

Investa Properties Limited

ABN 54 084 407 241

Annual Concise Report

30 June 2002

Annual Concise Report – 30 June 2002

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This concise report has been derived from the full financial report for the year ended 30 June 2002 for Investa Properties Limited. The full financial report and auditors report will be sent to members on request, free of charge. Please call 1800 635 323 (freecall) and for International 612 8234 5222, and a copy will be forwarded to you.

Alternatively, you can access the full financial report and the concise financial report via the internet on our website: www.investa.com.au.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Investa Properties Limited as the full financial report.

Directors' Report

The directors of Investa Properties Limited present their report together with the financial report of Investa Properties Limited and the consolidated financial report of Investa Properties Limited and its controlled entities for the year ended 30 June 2002.

Directors

The following persons were directors of Investa Properties Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

I K Payne (Chairman)
C J O'Donnell (Managing Director)
J L Arthur
P J Carney
S A Mays
D R Page

J L Arthur was appointed a director on 2 July 2001.
D R Page was appointed a director on 17 April 2002.
P J Carney passed away on 7 August 2002.

Statement on comparative results

This report has been prepared for the 12 month period ended 30 June 2002. The prior periods results were for a nine month period ending 30 June 2001 as the company had previously been part of the Westpac Group (which had a 30 September year end) prior to the establishment of the Investa Property Group in December 2000.

Principal activities

During the year the principal continuing activities of the consolidated entity consisted of property funds management. During the year, there was a significant change in the nature of the activities of the consolidated entity due to the acquisition of a controlled entity, subsequently resulting in property development becoming a principal activity. Both business segments operate in one geographical area, Australia. The company had 97 employees at 30 June 2002 (June 2001: 74) with the growth due to expansion of operations.

Dividends

Dividends paid and payable for the year ended 30 June 2002 were \$6,290,056 (for the period 1 October 2000 to 30 June 2001: \$1,233,373). All dividends were fully franked.

Review of operations and significant changes in the state of affairs

During the period the principal activities of the consolidated entity were property funds management and property development, operating in one geographical area, Australia.

A summary of the results is as follows:

	30 June 2002 (12 months) \$'000	30 June 2001 (9 months) \$'000
Profit from ordinary activities after income tax expense	8,790	992
Total assets	224,421	8,070
Shareholders Equity	3,502	443

The results include the impact of the acquisition of Silverton Limited in November 2001, which is the development operation of the Investa Property Group. The development operations contributed \$6.631 million to group profits after tax.

Directors' Report (continued)

Review of operations and significant changes in the state of affairs (continued)

The growth in assets also occurred as a result of investments totalling \$57 million to expand the operations of the company:

- in conjunction with the launch of the Martin Place Trust, the company invested \$26 million in this Trust.
- the company acquired the management rights for two Suncorp Metway Property Funds with effect from December 2001 and became the Responsible Entity for the Suncorp Metway Balanced Property Fund (renamed the Investa Commercial Property Fund) on 3 January 2002. Related to this acquisition of management rights from Suncorp, Investa Properties Limited also invested \$20m in the Investa Commercial Property Fund.
- the company acquired a property at 27- 53 Lysaght Street Brisbane for \$11 million. This property will form the basis of the Investa Third Industrial Trust which is proposed to be launched in the next financial year.

In addition, the company expanded its syndication business during the year:

- in October 2001 the wholesale syndicate, Martin Place Trust was launched.
- in February and June 2002 respectively, two new retail syndicates were launched, Investa First Industrial Trust and Investa Second Industrial Trust.

The company also expanded its property management operations by taking responsibility for additional properties. Allied to this was the opening of a property management office in Brisbane in February 2002 to service the Queensland assets of the various trusts which are managed by Investa. The total number of properties under management by Investa is now 33 located in NSW, Victoria and Queensland.

Matters subsequent to the end of the financial year

On 1 August 2002 the Investa Property Group (comprising Investa Properties Limited and Investa Property Trust) exchanged contracts with Telstra Corporation Ltd for the purchase of seven office buildings at a price of \$570 million.

The purchase is to be funded by an underwritten equity issue of 174.6 million new securities, raising \$330 million at \$1.89 per Security and short term debt of \$280 million. It is intended that the debt facility will be refinanced through an issue of Commercial Mortgage Backed Securities (CMBS) within the next nine months.

