

Contents

Key Information	1
2003 Highlights	2
Summary of Results	6
Chairman's Report	8
Managing Director's Report	12
Strategic Execution in Focus	16
Business Division Reports	18
Investment Portfolio Summary	26
The Board	36
Corporate Governance	38
Sustainability	44
Securityholder Information	50
Annual Concise Report - Investa Property Group	53
Annual Concise Report - Investa Properties Limited	81
Annual Concise Report - Investa Property Trust	102

Key Information

Investa Property Group

Total Assets	\$2.6 billion
Gearing	32.9%
Net Tangible Asset Backing	\$1.81 per security
Assets Under Management	\$3.2 billion
Employees	132

Investment Portfolio

27 Commercial office buildings	553,000m ²
Occupancy Rate*	97.7%
Average remaining lease term*	5.1 years

* weighted by ownership

Funds Management

Syndicates

Investa Fifth Commercial Trust	\$74 million
Investa Fourth Commercial Trust	\$60 million
Investa First Industrial Trust	\$53 million
Investa Second Industrial Trust	\$62 million
Investa North Sydney Property Trust	\$47 million
Investa Brisbane Commercial Trust	\$54 million
Collins Property Trust	\$46 million

Wholesale Funds Management

Martin Place Wholesale Fund	\$93 million
Investa Commercial Property Fund	\$250 million

Asset Management

Real Estate Licences in New South Wales, Victoria and Queensland	
Properties Under Management	47
Net Lettable Area	790,000m ²
Rent Roll	\$280 million pa

Development

Residential/Office/Industrial project inventory	\$133 million
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Corporate Property Services

Westpac Banking Corporation Contract

ASX Trading Performance (1 July 2002 - 30 June 2003)

Closing trade price	\$1.98 per security
12 month high	\$2.24 per security
12 month low	\$1.92 per security
Market Capitalisation (30 June 2003)	\$1.8 billion

2003 Highlights

Performance

- Income distribution for the year at 15.60 cents per security - 5.8 percent up on the previous financial year.
- Net profit for the year, increased by 45 percent to \$128.2 million.
- Business activities contributed \$30.4 million, up 39 percent, and equivalent to 18 percent of Group earnings (13 percent in 2002).
- Net Tangible Asset backing as at 30 June 2003 was \$1.81 per security, an increase of 4.6 percent over the previous financial year.
- Total assets increased by 76 percent to \$2.6 billion.
- Assets under management increased by 50 percent to \$3.2 billion.
- Equity raisings totalling \$556 million were completed at an average price of \$1.95 per security.
- Total return to securityholders for the year was 4.9 percent compared to the UBS-W Commercial 200 property trust index, which returned 3.7 percent.
- Over three years IPG has returned 14.3 percent per annum, exceeding the broader ASX listed property index of 13.6 percent.

Takeover Bid Launched

- Take-over bid for Principal Office Fund ("POF") launched in May 2003.
- At 13 August 2003, the Group owned over 50 percent of POF.

Recognition

- Named Property Trust Manager of the year by Property Investment Research.
- Recognised as a finalist in the Banksia Foundation Awards as a Leader in Socially Responsible Investment.



242 EXHIBITION STREET MELBOURNE

2003 Highlights continued

Property Investments

- Investment portfolio key facts:
 - 27 properties with a total value of \$1.8 billion.
 - Rental income up 2.6 percent on the previous year on a like for like basis.
 - Total portfolio area of approximately 553,000m², up 66 percent.
 - Overall occupancy rate of 97.7 percent.
- Acquired a \$570 million portfolio of seven office buildings in August 2002 from Telstra Corporation, including its Melbourne head office. This generated income from investments, ongoing management fees and profit from re-sales.
- Acquired 50 Ann Street, Brisbane for \$83 million together with a 50 percent interest in 50-52 McDougall Street, Milton, Brisbane for \$31.7 million.
- Acquired a 50 percent interest in Penrhyn House, Woden, Canberra for \$19.3 million in October 2002, with the remaining interest having been syndicated.
- Acquired 589 Collins Street, Melbourne for \$54 million in January 2003 of which a 50 percent interest has since been syndicated.
- Construction of 209 Kingsway, South Melbourne was completed in December 2002 with a 50 percent interest in the property being sold to one of the Group's wholesale funds.
- Sold 260 Queen Street, Brisbane for \$24.2 million in January 2003.

Funds Management

- Two syndicates launched, increasing external funds under management to \$739 million, a 21 percent rise over the previous year.
- Purchased Macarthur Central Shopping Centre in the Brisbane CBD in June 2003 for future syndication.
- Restructured one of the wholesale funds, Investa Commercial Property Fund (ICPF), with the sell-down to investors having commenced.

Development

- Approximately 400 residential lots sold, generating \$45.6 million in sales.
- Purchased a 423 hectare residential subdivision on Queensland's Sunshine Coast for \$31.0 million with potential to deliver 3,600 housing lots over a 10 year period.
- Purchased a 4 hectare residential infill site at Cook Avenue, Hillarys, Western Australia for \$4.8 million.
- Expanded the proposed medium density residential development site at Forbes Street, West End, Brisbane through the purchase of two adjoining properties.
- Secured a lease precommitment and presold an 11,100m² office/production/warehouse building at Eden Park Estate, North Ryde, Sydney to the Investa Fifth Commercial Trust.

Asset Management

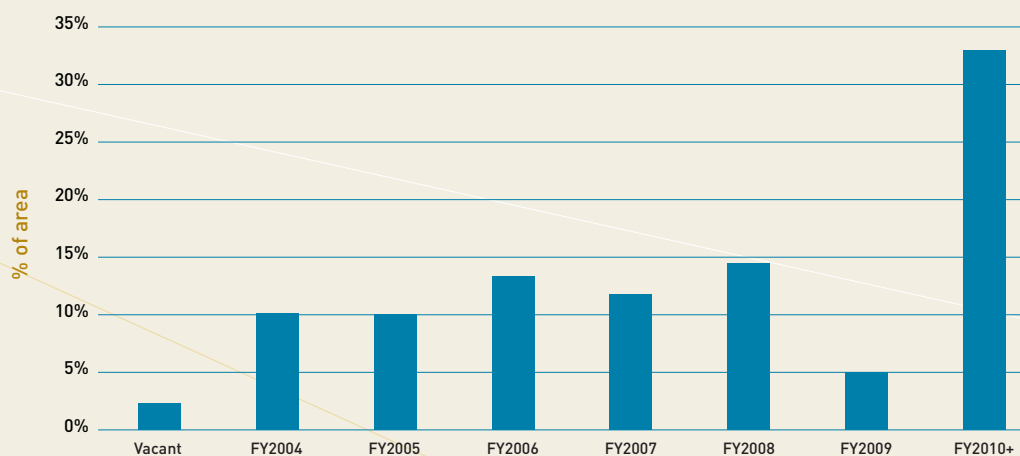
- Properties under management increased by 16 to 47.
- Achieved Australia's first 5-Star Health and Safety Management System rating by the National Safety Council of Australia for all significant NSW and Victorian properties.
- Introduced the Sustainable Energy Development Authority energy ratings across the Investment Portfolio.

Summary of Results

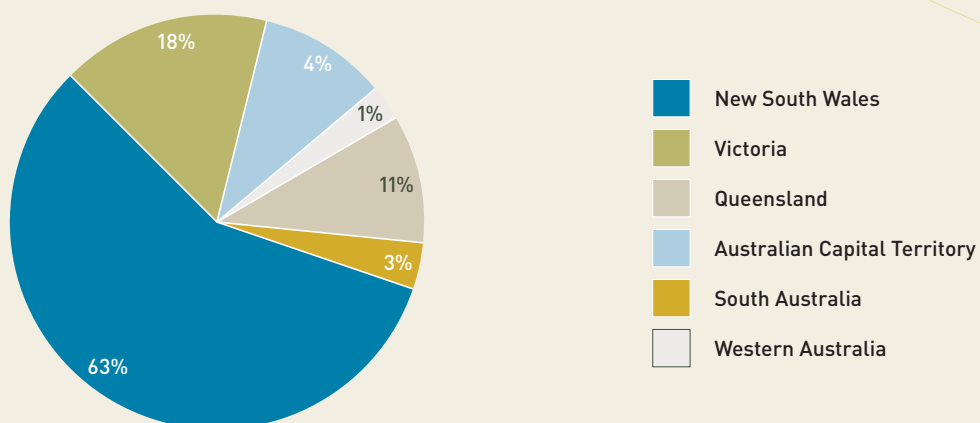
	2003 \$m	2002 \$m
Net Rental and Investment Income	161.4	96.8
Net Development Income	18.0	12.2
Corporate Property Services Income	7.3	8.3
Funds Management Income	5.6	3.1
Asset Management Income	1.7	3.0
Interest Income	3.3	3.0
Total Income	197.3	126.4
Operating Expenses	22.9	19.1
EBITDA	174.4	107.3
Interest	35.0	18.4
Tax	7.2	3.8
Depreciation and Amortisation	4.0	3.3
Net Profit	128.2	81.8
Transfers From Contributed Equity	9.0	4.6
Amount Available for Distribution	137.2	86.4
Amount Available for Distribution Brought Forward	3.1	1.4
Amount Distributed	131.9	84.7
Amount Available for Distribution Carried Forward	8.5	3.1
Distributions to Securityholders		
Distribution Per Unit	14.00c	13.69c
Dividend Per Share	1.60c	1.06c
Total Amount Distributed per Security	15.60c	14.75c
Management Expense Ratio	0.20%	0.29%
Net Tangible Assets per Security	\$1.81	\$1.73

Investment Portfolio Snapshot

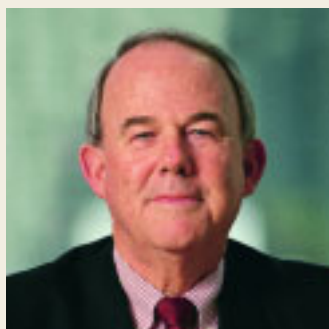
Lease Expiry Profile



Geographical Allocation by Asset value



Chairman's Report



IAN PAYNE CHAIRMAN

Investa Property Group has continued to deliver strong fiscal performance and maintained growth momentum for the year to 30 June 2003 through strategic acquisitions, active portfolio management, and a steady expansion of our development activities

Solid performance in a challenging market

On behalf of the Board, I am very pleased to report that the Group has achieved an outstanding result for the year ended 30 June 2003, with net profit up 45 percent to \$128.2 million.

The strength of the performance was underpinned by strong business fundamentals characterised by a quality Investment Portfolio and measured growth in our participation across the property value chain.

All the more gratifying is that earnings from the Investment Portfolio continued to grow despite a softening in tenant demand in Sydney and in Melbourne. While the Australian economy has proved to be resilient, whether this position continues will depend largely on global economic factors, in light of which we will continue to maintain a prudent approach to ongoing investment.

Earnings/distribution growth

The Group grew significantly during the year, with \$1.1 billion of acquisitions completed, bringing about a 76 percent net growth in total assets to \$2.6 billion.

This expansion was achieved without detracting from the performance of the business. Earnings per security grew strongly by 9.4 percent over the previous year to 16.28 cents per security (before revaluations and amortisation). Distributions increased 5.8 percent to 15.60 cents per security for the period.

This is a creditable performance and the Group is well positioned to deliver increasing distributions for the 2004 financial year, forecasting 16.2 cents per security.

Stockmarket performance/benchmarks

Subdued sentiment toward the commercial office sector affected the market performance of the Group and most of its peers. Some of this sentiment reflected a softening in the rental market conditions in Sydney and concerns about medium term oversupply conditions emerging in Melbourne.

In addition, the Group launched a bid for Principal Office Fund ("POF"). POF is a \$1.5 billion office fund with a portfolio of high quality Australian CBD assets that would complement Investa's portfolio. Not unexpectedly, this bid created an abnormal trading environment in the closing weeks of the year and brought about some uncertainty while the market digested the implications of the bid.

The Group nevertheless exceeded the performance of the listed commercial office sector with a total return of 4.9 percent compared to the UBS-W Commercial 200 property trust index, which returned 3.7 percent.



