

Investa Property Group

Annual General Meeting

9 October 2003



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Property Group

Ian Payne

Chairman

Investa Property Group



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What we achieved

- Net profit up 45% to \$128.2m
- Distribution up 5.8% to 15.60 cps
- Earnings per security up 9.4% to 16.28 cps
- Assets under management up 50% to \$3.2bn
- Launched bid for Principal Office Fund (POF)
- 4.9% total return vs. 3.7% for UBSW Comm 200



Corporate Governance

- PricewaterhouseCoopers review shows robust governance platform
- External review of Board and Directors
- Staff representative on ASX Corporate Governance Council



Sustainability

- Board Sustainability Committee established
- External review of sustainability platform undertaken by Arup Sustainability
- Endorsements by Sustainable Asset Management, 2001 & 2002
- Banksia Environmental Awards finalist
- Selected as an index component in the Dow Jones Sustainability World Indexes (DJSI World)



Momentum across value chain

- \$1.1bn transactions completed
- High occupancy in the Investment Portfolio
- Increased business and services activities contribution in line with strategy
- Wholesale and syndication FUM grow to \$739 million
- Telstra portfolio flow-through business service benefits of \$9.0m across the group
- Residential and commercial development growth
- Future redevelopment and syndication assets acquired



Principal Office Fund (POF)

- \$1.9 bn acquisition
- Acquired initial stake May 21st, 2003
- Bid launched May 26th, 2003
- Closed 1 September with 95 percent acceptance
- Complementary portfolio with value chain opportunities
- Synergy benefits
- POF acquisition
 - Accretive to earnings
 - Increases distribution forecast to 16.5¢ per security for 2004



Positive outlook

- Enlarged and strong investment portfolio
- Income diversification across the value chain
- Group well resourced to manage growth and capture opportunities



Formal business

Receive 2003 accounts

Consider two resolutions

- Re-election of Director - Shaun Mays
- Increase aggregate non-executive Board fees



Chris O'Donnell

Managing Director

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Growth drivers

- Expansion of Investment Portfolio
- Growth of the Services business - funds, asset and property management
- Increased Business contribution - residential and commercial development
- Collateral benefit from Telstra portfolio acquisition
- Investor appeal of sustainability initiatives
- Property Trust Manager of the Year (2002)
- Platform for future growth established



Earnings and distribution growth

Advances on key measures

• Earnings* 16.28 cps	9.4% on pcp	
• Distribution paid 15.60 cps	5.8% on pcp	
• NTA: \$1.81 per security	4.6% on pcp	
• Total assets of \$2.6 bn	76% on pcp	
• Assets under Management of \$3.2 bn	50% on pcp	
• Investment portfolio earnings of \$137 m (82% of Group result vs.87% pcp)	39% on pcp	
• Business/services contribution \$30.4m (18% of Group result vs.13% pcp)	39% on pcp	

*earnings after tax and before revaluation and amortisation



Business activities

A year of achievement for...

- Commercial and residential development
- Investment services
- Corporate property services
- Aggregate earnings: \$30.4m



Development

"Measured expansion across Australia"

- Residential
 - 400 lot sales
 - 5000 house lots, 450 medium density lots
 - Stock replenishment in QLD and WA
- Commercial/industrial
 - Ryde development 6,300m² CPSA; bought by Investa 5th Commercial Syndicate for \$31.25m
 - DA approval for \$47m 10000m² offices in Parramatta - completion 2005



David Bromell
Head of Development



Services

Building Scale



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Wholesale Funds Management

"Socially responsible direct property investment..."

- Investa Commercial Property Fund transitioned - enhanced institutional appeal
- \$343m under management



Bill Grounds
Head of Wholesale



Syndications

***"Leveraging the property value chain...
increasing the utilisation of capital...."***

- Two new syndicates launched
- Seven syndicates total
- \$430m assets under management



Andrew Roy
Head of Syndications



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Asset Management

"In-house service confers competitive advantage...."

- 47 assets, 790,000m² NLA
- Sound risk management platform to deliver operational efficiency
- Major energy, safety and environmental initiatives



Andrew Junor
Head of Asset
Management



Corporate Property Services (CPS)

"Differentiated approach builds market position...."

- Instrumental in securing Telstra portfolio - incentive flow-through already
- Strategic advice to national organisations with large property networks
- Expanded relationship with Westpac



Peter Bolton-Hall
Head of CPS



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Investment Portfolio

"The group's engine room...."

- \$1.8 bn portfolio of 27 A-Grade commercial offices across 5 States and ACT
- Provided 82% of Group earnings
- Like-for-like property income increased
- High occupancy and strong tenant profile underpin growth



Tony Dixon
Portfolio Manager



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Telstra portfolio

"Delivering on strategy...."

IPG Delivers on Strategy

242 Exhibition St Melbourne \$250m investment	310 Pitt St Sydney \$119m investment	231 Elizabeth St Sydney 50% sold to Wholesale Funds	111-115 Grafton St Cairns sold, \$650,000 gain	7-13 Tomlina St Townsville sold, \$1.0m gain	80 Stirling St Perth syndicated, \$1.8m gain	30 Pirie St Adelaide syndicated, \$2.2m gain
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Telstra Portfolio
Integration Programme Delivering Value

Sales & Upfront Gains Establishment Fees - \$1.70m Profit on Sales - \$5.45m	Wholesale Funds Management Fees - \$280,000pa	Syndicates Funds Management Fees - \$650,000pa	Asset Management Property & Facilities Management Fee - \$500,000pa	EPS Outgoings/Savings Share - \$808,000pa	Investment Portfolio Rental Income for 30 DL \$35.2mpa
\$7.15m	\$2.0m pa				\$35.2m pa



Capital management

"Prudent capital management facilitates growth...."

- \$556m equity raisings at av. \$1.95 per security
- CMBS program expanded:
\$430m AAA-rated; \$33m AA+ rated
- \$550m bridging facility for POF acquisition
- Gearing within sector range at 32.9%



Graham Monk
Chief Financial Officer



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Governance and sustainability

"Wise counsel and focussed management to achieve sustainable outcomes...."

- PricewaterhouseCoopers review shows robust governance platform
- Sustainability Committee established
- Review of Sustainability platform by Arup Sustainability
- Aim for 'best practice'
- Ensuring resources equal to the task



Brian McGarry
Company Secretary



Core values

"Indivisible from good governance and sustainability...."

- Customer Focus
- Team
- Performance.
- ‘Can Do’
- Nimble
- Accountability
- Empowerment
- Innovation
- Personal growth
- Integrity
- Every job counts



Principal Office Fund

"Delivers operational and strategic benefit..."

- Major development in-hand (126 Phillip St) \$450 m
- Increases Investa's forecast distributions to 16.5 cps
- Enhanced portfolio quality
- Improved market capitalisation to \$2.7 billion
- Scale efficiencies and synergies arising from internalisation of management
- Additional tenant relationships
- Syndication opportunities



Michael Cook
Portfolio Manager



Summary

"Promising operational outlook..."

- Critical mass from POF acquisition
- Increased earnings contribution from diversified property solutions
- Board and management expertise support strategic execution
- Value chain focus underpins sustainable Group returns
- Solid investment performance
- 2004 Forecast distribution 16.5 cps