It is intended that Investa Properties Limited in its own right, will wholly own two of the properties and have a share in two further properties the total value of which is approximately \$70 million, with the balance being owned by Investa Property Trust. The acquisitions will be funded by a portion of the funding referred to above.

Further details of these transactions are explained in the replacement prospectus dated 6 August 2002.

This disclosure did not form part of the full Financial Report signed on 30 July 2002, as agreement to the transactions occurred on 1 August 2002, being the date upon which Telstra Corporation Ltd advised Investa Property Group that it had been selected as the successful bidder.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Directors' Report (continued)

Environmental regulation

The company is subject to significant environmental regulation in respect of its property activities. The directors of the company are satisfied that adequate systems are in place for the management of its environmental responsibility and compliance with the various licence requirements and regulations. Further, the directors are not aware of any material breaches to these requirements and to their best knowledge all activities have been undertaken in compliance with environmental requirements.

Information on directors

Director	Experience	Special responsibilities
I K Payne M.Ec	Ian has been Chairman since 1999. Previously he was Deputy Chief Executive and Executive Director of Commonwealth Bank of Australia from 1992 to 1997 and Chairman of Commonwealth Financial Services Limited. Ian is currently Chairman of Export Finance and Insurance Corporation and a Director of SFE Corporation Limited and Legalco Limited.	Non Executive Chairman
C J O'Donnell Dip.Bus. NZCB, FAICD, AIQS (Affil)	Chris has been Managing Director of Investa Property Group since December 2000. Prior to the formation of Investa, Chris was Executive Director of Westpac Investment Property Limited, Lend Lease Property Investment Services Limited and Managing Director of Capital Property Limited.	Managing Director
S A Mays B.Sc (Hons) M.Sc, MBA, FAICD	Shaun is the Managing Director of Westpac Financial Services. Prior to joining Westpac he was Chief Investment Officer of Commonwealth Financial Services and Managing Director & Chief Investment Officer of Mercury Asset Management.	Non Executive Director
J L Arthur LLB (Hons)	John has been a partner of Freehills since 1981, except for the period of 1992-1995, when he was General Counsel for the Lend Lease Group. John was a Director of the Manager of General Property Trust from 1989 to 1995 and is currently a Director of CSR Limited.	Non Executive Director Chairman Nominations and Remuneration Committee
P J Carney LLB	Peter had a long experience and understanding of the commercial property and banking industry. Previously a partner of 21 years in Freehills and Deputy Chairman of the Advance Bank Group from 1987 to 1997.	Non Executive Director Chairman Due Diligence Committee
D R Page B.Ec, FCA MAICD	Deborah was a partner in Touche Ross/KPMG Peat Marwick from 1989 to 1992. Subsequently she held senior executive positions with the Lend Lease Group and the Commonwealth Bank. She is currently Chair of the NSW Cancer Council and a Director of Macquarie Generation and the Internal Audit Bureau of NSW. She is also a member of the Audit Committee of the Department of Community Services of NSW and the Sydney Harbour Federation Trust.	Non Executive Director Chairman Audit and Risk Management Committee

At 30 June 2002, interests in the shares of Investa Properties Limited were held by I K Payne (7,595 shares), C J O'Donnell (1,017,760 shares) and P J Carney (1,021 shares).

Investa Properties Limited

Directors' Report (continued)

Meetings of directors

The numbers of meetings of the company's board of directors and of each board committee held during the year to 30 June 2002, and the numbers of meetings attended by each director at the time the director held office or was a member of the committee during the year were:

	Board meeting		Audit & Risk Management Committee meeting		Due Diligence Committee meeting		Nominations & Remuneration Committee meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
I K Payne	11	10	-	-	-	-	-	-
P J Carney	11	11	1	1	9	9	-	-
C J O'Donnell	11	11	1	1	9	6	-	-
S A Mays	11	9	-	-	-	-	-	-
J L Arthur	11	10	-	-	-	-	-	-
D R Page	2	2	1	1	-	-	-	-

An Audit & Risk Management Committee was established in April 2002 with D R Page as the Chairman. The Committee met for the first time in June 2002.