209 KINGSWAY SOUTH MELBOURNE

Operating performance

Investa continues to benefit from its measured strategy of identifying and delivering growth opportunities from its core business segments: the Investment Portfolio; Services (including funds and asset management, and corporate property services); and Development.

Earnings from business activities (Services, Development and from Short-Term Investments) contributed some 18 percent of Group earnings (after tax and before revaluations, interest, amortisation and depreciation) and are in line with our strategic aim of achieving between 15 percent and 20 percent of earnings from business activities.

This achievement underscores the benefit of pursuing our strategy of participation across the property value chain, and serves to differentiate the Group from its peers.

Strong Board focused on corporate governance

The momentum the Group achieved during the year is a measure of the strength of the Board's focus on good corporate governance. By having a robust governance platform, the Board has been able to support and oversee the large number of transactions and other initiatives with confidence. This platform is directed towards achieving long-term growth in security holder value, while minimising transaction implementation risk.

Transactions deliver scale benefits

The completion of some \$1.1 billion of transactions during the year has broadened the Group's economic base delivering significant economies of scale, further income diversification, increased market liquidity, and the ability to build a human resource capability to facilitate the achievement of our strategic aims.

In particular, the \$570 million acquisition of Telstra Corporation's portfolio of seven office buildings, including their Melbourne Head Office, delivered the critical mass to leverage the Group's business platform. As a result of acquiring the Telstra portfolio, the Group became the largest group in the Australian listed office sector.

This transaction and its subsequent flow-through benefits across the Group reinforced the value to investors of Investa's differentiated approach to participation across the property value chain.

Sustainability a key initiative

The Group's initiative to make a company-wide commitment to sustainability across its operating platform is expected to further strengthen its appeal to investors and tenants alike.



This reflects the Group's belief that long-term shareholder wealth is enhanced and business and employee relationships strengthened through recognition of its social, environmental and economic responsibilities. The Group has established a Board Sustainability Committee to oversee how the Group reinforces good business practise through incorporation of these key considerations.

Our efforts have been endorsed by SAM Sustainable Asset Management in 2001 and 2002 and recognised through the Group being a finalist in the national Banksia Environmental Awards in the category of Leadership In Socially Responsible Investment.

Team strength recognised

The Board would like to take this opportunity to thank the entire Investa Property Group team for its innovative and professional efforts in a year that has seen the Group consolidate its position as one of Australia's leading integrated property solution providers.

Through the team's commitment, Investa Property Group is well placed to explore new property development and investment growth opportunities from which to realise increasing investor value.

On 26 May, Investa made a takeover offer for the \$1.5 billion Principal Office Fund ("POF"). At the time this Report was going to print, Investa owned over 50 percent of POF. The directors of POF's responsible entity have recommended that POF unit holders accept Investa's offer.

Takeover Offer for Principal Office Fund launched

On 22 May 2003, Investa Properties Limited announced the acquisition of an 8.4 percent strategic stake in Principal Office Fund ("POF") which was followed on 26 May 2003 by a full takeover offer for all remaining POF units.

POF's CBD office assets are complementary to Investa's portfolio and its acquisition is expected to support a higher 2004 distribution for Investa than the 16.2 cents per security currently forecast.

Looking forward

Despite subdued office sector sentiment, the strength of the Group's Investment Portfolio and the diversified income streams from its business activities are key factors that differentiate Investa from its peers in the listed office property sector.

On behalf of the Board and senior management we thank you, our investors, for your continued support and we also extend a warm welcome to former POF investors who have accepted Investa's Offer. We look forward to your participation in the opportunities which Investa Property Group intends to generate in the years ahead.

Ian Payne
Chairman

Managing Director's Report



CHRIS O'DONNELL
MANAGING DIRECTOR

The continuing strong performance of Investa Property Group once again shows the advantages of our business model laid down at the Group's inception in November 2000.

Overview

Strategic direction validated by results

Throughout the year, Investa Property Group has continued to implement its core strategy of participation across the property value chain, successfully utilising the flexibility of its business model laid down at the Group's inception in November 2000.

As a result, the Group has delivered a sound financial performance. Group earnings again increased strongly over the previous period, ensuring investors benefited from increased distributions.

Business expansion and earnings growth in the three core business segments: the Investment Portfolio, Services (funds management, asset management and corporate property services), and Development came in the form of:

- expansion of the Investment Portfolio through several strategic acquisitions and earnings growth from the active management of the portfolio;
- steady expansion of the company's Services business;
- delivering on opportunities arising from Short-Term Investments; and
- a significant growth in contributions from residential subdivision activity to the Development business.

After completing \$1.1 billion of transactions during the year, the Group is well placed to continue capturing new opportunities along the property value chain.

The \$570 million Telstra portfolio acquisition and the collateral benefits it generated across the Group demonstrated that there remain many opportunities for growth in the Australian market if one has the right business platform, and the ability to properly implement it.

Investa has over \$3.2 billion of assets under management. Further, Group entities provide property and facilities management services for more than 1,300,000m² of predominantly office space throughout Australia.

In October 2002 the strength and depth of our management was recognised when Investa was named as Property Trust Manager of the Year by leading research house, Property Investment Research.

Our company-wide commitment to delivering sustainable outcomes was also rewarded this year with recognition in the Banksia Environmental Awards and achieving a 5-Star rating from the National Safety Council of Australia in a review across New South Wales and Victoria of all properties under Investa's management.

A significant driver of the Group's strong performance was last year's \$570 million acquisition of a portfolio of seven office buildings from Telstra Corporation, including its Melbourne Head Office.

Strong growth in eps and dps

Group earnings exceeded forecast, delivering investors a 9.4 percent increase over the previous period, ensuring investors benefited from an increased distribution of 15.60 cents per security, a rise of 5.8 percent over the previous year.

Investa has now delivered consistently strong annual distribution growth of 6.0 percent pa over the last three years and is forecast to deliver a further 3.8 percent increase to at least 16.2 cents per security in the 2004 financial year.

Solid earnings growth across the business platform

Business earnings, after tax and before interest, depreciation and amortisation have grown substantially from \$14.1 million for the 2002 financial year to \$30.4 million.

The Group is projecting earnings on the same basis to reach \$33.5 million for financial year 2004 (excluding any contribution from interests that will be acquired in Principal Office Fund ("POF"), pursuant to the takeover offer made on 26 May 2003).

Earnings growth included increased contributions from the Investment Portfolio and contributions from expansion of business activities.

Of particular note was the earnings from Development activity (residential subdivision, commercial and industrial development) which generated profits after tax of \$8.5 million, equivalent to 6 percent of Group earnings.

The Investment Portfolio also continued to make gains, contributing \$137 million, equivalent to 82 percent of total Group earnings and delivering a 2.6 percent increase in like-for-like property income.

Assets under management increased by over \$1 billion to \$3.2 billion. The Group became the largest office trust listed on the ASX, following the completion of the \$570 million Telstra portfolio acquisition.

The Services business continued to expand and was responsible for a contribution of \$5.2 million. In addition to revenues from Short Term Investments, these businesses contributed the equivalent of 12 percent of Group earnings.

Investment Portfolio resilient

While office market conditions in Sydney remain subdued, the Group anticipates stronger conditions in the latter part of the new financial year.

In Melbourne, the office market is facing difficulty in light of substantial construction activity, which is expected to cause oversupply conditions potentially limiting growth for the next few years.

Nevertheless, the Investment Portfolio continues to be well leased with a good proportion of leases subject to fixed regular rental increases, and characterised by a good lease expiry profile. This is expected to maintain returns from the Investment Portfolio through the present softness in the leasing market.

Managing Director's Report continued

The Telstra transaction demonstrated the invaluable insight and experience we can deploy to identify and optimise the utility of future acquisitions.

Fully resourced for growing scale

The Board and Management of the Group are very aware that its long-term future is dependent on ensuring the Group functions properly, acquisitions are properly integrated and that its strategy is extended thoughtfully and in a manner in which implementation risk is mitigated to the greatest extent possible.

Sound governance principles and a focused management approach provide the platform to achieve these aims. At the same time, we continue to build the depth and breadth of expertise within the Group, with 132 employees in four States supporting our growth.

We believe the collective skills of Board and Management team is a clear differentiator for the Group.

The business-changing achievements of 2003 would not have been possible without the unmatched professionalism and commitment to innovation shown by our dedicated national team.

Our numbers increased from 97 to 132 during the year as the Group moved proactively to invest in the property industry's most innovative talent.

Investa Property Group is proud of its growing reputation of providing a stimulating and rewarding employment environment within the Australian property sector and the Board and senior management are determined to entrench a culture of innovation, leadership and teamwork across all our operations.

Embedded core values a springboard for the future

In great measure, this differentiation is due to the considerable importance placed on ensuring everyone is committed to the core values developed within the Group to support our objectives:

- **Customer focus** – satisfaction underpinning success.
- **Team** – working cooperatively to achieve goals.
- **Performance** – expectation to perform at our highest levels.
- **'Can Do'** – providing a positive solutions focus.
- **Nimble** – working swiftly to deliver clever solutions.
- **Accountability** – following through on what we say we will do.
- **Empowerment** – encouraging responsibility to perform.
- **Innovation** – delivering fresh and creative ideas.
- **Personal growth** – encouraging individuals to move forward.
- **Integrity** – demonstrate honesty and insist upon honesty from others.
- **Every job counts** – valuing every contribution.

Our core values were launched in April 2003 and have been embraced enthusiastically by employees.

This flexibility to acquire particular assets, enhance them with our funds, development and project management skills and share the benefits with our investors differentiates Investa's business model from our peers.

Market performance

During the year, the movement of the price of Investa's securities was indicative of fluctuating investor sentiment towards perceived "safe havens" including listed property trusts. IPG securities reached a high of \$2.24 before closing at \$1.98 on 30 June 2003.

The year-end close reflects general investor concern about rental market conditions and an abnormal trading environment during May and June following the announcement of the takeover bid for Principal Office Fund ("POF").

Forward strategy

The key to maintaining our growth and earnings momentum over the longer term will be the way we manage our participation across the property value chain.

On this, our forward strategy remains clear:

- continue to deliver superior returns through innovative and integrated participation in property development, investment and management to provide earnings diversification;
- maintain a measured, risk averse approach to acquisitions, development activities and other initiatives;
- maintain borrowing strategies which support the ongoing activities of the Group and gearing levels at around 30 percent;
- maintain the contribution of the Company's services and development activities at 15-20 percent of Group earnings; and
- focus on environmentally sustainable, socially responsible and commercially accountable outcomes.

Promising outlook

We anticipate that our measured expansion strategy backed by strategic value enhancing acquisitions, such as the Telstra portfolio, will generate attractive scale benefits for the Group and continue to realise solid investor returns.

We firmly believe our integrated business model, quality people and the experience gained from our participation across the property value chain will continue to differentiate Investa Property Group from its competitors in years to come.



Chris O'Donnell
Managing Director

Strategic Execution In Focus

Ability to execute strategy recognised through key transactions

During the year there were several significant transactions that gained market recognition for our ability to source, execute and add value to the Group.

\$570 million Telstra portfolio – a case in point

The acquisition of a portfolio of seven office buildings from Telstra Corporation, including its Melbourne Head Office, serves to illustrate the ability of the Group to analyse the impact and optimise the utility of investment in significant property portfolios.

As the chart below illustrates, Investa developed a differentiated bid strategy to maximise the utility of the Telstra investment opportunity by incorporating elements with far reaching benefits to Telstra, and leveraging our business model to identify opportunities along the value chain to generate further value for Investa.

Under Investa management, the integrated Telstra portfolio has produced strong performance returns across the Group after just 12 months.

In addition to investment earnings from the transaction of around \$35.2 million, the Group's ability to apply funds management, asset management and corporate property services to the transaction generated a further \$2.0 million in annual annuity-style income. Sales of properties to funds managed by Investa and outright sales of two properties in northern Queensland generated a further \$7.2 million in profits for the Group.

