Completion Date
CPG Estates				
Alex Ave, Schofields	NSW	50/50 JV	58	2009
Aspley Keep	QLD	50/50 JV	99	2006
Beecroft	NSW	Owned	17	2005
Blaxland	NSW	Owned	52	2006
Cooranbong (Lake Macquarie)	NSW	Owned	141	2006
Elderslie (Camden)	NSW	Owned	245	2008
Georges Fair (Moorebank)	NSW	50/50 JV	1,000	2011
Glenfield (Campbelltown)	NSW	Owned	67	2006
Wadalba (Pacific H'way)	NSW	Owned	114	2006
Thornton (Maitland)	NSW	Option	364	2009
Sinnamon Park	QLD	Owned	20	2005
Somerset Park (Maitland)	NSW	Owned	392	2009
Kellyville	NSW	Owned	292	2008
Other			409	2006
Total			3,270	
CPG Developments				
Baybrook Little Bay	NSW	50/50 JV	66	2006
	NSW	33% JV		2010
Elanora Heights		Option	92	
Kooinjah Water Golf Resort	NSW	70/30 JV	336	2007
Newthorpe Eastwood	NSW	50/50 JV	250	2008
Rushcutters Bay	NSW	Owned	218	2010
Shearwater Warriewood	NSW	Owned	180	2008
Total			1,142	
Total CPG Australia Portfolio			4,412	