The Nominations and Remuneration Committee was established in June 2002 and is chaired by J L Arthur. The Committee met for the first time in July 2002. The Committee advises the board on remuneration policies and makes specific recommendations on remuneration packages and other terms of employment for executive and non-executive directors and other senior executives.

During the year, there were numerous project due diligence meetings. These meetings were in relation to new acquisitions, new syndications and the preparation of prospectuses relating thereto. All these meetings were chaired by P J Carney.

Directors' and executives' emoluments

Details of the nature and amount of each element of the emoluments of each director of Investa Properties Limited and each of the 5 officers of the company and the consolidated entity receiving the highest emoluments are set out in the following tables.

Non-executive directors of Investa Properties Limited

Name	Directors' base fee \$	Committee fees \$	Subsidiary company fees \$	Super-annuation \$	Total \$
I K Payne (Chairman)	95,084	-	-	8,558	103,642
P J Carney	55,066	20,000	10,000	6,936	92,002
S A Mays	22,915	-	-	2,062	24,977
J L Arthur	54,838	-	7,000	4,935	66,773
D R Page	11,282	-	-	1,015	12,297

Executive director of Investa Properties Limited

Name	Base salary \$	Super-annuation \$	Other benefits \$	Total \$
C J O'Donnell	452,579	41,641	278,877	773,097

Investa Properties Limited

Directors' Report (continued)

Other executives of Investa Properties Limited

Name	Base salary \$	Super-annuation \$	Other benefits \$	Total \$
A J Martin	171,761	14,717	130,000	316,478
A S Junor	219,975	19,732	71,010	310,717
K P Dickinson	169,378	23,381	56,327	249,086
P D Bolton-Hall	195,221	17,570	25,000	237,791
B V McGarry	180,184	16,217	37,500	233,901

Indemnification and Insurance of officers and auditors

During the financial year Investa Properties Limited, paid a premium of \$60,928 to insure the directors and officers of the company and its controlled entities, Investa Asset Management Pty Limited, Investa Asset Management (QLD) Pty Limited, Investa Nominees Pty Limited, and Investa Development Holdings Pty Limited and its controlled entities. The auditors of the Company are in no way indemnified out of the assets of the Company.

Country of incorporation

Investa Properties Limited was incorporated in Australia on 12 November 1998.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the directors.

Director
I K Payne
15 August 2002

Discussion and Analysis of the Concise Consolidated Financial Statements

Following the formation of the Investa Property Group on 1 December 2000, Investa Properties Limited and its controlled entities have experienced substantial expansion particularly in the current year. The results for the current year are for a 12 month period, compared to a 9 month period in the previous reporting period. The results also include the impact of the acquisition of Silverton in November 2001, adding a significant property development capability and inventory to the consolidated entity. For the year to 30 June 2002, property development operations contributed \$6,631,000 to profit after tax.

Consolidated Statement of Financial Performance for the year ended 30 June 2002

Overall profit for the consolidated entity after taxation was \$8,790,000 compared to \$992,000 in the previous 9 months.

Dividends paid and payable of \$6,290,000 have increased from \$1,233,000 in 2001, which equates to 1.06 cents per share in 2002 (2001 - \$0.21 cents per share). Earnings per share increased from \$0.26 cents per share in 2001 to \$1.54 cents per share in 2002.

The consolidated entity's total revenue in 2002 was \$92,948,000 compared to \$8,261,00 in 2001, with the main contributions in 2002 coming from:

- sales of property inventory of \$66,746,000, including Rydecorp of \$34,450,000, Acacia Ridge of \$17,200,000 and Quinns Beach of \$8,296,000. (2001- nil);
- management fees of \$2,667,000 from Investa Property Trust (2001- \$1,598,000);
- fee revenue of \$1,400,000 from Westpac Banking Corporation in respect to the corporate property services contract (2001- \$816,666);
- syndicate establishment and management fees of \$1,721,000 (2001- \$1,832,000), include fees in respect to the launch of two new retail property syndicates. These syndicates were the Investa First Industrial Trust and Investa Second Industrial Trust. Ongoing management fees were received from Collins Property Trust, Investa Brisbane Commercial Trust and Investa North Sydney Property Trust, which were launched in the previous reporting period;
- establishment fees and management fees of \$1,429,000 in respect of wholesale property syndicates. The new wholesale syndicates were Martin Place Trust and Investa Commercial Property Fund (2001 – nil);
- distribution income from investments in Martin Place Trust, Investa First Industrial Trust, Investa Second Industrial Trust and Investa Commercial Property Fund of \$3,400,000 (2001- nil);
- property Management fees of \$3,028,999 as operations expanded in NSW and Victoria and then to Queensland in March 2002 (2001 – \$511,000);
- expense recovery and management fees from the vendor of Silverton Limited of \$3,351,000 for the management of property sale agreements executed prior to the acquisition (2001 – nil);
- rental income from completed developments prior to sale of \$1,718,000 (2001- nil);
- interest income of \$1,215,000 (2001 - \$112,000);
- profit on sale of property of \$385,000 (2001 – nil).

Expenses excluding cost of sales of property inventory of \$57,273,000 (2001 – nil), totalled \$23,080,000, inclusive of personnel costs of \$11,727,000 (2001 - \$3,723,000) and borrowing costs of \$3,723,370 (2001- \$205,000).

Investa Properties Limited

Discussion and Analysis of the Concise Consolidated Financial Statements (continued)

Consolidated Statement of Financial Position as at 30 June 2002

The Consolidated Statement of Financial Position for Investa Properties Limited at 30 June 2002 reflects the significant activity of the consolidated entity since 1 July 2001. Total assets have increased from \$8,070,000 in 2001 to \$224,421,000 in 2002.

The major contributor to the increase in assets was the acquisition of Silverton Limited in November 2001. Assets from the Property Development operations total \$131,784,000 with the majority being property inventories of \$106,455,000. In addition, the company acquired property inventory of \$11,110,000 which will form the basis of the Investa Third Industrial Trust, resulting in property inventory totaling \$117,565,000.

The company acquired the management rights at a total cost of \$8,870,000 for two Suncorp Property Funds with effect from December 2001 and became the Responsible Entity for the Suncorp Metway Balanced Property Fund, which has been renamed Investa Commercial Property Fund. This acquisition of management rights in addition to the acquisition of Silverton Limited resulted in an increase in intangible assets from \$3,398,000 in 2001 to \$16,290,000 in 2002.

Further increases in assets of \$45,629,000 occurred as a result of investments of \$25,937,000 in Martin Place Trust in conjunction with its launch in October 2001, and \$19,692,000 in the Investa Commercial Property Fund, as part of the purchase of management rights from Suncorp Metway Investment Management Limited in December 2001.

The company expanded the participation of employees in its Employee Share plan and loaned an additional \$4,388,000 to employees during the year.

The expansion in the company was primarily funded by loans from Investa Property Trust, a related entity. Investa Property Trust provided a total amount of \$142,086,000 out of a total of \$193,586,000 as at 30 June 2002. These loans funded the acquisition of Silverton Limited, the investments in Martin Place Trust and Investa Commercial Property Fund as well as the Investa Third Industrial Trust property inventory. External debt of \$51,500,000 was primarily made up of \$48,000,000 borrowed by Silverton Limited to fund its development activities.

The company raised additional share capital of \$559,000 from the Dividend Reinvestment Plan in February and May 2002.

**Discussion and Analysis of the Concise Consolidated Financial Statements
(continued)**

Consolidated Statement of Cash Flows for the year ended 30 June 2002

The expansion activity of the consolidated entity is illustrated by significant movements in cash flow. These movements include:

- cash flow from operating activities increased to \$23,812,000 mainly as a result of receipts from the sales of property inventories;
- the total outflow from investing activities increased from \$5,202,000 in 2001 to \$110,117,000 in 2002. The company directly paid \$50,519,000 for the purchase of Silverton Limited in November 2001 (the balance of the acquisition represented by the assumption of debt and other liabilities);
- the acquisition of investments in Martin Place Trust and Investa Commercial Property Fund resulted in an outflow of \$50,628,000 which was reduced by the sale of \$5,000,000 worth of units in Martin Place Trust in December 2001. The acquisition of management rights in the two Suncorp Property Funds resulted in an outflow of \$8,870,000;
- a total amount of \$4,388,000 was advanced to employees to expand participation in the Employee Share Plan;
- financing cash inflows increased from an outflow of \$5,657,000 in 2001 to an inflow of \$96,864,000 in 2002 primarily as a result of loans of \$172,452,000 from Investa Property Trust. The consolidated entity was able to repay \$41,990,000 of these advances from Investa Property Trust during the year. External debt was also used during the year but limited to additional proceeds of \$3,000,000. The consolidated entity was able to repay \$34,700,000 of external debt during the period with \$30,000,000 being repayments from developments operations and the balance from other businesses.

Investa Properties Limited

Consolidated Statement of Financial Performance For the year ended 30 June 2002

		30 June 2002	30 June 2001
		\$'000	(9 months) \$'000
Revenue from ordinary activities	2	92,948	8,261
Cost of goods sold		(57,273)	-
Employee expenses		(11,727)	(3,723)
Accommodation expenses		(1,123)	(386)
Purchased services – external consultants		(2,797)	(786)
Depreciation and amortisation expenses		(1,378)	(122)
Borrowing costs		(3,987)	(205)
Other expenses from ordinary activities		(2,077)	(1,414)
Profit from ordinary activities before income tax expense		12,586	1,625
Income tax expense		(3,796)	(633)
Net profit attributable to members of Investa Properties Limited		8,790	992
Total revenues, expenses and valuation adjustments attributable to members of Investa Properties Limited recognised directly in equity		-	-
Total changes in equity other than those resulting from transactions with owners as owners		8,790	992
		Cents	Cents
Basic and diluted earnings per share	4	1.54	0.26

The above Consolidated Statement of Financial Performance should be read in conjunction with the accompanying notes and discussion and analysis.

Investa Properties Limited

Consolidated Statement of Financial Position As at 30 June 2002

	2002 \$'000	2001 \$'000
Current assets		
Cash assets	11,203	644
Receivables	25,353	1,960
Investments	45,629	-
Property inventories	39,561	-
Total current assets	<u>121,746</u>	<u>2,604</u>
Non-current assets		
Deferred tax asset	1,643	341
Property, plant and equipment	1,177	554
Property inventories	78,004	-
Loans to employees	5,561	1,173
Intangible assets	16,290	3,398
Total non-current assets	<u>102,675</u>	<u>5,466</u>
Total assets	<u>224,421</u>	<u>8,070</u>
Current liabilities		
Payables	7,920	492
Income tax liability	7,080	433
Provisions	7,843	1,502
Total current liabilities	<u>22,843</u>	<u>2,427</u>
Non-current liabilities		
Interest and non interest bearing liabilities	193,586	5,200
Deferred tax liabilities	4,490	-
Total non-current liabilities	<u>198,076</u>	<u>5,200</u>
Total liabilities	<u>220,919</u>	<u>7,627</u>
Net assets	<u>3,502</u>	<u>443</u>
Equity		
Contributed equity	559	-
Retained profits	2,943	443
Total equity	<u>3,502</u>	<u>443</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and discussion and analysis.

**Consolidated Statement of Cash Flows
For the year ended 30 June 2002**

	30 June 2002	30 June 2001 (9 months)
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	79,119	12,216
Payments to suppliers and employees	(44,123)	(7,316)
Dividends received	1,673	-
Interest received	261	101
Borrowing costs	(3,198)	(148)
Income taxes paid	(9,920)	(3,295)
Net cash inflow from operating activities	23,812	1,558
Cash flows from investing activities		
Purchase of controlled entity, net of cash acquired	(50,519)	-
Payments for property, plant and equipment	(242)	(529)
Proceeds from sale of property, plant and equipment	650	-
Due diligence costs	(1,120)	-
Payments for investments	(50,628)	-
Proceeds from sales of investments	5,000	-
Payment for intangible assets	(8,870)	(3,500)
Loans to employees	(4,388)	(1,173)
Net cash (outflow) from investing activities	(110,117)	(5,202)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	559	-
Proceeds from borrowings from related entity	172,452	-
Proceeds from borrowings	3,000	5,200
Repayment of borrowings	(34,700)	-
Repayments of borrowings from related entity	(41,990)	-
Payments for shares bought back	-	(10,050)
Dividends paid	(2,457)	(807)
Net cash inflow/(outflow) from financing activities	96,864	(5,657)
Net (decrease)/increase in cash held	10,559	(9,300)
Cash at the beginning of the financial year	644	9,944
Cash at the end of the financial year	11,203	644

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes and discussion and analysis.