IPG Delivers on Strategy



Acquisitions for portfolio balancing and syndication

On a smaller, but no less significant scale, 589 Collins Street, Melbourne was acquired during the year. A 50 percent interest in the property was subsequently syndicated at a gain. Macarthur Central Shopping Centre, Brisbane was also acquired for future syndication. Both transactions typify Investa's innovative capacity to utilise its strong balance sheet and quickly capitalise on growth opportunities which generate sustainable investor returns.

Investa Commercial Property Fund repositioned

Reflecting the value of our property funds management activities, the Group successfully repositioned and relaunched the Investa Commercial Property Fund ("ICPF"), a fund which was acquired last year.

As part of the restructuring, several transactions were undertaken which had the effect of diversifying the portfolio's profile and increasing its weighting to the key Sydney market and positioning the portfolio well for wholesale (institutional) investors.

As a consequence of this restructure, the geographic diversity of the Group's Investment Portfolio was broadened through the acquisitions of 50 Ann Street, Brisbane and a 50 percent interest in the Kings Row Office complex on Coronation Drive at Milton, Brisbane.

Innovative Approaches – A Key Differentiator

It is this flexibility to acquire particular assets, enhance them with our funds, development and project management skills, and share the benefits with our investors, that differentiates Investa's business model from its peers.



Business Division Reports

Development diversity pays off

The Group's Development business continued its measured expansion in major centres across Australia, generating strong earnings performance across its core markets: residential land sub-division, with close to 400 lot sales, and completion of two commercial/industrial projects.

Residential lot sales were characterised by sale rates and prices ahead of expectations and continuing healthy margins. In commercial/industrial development, all units in Stage 1 of Turner Street Port Melbourne and the new facility for Contract Pharmaceutical Services of Australia, in North Ryde (NSW), were sold.

Residential lot sales activity remains strong

Across three of the Group's residential developments of Mill Park Lakes Estate, Victoria, Quinns Beach Estate, Western Australia and Mayfair on Manly, Queensland, 395 land sale contracts were settled. These sales generated \$45.6 million, and contributed \$16.5 million to Group income during the period.

Location	Lots
Quinns Beach, WA	24
Manly, QLD	83
Mill Park Lakes, VIC	288

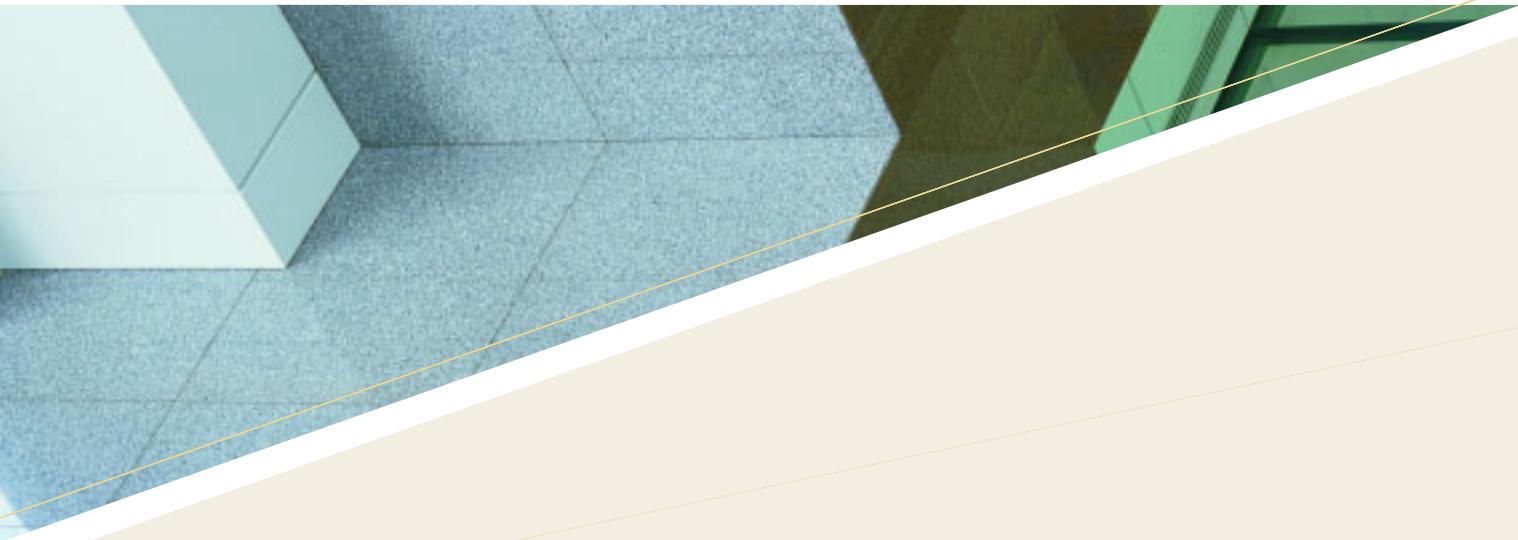
Contracts for the sale of a further 225 lots with a value of \$24.4 million have been exchanged and are scheduled for settlement within the next 12 months.

During the year, Investa continued restocking its residential landbank to ensure consistent lot production rates in key markets around Australia.

Investa acquired a strategically located 354 hectare property on Queensland's Sunshine Coast for \$26 million which, subject to rezoning approval, is expected to provide 3,000 residential lots to house around 7,500 residents. A further parcel of 69 hectares was acquired after balance date, which adjoins existing residential areas.

At West End, Brisbane, the Group has now assembled three adjoining sites upon which a proposed 300 unit medium density residential development is expected to commence in 2005. Development Approval also is being sought for a 4 hectare residential site at Hillarys, north of Perth.

Investa now controls a landbank with capacity for over 5,000 house lots and over 450 medium density units, with projects assembled supporting the objectives of contributing consistent ongoing earnings over the medium term.



Industrial and commercial development gathers momentum

Investa secured the only development pre-commitment to have been made at Sydney's North Ryde "hi-tech" precinct in almost 12 months. Leading pharmaceutical packaging company Contract Pharmaceutical Services of Australia has taken an initial 8-year lease over 6,300m² or 57 percent of the warehouse/production/office facility located within Investa's "Eden Park Estate".

The project was sold to the Investa Fifth Commercial Syndicate, allowing the Group to secure development profits and ongoing fund and property management fees from the building's expected completion in July 2004. On completion the expected investment value will be \$31.25 million.

Development Approval was received for the construction of a 10-storey 10,000m² office development at the corner of Smith and Macquarie Streets, Parramatta. Demolition works were completed and construction will commence on securing a tenant precommitment. A feature of the proposed development will be its "4-Star" energy efficiency rating under the Australian Building Greenhouse Ratings System. On completion (proposed in mid 2005) it is expected that the property will have an investment value of approximately \$47 million.

Growth in funds management activities reinforced the benefits of acquiring and creating investment product tailored to the needs of specific investor groups.

Services: continuing to build scale and leverage opportunities

Funds Management business continues to grow

Growth in funds management activities was directed towards acquiring and creating investment product tailored to the needs of specific investor groups.

In the past year, one of the wholesale funds was restructured and two syndicates were launched, increasing external funds under management by \$130 million.

Wholesale Funds gain increased institutional support

Investa's wholesale funds business has \$343 million of funds under management, which contributed \$2.0 million to Group revenue for the year.

The successful restructure of the Investa Commercial Property Fund ("ICPF") attracted a \$20 million foundation investment from the Government Superannuation Office of Victoria.

Business Division Reports continued

A major factor in the success of the syndication business is the ability to leverage off the Group's participation across the property value chain.

Wholesale Funds gain increased institutional support (continued)

In addition, Lonsec Property Research rated ICPF as "highly recommended", for its investment fundamentals, while the Sustainable Investment Research Institute ("SIRIS") has undertaken a Benchmark Performance Review of the Fund, confirming its suitability for Socially Responsible Investment mandates.

Our closed-end fund, Martin Place Wholesale Syndicate, continues to perform in line with forecast with a total return of 12.40 percent for the year to date. 58 percent of the units have been sold.

Syndication continues to reach new investors

Investa's syndication business continued to perform strongly this year, earning \$3.5 million in revenue for the financial year.

A major factor in the success of the syndication business is the ability to leverage off the Group's participation across the property value chain.

Two syndicates – Investa Fourth Commercial Trust and Investa Fifth Commercial Trust – were launched during the year representing total assets of approximately \$130 million.

Investa Fourth Commercial Trust, with total assets of \$60 million, included 50 percent interests in two Telstra properties, 80 Stirling Street, Perth, and 30 Pirie Street, Adelaide, as well as a 50 percent interest in Penrhyn House, Canberra (jointly owned with the Investment Portfolio).

Investa Fifth Commercial Trust is comprised of the remaining 50 percent interests in 80 Stirling Street, Perth and 30 Pirie Street, Adelaide together with a 50 percent interest in 589 Collins Street, Melbourne (jointly owned with the Investment Portfolio) as well as the CPSA development at North Ryde which is being developed by Investa Developments. It is anticipated that this syndicate will have a value of approximately \$100 million upon completion of the North Ryde development.

The Group also acquired Macarthur Central Shopping Centre in the Brisbane CBD for syndication in 2004, its first strategic retail property sector acquisition.

Investa Developments is also proposing to develop a retail centre as part of one of its residential estates at Manly, Brisbane. This is likely to be syndicated in conjunction with Macarthur.

In the last three years, the Group has launched five commercial and two industrial syndicates with a combined value of around \$400 million, positioning it as one of Australia's largest property syndicators.

Our in-house property and facilities management business has brought the Group a competitive advantage in the key areas of tenant service, operational efficiency and risk management.

Asset management continuing to deliver

Our in-house property and facilities management business delivers the Group a competitive advantage in the key areas of tenant service, operational efficiency and risk management.

This business expanded greatly over the year, utilising the increased management depth and enhanced systems and processes which have been put in place. It now manages 47 properties across New South Wales, Queensland and Victoria, an increase of 16 properties over the year. This business now has a rent roll of over \$280 million per annum, 450 tenants and manages a floor area of 790,000m².

During the year new lettings were completed on 36,900m² of space with rent reviews in respect to over 80,000m² of space. Fees from these activities in addition to those from property and facilities management generated some \$4.8 million in income.

Sustainable business practices gain recognition

Reinforcing the Group's commitment to sustainable business practices, Investa Asset Management has implemented a number of initiatives to deliver operational efficiency gains off a sound risk management platform. These include initiatives regarding:

- Energy efficiency (cost and emissions reductions);
- Water management;
- Waste management;
- O H & S processes; and
- The rollout of an environmental management system.

These initiatives and the Group's Sustainability Policy are further described in the Group's Sustainability Report (see page 44).

In June this year the Group became the first Australian organisation to achieve a 5-Star rating from the National Safety Council of Australia for its commitment to workplace safety and enhanced productivity across an office portfolio. Another first for the Group was the application of Australian Building Greenhouse Rating System energy ratings across the majority of its Investment Portfolio.

Business Division Reports continued

During the year, CPS was also engaged to provide specific strategic advice to a number of national organisations with large property networks. These activities are important steps in continuing to build a market position in this field.

Integrated Corporate Property Services find favour

The innovative approach of Corporate Property Services (CPS) to workspace planning, operational efficiency and leasing flexibility proved valuable in securing the Telstra portfolio. Through CPS, Investa has delivered Telstra outgoing savings of \$3 million since the acquisition of the properties early in the financial year. Under the purchase arrangements Investa guaranteed savings of \$1 million to Telstra, with Investa participating in any further saving above \$1 million. Investa has delivered savings in the order of \$3 million during the year and has received \$0.6 million as its share of these savings.

CPS was also engaged to provide specific strategic advice to a number of national organisations with large property networks. These activities are important steps in continuing to build a market position in this field.

CPS also significantly expanded its relationship with Westpac Banking Corporation to include the bank's wealth management, retail branch and contact centre networks in addition to other commercial occupancies.

During the year, CPS worked with Westpac to develop and implement new retailing concepts in five new locations. These concepts have now been adopted as part of Westpac's branch refurbishment programme.

The business also secured and delivered three additional contact centres for Westpac and is overseeing the development of a fourth, due for completion in September 2003.

