



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

20 June 2003

Dear Unitholder

On behalf of Investa Properties Limited I am pleased to enclose an offer to acquire all of your units in Principal Office Fund (POF).

Investa Properties Limited's Offer is seven (7) Investa Property Group (IPG) securities and \$4.86 cash for every twelve (12) POF units you own. The full terms and conditions of the Offer are detailed in Section 11 of the enclosed bidder's statement.

The Offer equates to a price of \$1.63 per POF unit, based on a price of \$2.10 being the volume weighted average market price of IPG securities on the ASX for the five days up to and including 23 May 2003, the last trading day before the announcement of the Offer. The implied Offer price will vary with changes in the price of IPG securities. For example, based on the volume weighted average market price of IPG securities on the ASX for the five days up to and including 12 June 2003 of \$2.11, the implied Offer price was \$1.64.

This Offer has a number of significant benefits for you, including:

- on the basis of an IPG Security price of \$2.10, an 18.1% premium to POF's 5 day volume weighted average trading price up to 21 May, 2003, the day before IPG acquired its strategic 8.4% stake in POF; and
- a forecast 16.4% increase in your distribution in the year ending 30 June 2004 compared with the anticipated distribution if you were to remain an investor in POF¹.

IPG is an ASX 100 listed company with a market capitalisation of approximately \$1.8 billion. Investors in IPG are both unitholders in an investment trust and shareholders in an Australian based management company that undertakes a broad range of property related activities.

IPG specialises in the ownership and management of commercial office properties, and the development of property, and has a track record of expertise in asset selection and value enhancement in the listed office sector. IPG has a team of property investment management and development professionals who are dedicated to integrated management of all aspects of the Group's assets.

IPG's internal management structure allows it to retain development and other property services revenues, rather than paying other parties for those services. The Group has delivered an average of 5.9% pa growth in distributions per security over each of the last three years and the Group has been the best performing entity in the ASX listed office trust sector over the three and five year periods to 1 May 2003².

IPG merged with POF is expected to have a market capitalisation of \$2.9 billion and to be within the Top 50 entities (by market capitalisation) on the ASX.

A facility has been established to give you the opportunity to receive cash for all your POF units through the sale of IPG Securities to which you become entitled by accepting the Offer. To take advantage of this facility, you must complete the election on the enclosed acceptance form.

I encourage you to accept this Offer. Please read the enclosed bidder's statement carefully. The scheduled closing date for the Offer is 21 July 2003. To accept the Offer, please complete and sign the Acceptance and Transfer Form and return it in the enclosed reply paid envelope before the closing date of the Offer.

If you have any queries in relation to the offer, please do not hesitate to contact the IPG Offer Information Line on 1300 302 124 (callers in Australia) or +612 9240 7463 (callers outside Australia).

On behalf of my fellow Directors, I hope we can soon welcome you to the Investa Property Group.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Payne', written in a cursive style.

Ian Payne
Chairman

¹ Based on Investa Properties Limited's estimates of distributions to be paid to Principal Office Fund Unitholders in the year ended 30 June 2004, and assuming the cash component of the Offer is reinvested in IPG securities. You should refer to section 5 of Investa Property Group's bidder's statement for further details.

² Based on compound annual returns taking into account distributions and security price movements.