Notes to the Consolidated Financial Statements For the year ended 30 June 2002

Note 1. Basis of preparation of concise financial report

The concise financial report has been prepared in accordance with the requirements of Accounting Standard AASB1039 "Concise Financial Reports", applicable Urgent Issues Group Consensus Views and the Corporations Act 2001.

The financial statements and specific disclosures included in the concise financial report have been derived from the consolidated entity's full financial report for the financial period. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Investa Properties Limited as the full financial report.

The accounting policies adopted are consistent with those of the previous year, except in respect of new policies adopted in the year as described below for business operations acquired in the year:

(a) Revenue recognition

Revenue is recognised as follows:

- i. Development projects*
Revenue is recognised on settlement of contract for sale.
- ii. Residential properties*
Revenue is recognised on settlement of contract for sale.

(b) Inventory

Valuation

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development costs, holding costs, interest on funds borrowed, and is after crediting, where applicable, rental income relating to such projects during the development period. A provision is raised when it is believed that the costs incurred will not be recovered on the ultimate sale of the property. When a development is completed and ceases to be a qualifying asset, borrowing costs and other holding costs are expensed as incurred.

Classification

Amounts are disclosed as current where it is anticipated that the assets will be disposed of within 12 months after balance date.

Capitalisation of borrowing costs

Borrowing costs included in the carrying value of the property inventories are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(c) Amortisation of intangible assets

Amortisation is calculated on a straight line basis to write off net costs of each intangible asset over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on an annual basis for all intangible assets. The expected useful lives are as follows:

Corporate property services establishment costs	20 years
Goodwill – development operations	5 years
Payment for management rights	20 years

**Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2002**

Note 2. Segment information

	Property Funds Management \$'000	Property Development \$'000	Consolidated \$'000
Year ended 30 June 2002			
Revenue from ordinary activities	26,202	66,746	92,948
Segment net profit	<u>2,159</u>	<u>6,631</u>	<u>8,790</u>
Segment assets	92,637	131,784	<u>224,421</u>
Total assets			<u>224,421</u>
Segment liabilities	92,072	128,847	<u>220,919</u>
Total liabilities			<u>220,919</u>
Depreciation and amortisation expense	563	815	<u>1,378</u>
Acquisition of property, plant and equipment	175	1,167	<u>1,342</u>
			<u>1,342</u>
9 month period ended 30 June 2001			
Revenue from ordinary activities	8,261	-	8,261
Segment net profit	<u>1,625</u>	<u>-</u>	<u>1,625</u>
Segment assets	8,070	-	<u>8,070</u>
Total assets			<u>8,070</u>
Segmented liabilities	7,627	-	<u>7,627</u>
Total liabilities			<u>7,627</u>
Depreciation and amortisation expense	122	-	<u>122</u>
Acquisition of property, plant and equipment	573	-	<u>573</u>

The Consolidated Entity operates solely in Australia.

**Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2002**

Note 3. Dividends

	30 June 2002 \$'000	30 June 2001 \$'000
Ordinary shares	-	-
Interim dividends	-	-
Franked @ 34% – 0.0367 cents per share – 30 November 2000	-	385
Franked @ 34% – 0.0702 cents per share – 31 December 2000	-	328
Franked @ 34% – 0.0200 cents per share – 31 March 2001	-	93
	-	806
Franked @ 30% (2001 – 30%) – 30 June 2001	-	427
Franked @ 30% - 0.050 cents per share – 30 September 2001	261	-
Franked @ 30% - 0.100 cents per share – 31 December 2001	574	-
Franked @ 30% - 0.200 cents per share – 31 March 2002	1,195	-
Final dividend of 0.7090 cents (2001 – 0.0859 cents) per share recognised as a liability and was paid on 23 August 2002 (2001 – 31 July 2001)	4,260	-
Total dividends provided or paid	6,290	1,233

Franked dividends

The dividends are fully franked from franking credits arising from the payment of income tax during the year.