Reinforcing the value of the Group's entrenched commitment to sustainability, CPS initiatives assisted Westpac to reduce greenhouse gas emissions by 10 percent, or roughly 15,000 tonnes per annum of CO₂ emissions during the year, as part of the bank's global best practice Greenhouse Challenge program.

In addition, CPS's project management capabilities are increasingly being deployed across the Group's development projects.

Earnings derived from Corporate Property Services for the financial year were \$1.7 million.

The Portfolio's solid underlying lease expiry and tenant profile is expected to deliver growing investor returns over the medium to long term.

Investment diversification adds value

The Investment Portfolio (Investa Property Trust) continued to perform well. The Portfolio's solid underlying lease expiry and tenant profile is expected to deliver growing investor returns over the medium to long term. The Investment Portfolio contributed 82 percent of Group earnings.

Following the Telstra integration and the purchase of further assets, the portfolio was valued at approximately \$1.8 billion including 27 assets across five states and the ACT, and representing a total area of approximately 553,000m². This made the Group the largest listed office trust in Australia.

Acquisitions	million
242 Exhibition Street, Melbourne VIC ¹	\$260.00
310 - 322 Pitt Street, Sydney NSW ¹	\$118.80
231 Elizabeth Street, Sydney NSW ¹ (50% interest)	\$55.25
50 Ann Street, Brisbane QLD	\$83.00
50 - 52 McDougall Street, Milton QLD (50% interest)	\$31.70
Bowes Street, Woden ACT (50% interest)	\$19.30
589 Collins Street, Melbourne VIC (50% interest)	\$27.00
Sales	
260 Queen Street, Brisbane QLD	\$24.20

¹ Assets acquired through the Telstra Portfolio

In addition to the Telstra portfolio acquisition, further asset purchases and sales activity increased the asset base, rebalanced the portfolio and improved its geographic spread. In addition to these acquisitions the construction of 209 Kingsway, South Melbourne was completed and a 50 percent interest in this building, was transferred to the Group's wholesale fund, ICPF.

In January 2003, 260 Queen Street, Brisbane was sold for \$24.2 million following a review which confirmed that holding the property was no longer consistent with the Group's strategic direction.

Business Division Reports continued

Portfolio characterised by high occupancy and quality income stream

The Investment Portfolio continued to deliver earnings growth with property income up by 2.6 percent over the previous corresponding period on a like for like basis. The largest increases were recorded in the Melbourne and Perth markets.

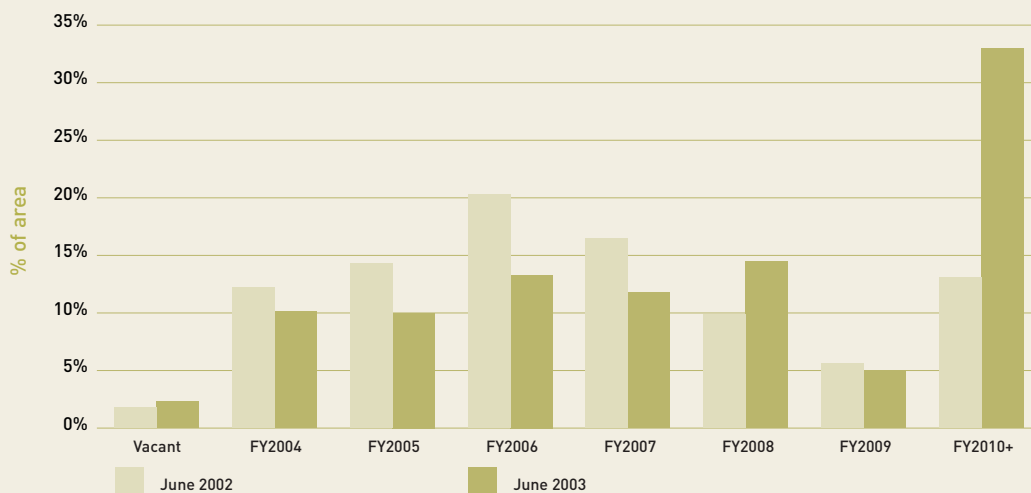
New Leases Secured (over 1,000m²)

Address	Tenant	Area m ²	Expiry
469 La Trobe St, Melbourne	Tress Cox & Maddox	2,719	Jun 09
485 La Trobe St, Melbourne	PKF Australia	2,187	Sep 07
410 Ann St, Brisbane	Manpower Services	1,666	Apr 08
420 St Kilda Rd, Melbourne	Australian Outback Travel	1,426	Mar 06
410 Ann St, Brisbane	MIM	1,218	Jun 07

Tenant demand in many of the major markets has remained subdued causing downward pressure on rentals. In Melbourne in particular, significant new construction activity is now affecting market rental levels.

In spite of the subdued leasing conditions, investment demand remained strong resulting in negligible movement in property values. The results of the revaluation of 11 assets during the year, generated 0.4 cents of the increase in the Group's net tangible asset backing per security.

Investment Portfolio Lease Expiry Profile



Ongoing leasing, coupled with the strong lease profiles of acquisitions completed during the year, underlines the continuing strength of the Investment Portfolio. The average term to lease expiry is 5.1 years with a high occupancy being maintained at 97.7 percent.

Investa's growth strategy continues to be underpinned by a prudent approach to capital management while maintaining an efficient balance sheet.

Finance and Capital Management - Prudent capital management facilitates growth

Investa's growth strategy continues to be underpinned by a prudent approach to capital management while maintaining an efficient balance sheet.

Equity raisings totalling \$556 million were completed during the financial year at an average security price of \$1.95. The largest of these was a \$330 million offering in August/ September 2002 to partially fund the acquisition of the properties acquired from Telstra.

The Group also made two institutional placements totalling \$165 million to support business development. Offered at the same issue price as the placement to institutions, a further \$10.9 million was raised in new equity from securityholders who did not participate in the October 2002 placement, under the Securityholder Purchase Plan (SPP).

The Group's major debt raising for the year was a \$280 million bridging facility, which was implemented to fund the balance of the Telstra portfolio. This has subsequently been refinanced through a \$213 million issue of Commercial Mortgage Backed Securities (CMBS) with the balance being repaid from assets sold or syndicated.

Total debt issued under the Group's ongoing CMBS program is now \$463 million, of which \$430 million is AAA rated and the balance is AA+ rated. A further bridging facility for \$550 million was put in place in May 2003 to fund the cash portion of the offer for POF. This facility was only drawn to \$124 million at balance date.

The Group also made additional hedging arrangements to provide greater financing cost certainty. At 30 June 2003, 81 percent of interest rate exposure was hedged at an average rate of 5.62 percent per annum (pre-margin) with an average duration of 4.1 years.

At 30 June 2003, the Group's gearing at 32.9 percent was within sector average. Once the outcome of the POF bid is determined, gearing levels are expected to increase although the Group will implement a strategy to lower these levels to around 30 percent, our normal operating target.

Investment Portfolio Summary

Property	Date Purchased	Independent Valuation of Property (\$'000)	Valuation Date/ Cap Rate	IRR/ Terminal Yield	Current Vacancy	Net Lettable Area (NLA) Car Spaces
New South Wales						
1 Market Street, Sydney ¹	Jan 1996	102,500	Dec 2002 7.63%	10.00% 7.75%	7,886m ² 26.5%	29,746m ² 666
255 Elizabeth Street, Sydney	Sept 1994	152,000	Jun 2003 7.50%	10.00% 9.75%	NIL	28,451m ² 148
55 Market Street, Sydney	July 1998	138,000	Jun 2002 7.50%	10.35% 7.78%	1,152m ² 5.1%	22,613m ² 49
60 Martin Place, Sydney ¹	Nov 1999	92,500	June 2003 6.9%	10.25% 7.50%	NIL	28,385m ² 82
231 Elizabeth Street, Sydney ¹	Aug 2002	57,500	June 2002 7.25%	10.00% 8.00%	NIL	23,269m ² 80
310 Pitt Street, Sydney	Nov 2002	120,000	June 2002 7.75%	10.25% 8.50%	NIL	29,157m ² -
80 Pacific Highway, North Sydney ¹	Apr 2001	45,375	Mar 2001 7.50%	10.50% 8.00%	NIL	13,697m ² 86
73 Miller Street, North Sydney	Jun 1997	90,000	Jun 2002 7.75%	10.50% 8.25%	NIL	14,707m ² 159
110 George Street, Parramatta	Oct 1997	66,500	Jun 2002 9.30%	10.75% 9.25%	512m ² 2.4%	20,976m ² 347
32 Phillip Street, Parramatta	Nov 1999	23,000	Jun 2003 8.50%	10.50% 8.75%	NIL	6,759m ² 104
50 – 60 Talavera Road, North Ryde	Nov 1999	32,000	Jun 2003 8.50%	10.45% 8.75%	NIL	11,323m ² 128
Victoria						
242 Exhibition Street, Melbourne	Aug 2002	261,000	Jun 2002 7.50%	9.75% 8.00%	124m ² 0.2%	65,538m ² 346
485 La Trobe Street, Melbourne	Sept 1998	111,000	Jun 2002 8.50%	10.25% 8.75%	1,123m ² 3.3%	34,045m ² 208
469 La Trobe Street, Melbourne	July 1988	53,100	Jun 2002 9.50%	10.75% 9.75%	NIL	19,830m ² 47
209 Kingsway, Melbourne ¹	Jan 2002	50,000	Aug 2002 8.00%	10.20% 8.50%	NIL	24,420m ² 750
420 St Kilda Road, Melbourne	Dec 1986	27,500	Jun 2003 9.00%	10.00% 9.50%	NIL	10,558m ² 135
589 Collins Street, Melbourne ¹	Feb 2003	27,000	Jan 2003 10.45%	11.50% 10.50%	NIL	31,906m ² 156

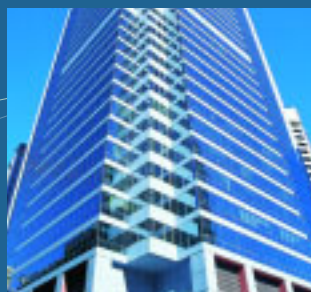
Property	Date Purchased	Independent Valuation of Property (\$'000)	Valuation Date/ Cap Rate	IRR/ Terminal Yield	Current Vacancy	Net Lettable Area (NLA) Car Spaces
Queensland						
410 Ann Street, Brisbane	Nov 1987	62,500	Jun 2001 9.25%	11.25% 10.25%	833m ² 24.1%	20,489m ² 693
241 Adelaide Street, Brisbane	Sept 1998	17,000	Dec 2002 9.75%	10.50% 9.00%	226m ² 23.0%	7,486m ² 76
50 Ann Street, Brisbane	Dec 2002	83,000	Dec 2002 8.75%	10.22% 9.00%	NIL	25,519m ² 119
Kings Row Office Park, Milton ¹	Dec 2002	31,700	Dec 2002 9.00%	10.10% 9.50%	1,104m ² 5.3%	20,710m ² 417
Australian Capital Territory						
62 Northbourne Avenue, Canberra	Feb 1988	27,500	Jun 2002 9.75%	11.50% 10.25%	NIL	9,964m ² 110
64 Northbourne Avenue, Canberra	July 1994	16,100	Jun 2002 10.00%	11.50% 10.50%	450m ² 6.9%	6,508m ² 35
73 Northbourne Avenue, Canberra	May 1994	17,100	Jun 2003 9.50%-10.00%	10.75% 10.25%	NIL	6,237m ² 86
Bowes Street, Woden, Canberra ¹	Sep 2002	19,300	Sept 2002 9.25%	10.75% 9.50%	NIL	12,675m ² 131
South Australia						
115 Grenfell Street, Adelaide	May 1989	28,600	Jun 2003 10.50%	11.75% 11.00%	438m ² 3.1%	13,907m ² 38
Western Australia						
109 St Georges Terrace, Perth	Nov 1999	25,500	Jun 2002 9.00%	11.75% 9.25%	1,076m ² 7.7%	14,041m ² 79
Total Portfolio		1,777,275			14,924m ² 2.3%*	552,916m ² 5,275

¹ 50% interest only. Joint owners in each case are Funds managed by Investa Property Group.