	30 June 2002 \$'000	30 June 2001 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2001: 34%)	15,046	1,591

The above amounts represent the balance of the franking account as at the end of the year, adjusted for:

- (a) franking credits that will arise from the payment of the current tax liability
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date, and
- (d) franking credits that may be prevented from being distributed in subsequent financial years.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of controlled entities were paid as dividends.

**Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2002**

Note 4. Earnings per share

	30 June 2002	30 June 2001 (9 months)
	Cents	Cents
Basic and diluted earnings per share	1.54	0.26
Weighted average number of shares used as the denominator	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	570,362,749	384,134,712

Note 5. Events occurring after reporting date

On 1 August 2002 the Investa Property Group (comprising Investa Properties Limited and Investa Property Trust) exchanged contracts with Telstra Corporation Ltd for the purchase of seven office buildings at a price of \$570 million.

The purchase is to be funded by an underwritten equity issue of 174.6 million new securities, raising \$330 million at \$1.89 per Security and short term debt of \$280 million. It is intended that the debt facility will be refinanced through an issue of Commercial Mortgage Backed Securities (CMBS) within the next nine months.

It is intended that Investa Properties Limited in it's own right, will wholly own two of the properties and have a share in two further properties the total value of which is approximately \$70 million, with the balance being owned by Investa Property Trust. The acquisitions will be funded by a portion of the funding referred to above.

Further details of these transactions are explained in the replacement prospectus dated 6 August 2002.

This disclosure did not form part of the full Financial Report signed on 30 July 2002, as agreement to the transactions occurred on 1 August 2002, being the date upon which Telstra Corporation Ltd advised Investa Property Group that it had been selected as the successful bidder.

Note 6. Full financial report

Further financial information can be obtained from the full financial report which is available, free of charge, on request from the company. A copy may be requested by calling 1800 635 323 and for International 612 8234 5222 and it will be forwarded to you. Alternatively, you can access both the full financial report and the concise report via the internet at: www.investa.com.au.

Investa Properties Limited

Directors' Declaration

The directors of Investa Properties Limited declare that in their opinion, the concise financial report, comprising Investa Properties Limited and its controlled entities for the year ended 30 June 2002 as set out on pages 7 to 16 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 2002.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which as indicated in Note 6, is available on request.

This declaration is made in accordance with a resolution of the directors.



I K Payne
Director

Sydney
15 August 2002

**Independent Audit Report to the members of
Investa Properties Limited**

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
GPO Box 2650
SYDNEY NSW 1171
Telephone: (02) 8266 0000
Facsimile: (02) 8266 9999
DX 77 Sydney

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the concise financial report of Investa Properties Limited (the Company), comprising Investa Properties Limited and its controlled entities for the financial year ended 30 June 2002 included on the Investa Property Groups' web site. The directors of Investa Properties Limited (the Responsible Entity) are responsible for the integrity of the Investa Property Groups' web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report identified below. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site

Scope

We have audited the concise financial report of Investa Properties Limited (the Company), comprising Investa Properties Limited and its controlled entities for the financial year ended 30 June 2002 as set out on pages 7 to 17 in order to express an opinion on it to the members of the Company. The directors of Investa Properties Limited are responsible for the concise financial report.

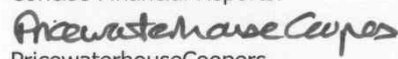
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of the Company for the year ended 30 June 2002. Our audit report on the full financial report was signed on 30 July 2002, and was not subject to any qualification.

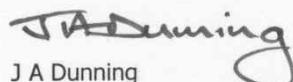
Our procedures in respect of the audit of the concise financial report included testing that the information included in it is consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion as to whether the concise financial report complies with Australian Accounting Standard AASB 1039: Concise Financial Reports in that, in all material respects, it is presented fairly in accordance with that standard.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the concise financial report of the Company complies with Accounting Standard AASB 1039: Concise Financial Reports.


PricewaterhouseCoopers
Chartered Accountants


J A Dunning
Partner

Sydney
15 August 2002