* Weighted by ownership

Investment Portfolio

New South Wales



The single largest contributor to the earnings of the Group is our investment in and rental derived from the 27, office commercial assets, having a combined portfolio value of over \$1.8 billion.

1 Market Street, Sydney

The property was completed in 1991 and comprises a 34 level office tower, with a 3 level podium and ground floor retail space. Adjoining the office tower is a 10 level car park complex. Average floor size is 1,095m² for the lower levels and 1,135m² for the higher levels.

Net Lettable Area

29,746m²

Valuation

\$102.5m (50% interest)

Car Parks

666

Valuation Details

Cap Rate	7.63%
Discount Rate	10.00%
Terminal Yield	7.75%

Major Tenants

BT Australia
Horwarth
ANZ Banking Corporation
Japan Travel Bureau

Valuation Date

31 December 2002

Lease Expiry

2003/04	7%
2004/05	10%
2005/06+	83%

60 Martin Place, Sydney

Westpac's Head Office was constructed in 1971 and recently underwent a major refurbishment. It features a lower ground banking chamber, ground floor plaza area, two retail premises and 28 upper levels of office space. The average floor size on the upper levels is approximately 850m².

Net Lettable Area

28,385m²

Valuation

\$92.5m (50% interest)

Car Parks

82

Valuation Details

Cap Rate	6.90%
Discount Rate	10.25%
Terminal Yield	7.50%

Major Tenant

Westpac

Valuation Date

30 June 2003

Lease Expiry

2003/04	0%
2004/05	0%
2005/06+	100%

255 Elizabeth Street, Sydney

The property was completed in 1990 and consists of 15 office levels, ground floor foyer and 5 retail outlets. Average floor size is 1,772m². It is well located over looking Hyde Park.

Net Lettable Area

28,451m²

Valuation

\$152.0m

Car Parks

148

Valuation Details

Cap Rate	7.50%
Discount Rate	10.00%
Terminal Yield	7.75%

Major Tenants

Westpac
Phillips Fox
Telstra
NSW Farmers Association

Valuation Date

30 June 2003

Lease Expiry

2003/04	3%
2004/05	27%
2005/06+	70%

New South Wales



55 Market Street, Sydney

18 level office tower completed in 1990, positioned above 4 levels of retail space which consists of a Monorail station and 12 retail outlets with frontages to both Pitt and Market Streets. Average floor size is 1,062m².

Net Lettable Area
22,613m²

Valuation
\$138.0m

Car Parks
49

Valuation Details

Cap Rate	7.50%
Discount Rate	10.35%
Terminal Yield	7.75%

Major Tenants

Rail Access Corporation
Administrative Appeals Tribunal
St George Bank

Valuation Date
30 June 2002

Lease Expiry

2003/04	31%
2004/05	3%
2005/06+	66%



310 - 322 Pitt Street, Sydney

A 32 level A grade office tower located on the eastern side of Pitt street in the Sydney CBD 'Mid town' district. The property was completed in 1989 and comprises 29,159m² of lettable area, including ground floor retail space.

Net Lettable Area
29,157m²

Valuation
\$120.0m

Car Parks
-

Valuation Details

Cap Rate	7.75%
Discount Rate	10.25%
Terminal Yield	8.50%

Major Tenant
Telstra

Valuation Date
30 June 2002

Lease Expiry

2003/04	0%
2004/05	0%
2005/06+	100%



231 Elizabeth Street, Sydney

An A grade office tower totalling 23,269m² and completed in 1987. Accommodation comprises 15 levels of office space and ground floor retail, fronting both Elizabeth and Bathurst Streets. Basement parking for 80 vehicles is provided over two levels.

Net Lettable Area
23,269m²

Valuation
\$57.5m (50% interest)

Car Parks
80

Valuation Details

Cap Rate	7.25%
Discount Rate	10.00%
Terminal Yield	8.00%

Major Tenant
Telstra

Valuation Date
30 June 2002

Lease Expiry

2003/04	0%
2004/05	0%
2005/06+	100%



80 Pacific Highway, North Sydney

Completed in April 2000, with views across the harbour the property consists of 4 basement car parking levels, 8 ground floor retail shops and 14 levels of office accommodation. Typical floor sizes are approximately 950m².

Net Lettable Area
13,697m²

Valuation
\$45.4m (50% interest)

Car Parks
86

Valuation Details

Cap Rate	7.50%
Discount Rate	10.50%
Terminal Yield	8.00%

Major Tenants

Cisco Systems
Siebel Systems

Valuation Date
31 March 2001

Lease Expiry

2003/04	0%
2004/05	0%
2005/06+	100%

Investment Portfolio continued

New South Wales



73 Miller Street, North Sydney

An 11 level office building completed in 1990, consisting of 2 basement car parking levels plus ground floor retail area. Floor sizes vary from approximately 1,000 -1,500m².

Net Lettable Area
14,707m²

Valuation
\$90.0m

Car Parks
159

Valuation Details	
Cap Rate	7.75%
Discount Rate	10.50%
Terminal Yield	8.25%

Major Tenants
Health Administration Corporation
Open Telecommunications
Wilson Car Parking

Valuation Date
30 June 2002

Lease Expiry	
2003/04	3%
2004/05	12%
2005/06+	85%



110 George Street, Parramatta

Ground floor retail comprising of 19 retail outlets and 6 upper levels of office accommodation contained within 8 separate suites per floor. Average pod floor size is 350m².

Net Lettable Area
20,976m²

Valuation
\$66.5m

Car Parks
347

Valuation Details	
Cap Rate	9.30%
Discount Rate	10.75%
Terminal Yield	9.25%

Major Tenants
NRMA
Proctor & Gamble
RTA

Valuation Date
30 June 2002

Lease Expiry	
2003/04	6%
2004/05	26%
2005/06+	68%



32 Phillip Street, Parramatta

Constructed in 1991, the building comprises 4 upper levels of car parking and 8 levels of office accommodation. Average floor size is 836m².

Net Lettable Area
6,759m²

Valuation
\$23.0m

Car Parks
104

Valuation Details	
Cap Rate	8.50%
Discount Rate	10.50%
Terminal Yield	8.75%

Major Tenant
AGC

Valuation Date
30 June 2003

Lease Expiry	
2003/04	0%
2004/05	0%
2005/06+	100%



50-60 Talavera Road, North Ryde

4 storey high-tech/office building incorporating 1 basement plant, ground floor entry, storage and 2 levels of office/high-tech space and an open space car park. Average floor size is 3,200m².

Net Lettable Area
11,323m²

Valuation
\$32.0m

Car Parks
128

Valuation Details	
Cap Rate	8.50%
Discount Rate	10.45%
Terminal Yield	8.75%

Major Tenant
Westpac

Valuation Date
30 June 2003

Lease Expiry	
2003/04	0%
2004/05	0%
2005/06+	100%

Victoria



242 Exhibition Street, Melbourne

Located in the North Eastern office Sector of Melbourne CBD, the property accommodates Telstra's head office. The property comprises 65,538m² of lettable area over 47 levels, including 42 levels of office accommodation and a retail arcade, food court, theatre and conference facilities. Completed in 1992, the property provides parking for 346 cars.

Net Lettable Area
65,538m²

Valuation
\$261.0m

Car Parks
346

Valuation Details	
Cap Rate	7.50%
Discount Rate	9.75%
Terminal Yield	8.00%

Major Tenant
Telstra

Valuation Date
30 June 2002

Lease Expiry	
2003/04	0%
2004/05	0%
2005/06+	100%



209 Kingsway, South Melbourne

Completed in December 2002, the property is fully leased to ANZ Banking Group and BMW Australia. 209 Kingsway comprises 24,420m² of lettable area, including 6 levels of office accommodation, showroom space and a basement workshop. A 752 bay car park over 4 levels is also provided.

Net Lettable Area
24,420m²

Valuation
\$50.0m (50% interest)

Car Parks
752

Valuation Details	
Cap Rate	8.00%
Discount Rate	10.20%
Terminal Yield	8.50%

Major Tenants
ANZ Banking Corporation
BMW Australia

Valuation Date
31 August 2002

Lease Expiry	
2003/04	27%
2004/05	24%
2005/06+	49%



485 La Trobe Street, Melbourne

2 office towers linked by a 6 storey glass atrium and lobby. The tower on La Trobe Street comprises a 9 storey office building completed in mid 1988. The 20 storey building has a frontage to little Lonsdale Street, which was completed in 1990. Car spaces are provided over 4 basement levels. Average floor sizes are 1,126m² and 1,388m² for each of the two towers.

Net Lettable Area
34,045m²

Valuation
\$111.0m

Car Parks
208

Valuation Details	
Cap Rate	8.50%
Discount Rate	10.25%
Terminal Yield	8.75%

Major Tenants
CGU
ASIC
ABS

Valuation Date
30 June 2002

Lease Expiry	
2003/04	0%
2004/05	0%
2005/06+	100%



469 La Trobe Street, Melbourne

19 level office building completed in 1988, consisting of 17 office levels, 2 parking levels, ground floor foyer and 2 retail outlets. Average floor size is 1,230m².

Net Lettable Area
19,830m²

Valuation
\$53.1m

Car Parks
47

Valuation Details	
Cap Rate	9.50%
Discount Rate	10.75%
Terminal Yield	9.75%

Major Tenants
AGC
Tress Cocks & Maddox
CGU Insurance

Valuation Date
30 June 2002

Lease Expiry	
2003/04	15%
2004/05	1%
2005/06+	84%

Investment Portfolio continued

Victoria



420 St Kilda Road, Melbourne

The property comprises ground floor retail, 10 upper office levels and two basement parking levels. The property was constructed in 1982.

Net Lettable Area
10,558m²

Valuation
\$27.5m

Car Parks
135

Valuation Details

Cap Rate	9.00%
Discount Rate	10.00%
Terminal Yield	9.50%

Major Tenants

GE Capital
Australian Outback Travel
Intergraph Public Safety
Salmat

Valuation Date

30 June 2003

Lease Expiry

2003/04	27%
2004/05	24%
2005/06+	49%

Queensland



589 Collins Street, Melbourne

The property comprises ground floor retail, 17 office levels and two basement car park levels. The property was completed in 1984, and acquired by the Group in January 2003.

Net Lettable Area
31,906m²

Valuation
\$27.0m (50% interest)

Car Parks
156

Valuation Details

Cap Rate	10.45%
Discount Rate	11.50%
Terminal Yield	10.50%

Major Tenant

Victorian Department of Finance

Valuation Date

30 January 2003

Lease Expiry

2003/04	27%
2004/05	24%
2005/06+	49%



410 Ann Street, Brisbane

Twin tower commercial building incorporating 10 ground floor retail outlets, 2 connected levels of podium office accommodation and 10 upper levels to the eastern tower and 4 upper levels of office accommodation to the western tower. There are 2 basement car-parking levels. Average floor sizes are 1,240m² E and 833m² W.

Net Lettable Area
20,489m²

Valuation
\$62.5m

Car Parks
693

Valuation Details

Cap Rate	9.25%
Discount Rate	11.25%
Terminal Yield	10.25%

Major Tenants

Telstra
MIM

Valuation Date

30 June 2001

Lease Expiry

2003/04	60%
2004/05	0%
2005/06+	40%



241 Adelaide Street, Brisbane

22 storey commercial office tower comprising basement car parking, ground floor retail, mezzanine and 19 levels of office accommodation. Average floor size is 509m². The Brisbane Club occupies levels 1-5.

Net Lettable Area
7,486m²

Valuation
\$17.0m

Car Parks
76

Valuation Details

Cap Rate	9.75%
Discount Rate	10.50%
Terminal Yield	9.00%

Major Tenants

Thompson Law
Australian Hearing Services

Valuation Date

31 December 2002

Lease Expiry

2003/04	22%
2004/05	24%
2005/06+	54%

Australian Capital Territory



Kings Row Office Park, Milton, Brisbane

Located in the Milton sub-market of Brisbane, Kings Row is one of the best office parks in the Coronation Drive, comprising four office buildings and tenant facilities such as tennis courts and a pool. The buildings were completed between 1989 and 1996 and each provide 3-5 levels of office space.

Net Lettable Area
20,710m²

Valuation
\$31.7m (50% interest)

Car Parks
417

Valuation Details	
Cap Rate	9.00%
Discount Rate	10.10%
Terminal Yield	9.50%

Major Tenants
BHP Minerals
Queensland Cement
Thiess
Commercial Union
Suncorp Metway

Valuation Date
31 December 2002

Lease Expiry	
2003/04	14%
2004/05	18%
2005/06+	68%



State Law Centre, 50 Ann St, Brisbane

A 25 level commercial office tower comprising a car park, ground floor café and office accommodation. Average floor size is around 1,000m².

Net Lettable Area
25,519m²

Valuation
\$83.0m

Car Parks
119

Valuation Details	
Cap Rate	8.75%
Discount Rate	10.22%
Terminal Yield	9.00%

Major Tenant
Queensland Government

Valuation Date
31 December 2002

Lease Expiry	
2003/04	0%
2004/05	0%
2005/06+	100%



62 Northbourne Avenue, Canberra

The property comprises a modern seven storey office building constructed in 1987. The property has a ground floor atrium, which rises through the building, a lower ground level with access from Mort Street and two and a half car parking levels.

Net Lettable Area
9,964m²

Valuation
\$27.5m

Car Parks
110

Valuation Details	
Cap Rate	9.75%
Discount Rate	11.50%
Terminal Yield	10.25%

Major Tenant
AusAid

Valuation Date
30 June 2002

Lease Expiry	
2003/04	0%
2004/05	2%
2005/06+	98%



64 Northbourne Avenue, Canberra

Completed in 1984, the property comprises two basement levels of parking, ground floor retail and six upper levels of commercial office space. The building has 3 separate street frontages.

Net Lettable Area
6,508m²

Valuation
\$16.1m

Car Parks
35

Valuation Details	
Cap Rate	10.00%
Discount Rate	11.50%
Terminal Yield	10.50%

Major Tenants
DEETYA
KFPW

Valuation Date
30 June 2002

Lease Expiry	
2003/04	0%
2004/05	91%
2005/06+	9%

Investment Portfolio continued

Australian Capital Territory



73 Northbourne Avenue, Canberra

A six level office building completed in 1987. The property consists of ground floor office space and 2 basement car parking levels. Average floor size is 1,023m². The property forms part of a complex of four similar buildings.

Net Lettable Area
6,237m²

Valuation
\$17.1m

Car Parks
86

Valuation Details

Cap Rate	9.50% - 10.00%
Discount Rate	10.75%
Terminal Yield	10.25%

Major Tenant

Civil Aviation Safety Authority

Valuation Date

30 June 2003

Lease Expiry

2003/04	0%
2004/05	0%
2005/06+	100%



Penrhyn House, Bowes St, Woden, Canberra

Penrhyn House is situated in Woden Town Centre, a satellite city of Canberra, 8km south of the CBD. The property is made up of three interconnecting buildings, which were constructed in 1986 and fully refurbished in 1996/1997. Buildings A and B consist of 3 levels of office accommodation while building C accommodates 4 levels of office space.

Net Lettable Area
12,675m²

Valuation
\$19.3m (50% interest)

Car Parks
131

Valuation Details

Cap Rate	9.25%
Discount Rate	10.75%
Terminal Yield	9.50%

Major Tenant

Commonwealth Government of Australia

Valuation Date

30 September 2002

Lease Expiry

2003/04	0%
2004/05	0%
2005/06+	100%

Western Australia



109 St Georges Terrace, Perth

Constructed in 1973, the property comprises 19 levels of office accommodation, a banking chamber and 2 basement levels of parking.

Net Lettable Area
14,041m²

Valuation
\$25.5m

Car Parks
79

Valuation Details

Cap Rate	9.00%
Discount Rate	11.75%
Terminal Yield	9.25%

Major Tenant

Westpac

Valuation Date

30 June 2002

Lease Expiry

2003/04	0%
2004/05	85%
2005/06+	15%

South Australia



115 Grenfell Street, Adelaide

The property comprises a 14 level commercial office building with ground floor retail, and a basement parking level. The property was constructed in 1990.

Net Lettable Area
13,907m²

Valuation
\$28.6m

Car Parks
38

Valuation Details

Cap Rate	10.50%
Discount Rate	11.75%
Terminal Yield	11.00%

Major Tenant

KPMG

Commonwealth Government

Valuation Date

30 June 2003

Lease Expiry

2003/04	34%
2004/05	4%
2005/06+	62%



80 PACIFIC HIGHWAY NORTH SYDNEY

The Board



Ian Payne
M.Ec Age 61
Chairman,
Non Executive Director

Ian was appointed Chairman in June 1999. Ian previously held senior positions at the Commonwealth Bank of Australia including Deputy Chief Executive and Executive Director from 1992 to 1997.

During this period he was a director of a number of subsidiaries and associated companies, including Commonwealth Financial Services Limited and Chairman of CBFC Limited. From 1996 until August 2002 he was Chairman of Export Finance and Insurance Corporation. Ian is a Director of SFE Corporation Limited, Legalco Limited and Zurich Financial Services.



Chris O'Donnell
Dip.Bus. NZCB, FAICD,
AIQS (Affil) FAPI Age 46
Managing Director

Chris was appointed Managing Director of Investa Property Group in December 2000 and is responsible for the overall management of the Group.

Chris has wide ranging property experience gained over 25 years working with Lend Lease, Capital Property Group, Leighton Holdings and Westpac.

During this period he held a number of senior executive roles including Executive Director of Westpac Investment Property Limited, Lend Lease Property Investment Services Limited and Managing Director of Capital Property Group.



John Arthur
LLB (Hons) Age 48
Non Executive Director

John has been a partner of major law firms in Sydney 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 and is currently a Director of Rinker Group Limited.

John is Chairman of the Group's Nominations and Remunerations Committee and member of the Sustainability Committee.

“Corporate governance... can help build a solid foundation to create wealth and protect shareholder interests.” (David Knott, Chairman, Australian Securities and Investments Commission (ASIC)).



“The Board is committed to establishing and constantly reviewing stringent corporate governance standards, ensuring the Investa Property Group continues to be recognised as a trusted, reliable corporate citizen”.



Shaun Mays
B.Sc (Hons), MSc, MBA,
FAICD Age 47
Non Executive Director

Shaun retired as the Managing Director of Westpac Financial Services in 2003. Prior to joining Westpac he was Chief Investment Officer of Commonwealth Financial Services and Managing Director of Mercury Asset Management. His current appointments include Non-Executive Director, Babcock and Brown Direct Investment Fund and Plan International Australia Limited; and is a Member of the National Environmental Education Council, Australian Stock Exchange Listing Appeals Committee and the Environment Minister’s Roundtable.

Shaun is a member of the Audit and Risk Management Committee and Chairman of the Sustainability Committee.



John Messenger
(ANZIF) Snr Assoc Age 57
Non Executive Director

Appointed to the Board on 15 August 2002, John has extensive international insurance broking and risk management experience with major multi-national corporations.

Between 1986 and 1995 John was the Managing Director of MLC Insurance Limited and a director of Lend Lease Learning Pty Limited. From 1997 until 2001, he was the Chief Executive Officer, Corporate Risk Management for the Lend Lease Group.

John is a director of St John Ambulance Australia Limited and related companies and of Territory Insurance Office, Darwin.

John is the Chairman of Investa’s Due Diligence Committee and is a member of the Group’s Audit and Risk Management Committee.



Deborah Page
B.Ec, FCA, MAICD Age 44
Non Executive Director

Deborah who joined the Board on 17 April 2002, is a chartered accountant and 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.

Deborah is a member of the Group’s Nominations and Remunerations Committee and is Chairman of the Audit and Risk Management Committee.

Corporate Governance Review

In March 2003 the ASX published its "Principles of Good Corporate Governance and Best Practice Recommendation" which had been developed with the assistance of 21 groups from disparate business backgrounds.

That ASX publication provided a background to corporate governance, identified ten important corporate governance principles, and articulated a series of best practice recommendations.

Compliance with the ASX best practice recommendations is not mandatory. However, if a company is not complying with one or more of those recommendations, the ASX Listing Rules require that reasons for the non compliance be given. This has colloquially been referred to as an "if not, why not" approach.

Summary of Investa's Position

In April 2003, the Board reviewed the Group's corporate governance practices in the light of the ASX best practice recommendations.

As at 30 June 2003 the Group did not comply with a small number of ASX best practice recommendations. All but one of these recommendations will be met by 30 June 2004. For reasons given below the Group will not be complying with one recommendation.

The recommendations to be satisfied during the year ending 30 June 2004 are:

- regarding the recommendation that a listed company's website contains a report on compliance or otherwise with each of the best practice recommendations, the relevant work is being done and will be completed during the 2003/2004 financial year;
- regarding the recommendation at 4.1 that a listed company's chief executive officer and chief financial officer "state in writing to the board that company's financial reports present a true and fair view, in all material aspects, of the company's financial position and operational results and are in accordance with the relevant accounting standards", and the further recommendation at 7.2 that they state that "the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board and that the companies risk management and internal compliance and control system is operating efficiently and effectively in all material aspects", appropriate forms of certification, having regard to accepted industry standards, are being prepared in conjunction with external advisers and will be introduced during 2003/2004 financial year;

- regarding the recommendation at 6.1, that a shareholder communication strategy be developed and disclosed to shareholders, the relevant work is being done and will be completed during the 2003/2004 financial year.

The other recommendation at 2.4, where compliance has not been achieved concerns the chairmanship of the Group's Nominations and Remuneration Committee. Under the ASX best practice recommendations, the chairmanship of this Committee would be filled by a non executive director who is "independent", within the meaning of that word set out in the best practice recommendations.

The non executive director currently chairing the Group's Nominations and Remuneration Committee, Mr John Arthur, was until July 2003 a partner of the legal firm Freehills. This firm has for some years served as the principal legal adviser to the Group. Because of his past relationship with Freehills Mr Arthur does not fully meet the "independence" criteria set out in the best practice recommendations. Despite this, the Board is of the view that Mr Arthur, in common with all other non executive directors, is fully independent in the every day sense of that word and, because of his detailed legal and commercial experience in both remuneration and corporate governance matters, is ideally qualified to chair the Nominations and Remuneration Committee.

The Board has three other standing committees, each chaired by a non executive director with skills the Board regard as appropriate to the committee concerned. The Audit and Risk Management Committee is chaired by Mrs Deborah Page, the Due Diligence Committee by Mr John Messenger and the Sustainability Committee by Mr Shaun Mays. Each of the Group's standing committees functions under a charter approved by the Board, and is responsible for the formulation of recommendations to the full Board, where the relevant decisions are made.

Corporate Governance

The following is a statement of the company's main corporate governance practices which were in place for the financial year ended 30 June 2003.

Board of Directors

The Board comprised six members during the year to 30 June 2003, Mr I K Payne, Chairman; Mr J L Arthur; Mr S A Mays; Mr J Messenger and Mrs D R Page being Non-Executive Directors.

Mr C J O'Donnell, the Managing Director, is an Executive Director.

Appointment and Retirement of Non-Executive Directors

The Directors may appoint a person to be a Director, either to fill a casual vacancy or as an additional Director.

A Director so appointed must retire at the Annual General Meeting next following that appointment and is eligible for re-election. The company's Constitution requires that, at each Annual General Meeting of the company, one-third of the remaining Directors must retire by rotation. Directors who retire by rotation are eligible for re-election.

These provisions do not apply to the Managing Director.

Seeking of Independent Professional Advice by Directors

Subject to the prior consent of the Chairman, any Director may at the expense of the company seek independent professional advice in relation to the carrying out of the Director's duties. When the advice is received, it is made available to all Directors.

Compensation arrangements for Directors and Executives

The remuneration of Non-Executive Directors is determined by the full Board, having regard to the recommendations of the Nominations and Remuneration Committee and of independent professional advice, and subject to the limit approved by the shareholders.

The review will have regard to the responsibilities of each Director including service as Chairman of a Board Committee and as a Director of major subsidiary companies.

The Board, again having regard to the recommendations of the Nominations and Remunerations Committee and independent professional advice, will at least annually review the remuneration of the Managing Director and of the other senior executives.



60 MARTIN PLACE SYDNEY

Corporate Governance continued

Board of Committees

The Board has established four Board Committees, as follows, each with an approved Charter and each reporting regularly to the Board. At this time of writing, the following arrangements apply:

Audit and Risk Management Committee

Chairman	D. R. Page
Members	S. A. Mays, J. I. Messenger

The function of the Committee includes:

- Reviewing the Financial Reports of the Company; Investa Property Trust; all Group subsidiaries and of the external funds managed by the Company.
- Reviewing compliance with statutory responsibilities; asset valuation policies; insurance covers; and observance of the Compliance Plan for the suggested schemes operated by the Company; and
- Compliance with the Company's Code of Conduct.

Due Diligence

Chairman	J. I. Messenger
Members	C. J. O'Donnell, G. Monk - Chief Financial Officer B. McGarry - Company Secretary A. Junor - General Manager, Investment Funds

The function of the Committee includes:

- Review of all proposals for the acquisition, or disposal, of real property;
- Review all proposed offer documents, such as Prospectus documents;
- Review all proposed amendments to Constitutions;
- Review all policies to ensure that conflicts of interest are dealt with in an appropriate and fair manner; and
- Review the post-acquisition performance of assets.

Nominations & Remuneration Committee

Chairman	J. L. Arthur
Members	D. R. Page, C. J. O'Donnell

The function of the Committee includes:

- Advice and recommendations to the Board upon criteria for the selection of Directors.
- Nominations of Directors.

- Criteria for reviewing the performance of Directors, and of the Board.
- Review company observance of employment obligations.
- Recommendations to the Board upon senior executive appointments and the remuneration of senior executives and, within the limits approved by the shareholders, Directors' fees.

Sustainability Committee

Chairman S. A. Mays
Members J. L. Arthur, C. J. O'Donnell

The function of the Committee includes:

- Overseeing the application of sustainability policy across IPG;
- Encourage the integration of sustainability principles; and
- Oversee the operation of the Group's Environmental Management System.

Environmental Regulations

Investa is not subject to significant environmental legislation and associated regulations. It is committed to the implementation of appropriate practices and procedures to minimise environmental impacts and to ensure compliance.

Investa uses a systematic approach to the management of and compliance with environmental legislation.

Ethical Standards

The company has developed a Code of Conduct (the Code) which has been approved by the Board and applies to all directors and employees. The Code is regularly reviewed and updated to ensure it reflects the highest standards of behaviour and professionalism. A copy of the Code is available upon request. In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of both the law and company policies.

The Code is discussed with each new employee as part of their induction training and all employees are asked to sign an annual declaration confirming their compliance with the Code.

Continuous Disclosure

The Company Secretary has been appointed as the person responsible for communications with the Australian Stock Exchange (ASX). This person is also responsible for ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

The company has written policies and procedures on disclosure of any information concerning the company and its controlled entities that a reasonable person would expect to have material effect on the price of the company's securities.

Sustainability Policy

For Investa, sustainability means adopting business strategies and practices that meet the needs of the Group and its stakeholders today while protecting the human and natural resources that will be needed into the future.

Investa Property Group is committed to the long term integration of sustainability practices throughout the organisation for the purpose of enhancing shareholder value.

Sustainability includes adopting strategies, embracing opportunities and managing risks from the recognition of environmental, social and economic responsibilities and trends.

These practices are undertaken in the belief that the Group's capacity to generate shareholder value will be enhanced by embracing such practices.

The integration of these practices must be formulated in a manner which is specific, accountable and enduring as part of the business platform.

Supporting the outcome of enhancing shareholder value, sustainability practices are targeted at:

- Fostering innovation;
- Improving identification and management of risks;
- Elevating recognition of changes in the business environment;
- Enhancing reputation and engendering trust and confidence with those with whom we deal;
- Strengthening employee alignment and motivation; and
- Reinforcing access to capital through greater disclosure.

The Sustainability platform provides a framework for focussing upon and enhancing good business practices which in turn will contribute to shareholder value.

Sustainability Report

Introduction

Investa Property Group's sustainability platform was formally established during the year with the formation of the Sustainability Committee of the Board. Members of the Committee comprise three Directors, including Shaun Mays as Chairman.

The purpose of this report is to provide stakeholders with an insight to the business practices currently being undertaken by Investa Property Group which contribute to enhancing shareholder value. These initiatives and the approach demonstrate Investa's commitment to operational efficiencies, innovation and risk management.

A Charter for the Sustainability Committee has been established from which its main responsibilities include:

- overseeing the application of the Sustainability Policy;
- encouraging integration of sustainability practices and performance targets;
- overseeing the operation of the Environmental Management System; and
- monitoring and reporting on the performance of initiatives undertaken.

Guiding Principles

The key philosophy supporting the Group's engagement in sustainability practices is that it makes good business sense. By formally considering social and environmental trends and their prospective implications for the manner in which we conduct business, we believe Investa is better placed to identify and capitalise on opportunities to enhance shareholder value.

Increasingly, companies and individuals are paying higher regard to sustainability considerations in purchasing services in the ordinary course of their business. In so doing, organisations are aligning their activities with like minded organisations that are able to demonstrate environmental and social accountability in the manner in which they conduct business. Over time, we believe this will create further opportunities for the Group across its various fields of operation.

Sustainability Report continued

Established Credentials

Investa Property Group has established market leading credentials in its commitment to Sustainability. It is nominated as a leader among Australian Real Estate Investment Trusts for the second year running by, international sustainability, research and investment company SAM Sustainable Asset Management. It was also a finalist in the coveted Banksia Awards, in the category "Leadership in Socially Responsible Investment."

As a foundation member of the Green Building Council of Australia, Investa Property Group is working with the industry in its commitment to a coordinated approach to sustainability in the property investment industry.

Current Activities

The position of the Group's sustainability platform has advanced significantly during the year. A framework has been established to guide its ongoing development and a raft of initiatives put in place including those to benchmark the results of those activities.

Environmental Management

Increasing the efficiency of resource utilisation has, and continues to be, a clear point of focus for organisations. Public awareness of water supply constraints, emissions levels and landfill considerations continue to increase, all of which are particularly relevant to investment property.

A range of systems have been introduced across the Investment Portfolio where measurement systems are available with the objective of improving environmental performance. At present, monitoring systems are in place in respect to the management of an energy consumption of 57,000 megawatt hours per annum, water use of 315,000 kilolitres and a 20,000 cubic metre waste stream. In this regard, reduction targets have been established for the 2004 financial year as follows:

2004 Reduction Targets

Electricity consumption reduced by	7%
Water consumption reduced by	15%
Waste to Landfill reduced by	15%

As a consequence, greenhouse emissions will be reduced and the average Australian Building Greenhouse Rating of the Investment Portfolio is targeted to increase to 3.0 stars, over the coming 2 years.

An Environmental Management System (EMS) has been established to provide a structured and comprehensive approach for the management of environmental obligations across the organisation. The objective of the system is to identify environmental issues related to each business unit and provide sustainable mitigation processes to manage the associated risk. While not formally certified, the EMS has been modelled on the international standard for Environmental Management Systems ISO 14001 and around our current business.

Social

With a particular focus on providing safe workplaces to staff, tenants, visitors and contractors to our buildings, Investa has put in place a comprehensive occupational health and safety programme for the management of all of the properties it has under management.

In New South Wales and Victoria, this programme was reviewed by the National Safety Council of Australia (NSCA) and achieved a 5 star rating.

With the expansion of activities, the number of people employed by Investa has grown. The core values of the Group have now been formalised, supporting the Group's existing Code of Conduct, and providing employees clear guidance as to the manner with which they are expected to conduct themselves. Having a clear set of cultural values supports the delivery of an empowered and innovative approach to doing business.

Recognising our responsibilities to the wider community, Investa is a Platinum Sponsor of the Property Industry Foundation, an organisation focussed on supporting youth based programmes. Consideration is also given to community engagement in local areas to our residential development activities. Supporting such community based programmes contributes to the social fabric of new communities.

Looking forward

Working in conjunction with Arup Sustainability, a review has been undertaken of Investa's sustainability platform. This review highlighted the strengths of operational management in enhancing the effectiveness of resource use and risk management. Arup Sustainability reported that Investa's sustainability performance demonstrates leadership in the sector.

The review also noted a number of opportunities upon which the Group could focus to further enhance its performance. Those areas included:

- more effective stakeholder engagement;
- enhancing induction procedures for new employees to reinforce stated cultural values of the Group;
- documenting and reporting against the results of sustainability initiatives undertaken; and
- completion of the rollout of the EMS across all areas of the business.

The Group has commenced work on addressing these issues and will report further on the outcomes in 2004. The process of integrating and enhancing sustainability performance is an iterative one. Its purpose is to deliver good business practice with the objective of enhancing shareholder value.



55 MARKET STREET SYDNEY

Securityholder Information

Distribution/Dividends

Income will be distributed quarterly within two months of the end of the relevant period. The distribution includes both amounts distributed from Investa Property Trust and full franked dividends from the management company, Investa Properties Limited.

Distribution Reinvestment Plan

A Distribution Reinvestment Plan is presently in operation. Under the plan, securityholders may elect to have all or a component of their distribution income reinvested in new securities at the prevailing trading price during the five days up to the record date for the determination of distribution entitlements. Application forms and copies of the rules of the Plan are available from the Share Registry.

Each quarter the Board will decide whether this DRP will continue to apply.

Annual Statement and Tax

A tax statement summarising the distributions paid for the financial year is sent to all securityholders within two months of the end of the financial year.

For capital gains tax purposes, an investment in IPG must be considered as separate investments in Investa Properties Limited and Investa Property Trust. For this purpose, the considerations paid or received on transfers of securities must be allocated to each entity. Details of the allocation of value between the company and the trust will be quoted on the annual tax statement. Stated as a ratio, this will form the basis of determining the cost base or sales proceeds allocated between the units and shares of all transactions (purchase and sales) undertaken during the financial year. This information is included on the tax statements provided to Securityholders each year.

TFN Information

The Group is obligated to deduct tax at the top marginal rate plus Medicare levy from distributions paid to Australian resident securityholders who have not supplied their Tax File Number or Exemption.

Voting Rights

The voting rights are one vote per stapled security.

Full Financial Reports

Further information can be obtained from the full financial report, which can be downloaded at the web site (www.investa.com.au) or is available free of charge on request from the share registry.

Purchase and Sales of Securities

Investa Property Group is listed on the Australian Stock Exchange (ASX) and is classified in the property trust sector with an ASX code of IPG. Each day the newspapers carry the previous day's buying and selling price for the securities. Buying or selling of securities may be transacted through a stockbroker. For assistance contact a stockbroker or investment advisor.

Notifications

The stapled securities register is maintained by ASX Perpetual Registrars Limited. Please contact the Register in writing to change the manner in which distributions are received or provide TFN details.

Privacy Statement

Investa has established a policy in regard to the management of personal information of securityholders. Such information is held to manage your investment including our obligations to pass certain information on to other organisations (including Australian Taxation Office) in accordance with the various taxation and superannuation laws.

We may also use such information to forward to you from time-to-time details of other investment opportunities available from the company. However, if you request, no information of that nature will be sent to you.

If you would like a copy of the Privacy Policy please contact us by calling the share registry or alternatively it can be downloaded at the website.

Website

The website for Investa Property Group can be found at www.investa.com.au.

A. Distribution of Stapled Securityholders as at 31 July 2003

No. of Securities	No. of Securityholders	% of issued Securities
1-1000	1,590	0.08%
1001 - 5000	4,796	1.48%
5001 - 10000	3,637	2.76%
10001 - 100000	4,010	8.66%
100001 - over	165	87.02%
Total	14,198	100.00%

There were 509 security holders holding parcels of stapled securities with a value of less than \$500.

Securityholder Information continued

B. Top 20 Largest Securityholders as at 31 July 2003

Securityholder	No. of Securities	% of issued Securities
1. J P Morgan Nominees Australia Limited	116,551,142	12.00%
2. Westpac Custodian Nominees Limited	102,522,998	10.56%
3. Citicorp Nominees Pty Limited	88,694,903	9.14%
4. National Nominees Limited	61,093,577	6.29%
5. Commonwealth Custodial Services Limited	31,138,509	3.21%
6. Cogent Nominees Pty Limited	28,219,166	2.91%
7. Bond Street Custodians Limited	24,335,095	2.51%
8. RBC Global Services Australia Nominees Pty Limited	23,194,521	2.39%
9. Cogent Nominees Pty Limited	23,126,280	2.38%
10. Queensland Investment Corporation	23,074,794	2.38%
11. AMP Life Limited	21,211,969	2.18%
12. RBC Global Services Australia Nominees Pty Limited	19,924,288	2.05%
13. ING Life Limited	19,854,033	2.04%
14. HSBC Custody Nominees (Australia) Limited	18,200,725	1.87%
15. MLC Limited c/- Westpac Custodian Nominees Limited	17,104,598	1.76%
16. Citicorp Nominees Pty Limited	16,009,284	1.65%
17. RBC Global Services Australia Nominees Pty Limited	15,972,553	1.65%
18. Westpac Financial Services Limited c/- Westpac Custodian Nominees	13,101,920	1.35%
19. Zurich Investment Management Limited	12,671,336	1.31%
20. Transport Accident Commission c/- National Nominees Limited	10,650,076	1.10%
Total	686,651,767	70.73%

C. Substantial Securityholders (notices received as at 31 July 2003)

Securityholder	No. of Securities
Commonwealth Bank of Australia Limited	111,114,795
Westpac Banking Corporation	64,763,383
AMP Limited	63,280,094
National Australia Bank Limited Group	50,405,829
Lend Lease Corporation Limited	47,313,908
Macquarie Bank Limited	66,742,236
ING Australia Limited	59,402,128
Barclays Group	44,706,585

Annual Concise Report 30 June 2003

Investa Property Group

Contents

	Page
Directors' Report	54
Discussion and Analysis of the Combined Financial Statements	59
Combined Statement of Financial Performance	64
Combined Statement of Financial Position	65
Combined Statement of Cash Flows	66
Notes to the Combined Financial Statements	67
Directors' Declaration	77
Independent Audit Report to the Securityholders of Investa Property Group	78

This combined concise report has been derived from the full financial report for the year ended 30 June 2003 for Investa Property Trust and Investa Properties Limited. The full combined financial report and auditors report will be sent to securityholders on request, free of charge. Please call 1800 635 323 (freecall) and for International 612 8280 7182, and a copy will be forwarded to you.

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

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

Annual Concise Report

Investa Property Group

Directors' Report

The directors of Investa Properties Limited present their report together with the combined financial report of Investa Property Group ("the Group") for the year ended 30 June 2003.

This report includes the combined results for the year ended 30 June 2003 for Investa Properties Limited ("the Company") and controlled entities and for Investa Property Trust ("the Trust") and controlled entities.

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
J I Messenger
D R Page

J I Messenger was appointed to the board on 15 August 2002.

P J Carney passed away on 7 August 2002.

Principal activities

During the year the principal continuing activities of the Group consisted of investment in commercial property, property and funds management and property development. All business segments operate in one geographical area, Australia. The Group had 132 employees at 30 June 2003 (June 2002: 97).

Dividends and distributions

Distributions and dividends paid to Stapled Securityholders during the financial year were as follows:

	2003 \$'000
Final payment for the year ended 30 June 2002 of 3.73 cents per security paid on 24 August 2002	22,381
Interim payment of 3.80 cents per security paid on 22 November 2002	29,629
Interim payment of 3.90 cents per security paid on 21 February 2003	32,610
Interim payment of 3.95 cents per security paid on 23 May 2003	34,678
	119,298

In addition to the above payments, the directors declared a final payment on 17 June 2003 of 3.95 cents per security (\$34,978,367) to be paid on 22 August 2003.

Dividends and distributions paid and payable by the Group for the year ended 30 June 2003 were \$131,894,964 (June 2002: \$84,665,958), which is equivalent to 15.60 cents per stapled security (June 2002: 14.75 cents). All dividends were fully franked.

Annual Concise Report

Investa Property Group

Directors' Report (continued)

Review of operations and significant changes in the state of affairs

A summary of combined revenue and results are set out below:

	2003 \$'000	2002 \$'000
Total revenue from ordinary activities	413,830	204,739
Net profit after company tax attributable to securityholders of Investa Property Group (including net revaluation increments)	128,227	88,707
Transfer of net revaluation increments to asset revaluation reserve	-	(6,876)
Transfer from contributed equity to distributable income	9,034	4,573
Undistributed income brought forward from previous year	3,141	1,403
Dividends & distributions paid and payable	(131,895)	(84,666)
Income carried forward at 30 June	8,507	3,141
Total value of Group assets at 30 June	2,581,770	1,466,160

The dividends/distributions paid and payable to securityholders for the year ended 30 June 2003 of 15.60 cents per security is in accordance with forecasts included in the Prospectus issued in connection with the Telstra transaction in August 2002.

The growth in assets has been primarily driven by the \$570 million acquisition of seven Telstra properties in August 2002 along with the acquisition of a 50 percent interest in Penrhyn House, Bowden Street, Canberra, 589 Collins Street, Melbourne and the completion of the construction of 209 Kingsway, Melbourne. These purchases were offset by the sale of 260 Queen Street, Brisbane. During May 2003 Investa Property Trust also purchased an 8.4 percent holding in Principal Office Fund for \$127 million including acquisition costs.

For a more detailed explanation of the results for the year refer to the discussion and analysis on the combined financial statements.

Matters subsequent to the end of the financial year

Principal Office Fund

On 21 May 2003 Investa Property Trust acquired 78,351,484 units in Principal Office Fund, representing an 8.4 percent holding. On 26 May 2003 Investa Properties Limited as responsible entity of Investa Property Trust announced its intention to make an off market scrip and cash offer to acquire the remaining units in Principal Office Fund under the terms set out in the bidder's statement lodged with the Australian Securities and Investments Commission (ASIC) on 2 June 2003. The bidder's statement was issued to Principal Office Fund unitholders on 20 June 2003. The offer was declared unconditional on 14 July 2003. On 21 July 2003 the cash component of the offer consideration was increased by 3 cents per Principal Office Fund unit, which resulted in a 14 day extension of the offer period to 4 August 2003.

In the period from 1 July 2003 to 28 July 2003 Investa Property Trust had acquired a further 148,415,738 units for an approximate consideration of \$230 million, which increased its holding to 24.3 percent of the units in Principal Office Fund. The acquisition of those units has been funded out of a debt facility arranged with Commonwealth Bank of Australia and the issue of stapled securities in Investa Property Group. The financial effects of the units acquired in Principal Office Fund and the cash and securities issued to fund the acquisition in the period from 1 July 2003 to 28 July 2003 have not been brought to account at 30 June 2003.

Other Matters

On 1 July 2003 the Group settled on the sale of 7-13 Tomlins Street, Townsville for \$10.9 million. On 3 July 2003 Investa Properties Limited sold the remainder of its units in Investa Fifth Commercial Trust for \$9.5 million, therefore completing the syndication of that trust. The financial effects of these transactions have not been brought to account as at 30 June 2003.

Annual Concise Report

Investa Property Group

Directors' Report (continued)

Environmental regulation

Whilst the Group is not 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 was also Chairman of Export Finance and Insurance Corporation from 1996 to August 2002 and is currently a Director of SFE Corporation Limited, Legalco Limited and Zurich Financial Services Australia Limited.	Non Executive Chairman
C J O'Donnell Dip.Bus. NZCB, FAICD, AIQS (Affil), FAPI	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
J L Arthur LLB (Hons)	John has been a partner of major law firms in Sydney 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 Rinker Group Limited.	Non Executive Director Chairman Nominations and Remuneration Committee
S A Mays B.Sc (Hons) M.Sc, MBA, FAICD	Shaun retired as the Managing Director of Westpac Financial Services in 2003. Prior to joining Westpac he was Chief Investment Officer of Commonwealth Financial Services and Managing Director & Chief Investment Officer of Mercury Asset Management. His current appointments include Non-Executive Director, Babcock and Brown Direct Investment Fund, a Member of the National Environmental Education Council, a Member of the Australian Stock Exchange Listing Appeals Committee, a Member of the Environment Minister's Roundtable and a Director of Plan International Australia.	Non Executive Director Chairman Sustainability Committee
J I Messenger ANZIF Snr. Assoc	John has extensive international insurance broking and risk management experience. Between 1986 and 1995, John was the Managing Director of MLC Insurance Limited and a director of Lend Lease Learning Pty Limited. From 1997 to 2001, he was the Chief Executive Officer, Corporate Risk Management for the Lend Lease Group. John is a director of St John Ambulance Australia Limited and of Territory Insurance Office, Darwin.	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.	Non Executive Director Chairman Audit and Risk Management Committee

Annual Concise Report

Investa Property Group

Directors' Report (continued)

Directors' interests in securities of Investa Property Group are as follows:

	Number of securities	
	2003	2002
I K Payne	22,278	7,595
C J O'Donnell	1,566,347	1,017,760
J L Arthur	10,215	-
S A Mays	30,375	-
J I Messenger	30,769	-
D R Page	18,521	-

Meetings of directors

The number of meetings of the company's Board of Directors and of each Board Committee held during the year to 30 June 2003, and the number 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		Sustainability Committee meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
I K Payne	23	22								
C J O'Donnell	23	23	4	4	18	18	4	4	1	1
J L Arthur	23	23					4	4	1	1
P J Carney	4	4	2	2						
S A Mays	17	16	8	6					1	1
J I Messenger	18	18	7	7	21	21				
D R Page	23	22	10	10	5	5	4	4		

Held reflects the number of meetings which the relevant director was eligible to attend.

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 Group receiving the highest emoluments are set out in the following tables:

Non-executive directors of Investa Properties Limited

Name	Directors' base fee \$	Retirement allowance \$	Superannuation \$	Total \$
I K Payne (Chairman)	110,000	-	9,900	119,900
P J Carney	16,250	59,518	1,463	77,231
S A Mays	82,916	-	7,462	90,378
J L Arthur	88,875	-	7,999	96,874
D R Page	76,667	-	6,900	83,567
J I Messenger	70,359	-	6,332	76,691

As at 30 June 2003 a further entitlement of \$105,864 has been accrued by I K Payne.

Annual Concise Report

Investa Property Group

Directors' Report (continued)

Executive director of Investa Properties Limited

Name	Base salary \$	Superannuation \$	Other benefits \$	Total \$
C J O'Donnell	490,700	44,163	344,216	879,079

Other executives of Investa Properties Limited

Name	Base salary \$	Superannuation \$	Other benefits \$	Total \$
G B Monk	345,000	31,050	70,000	446,050
A S Junor	260,048	23,404	118,239	401,691
P D Bolton-Hall	216,250	19,463	40,000	275,713
B V McGarry	196,250	17,663	55,000	268,913
P J Malpass	220,000	19,800	20,000	259,800

Likely developments and expected results of operations

Information on likely developments in the operations of the combined 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 Group.

Indemnification and insurance of officers and auditors

During the financial year the Company paid a premium of \$267,000 to insure the directors and officers of the company and its controlled entity, Investa Asset Management Pty Limited. The insurance is in respect of Directors' and Officers Liability insurance. The auditors of the Group are in no way indemnified out of assets of the Group.

Rounding of amounts

The Group is a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars, in accordance with that class order, unless otherwise indicated.

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.



K Payne
Chairman
Sydney
29 July 2003

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements

The following commentary is provided to assist securityholders in reviewing and interpreting the combined results of Investa Property Group (Group) for the year to 30 June 2003.

There are separate reports for Investa Property Trust (Trust), Investa Properties Limited (Company) and a combined report for the Group.

Statement of Financial Performance

Net profit before revaluations and after tax and outside equity interest increased from \$81,831,000 in the prior year to \$128,227,000 in the current year, an increase of 57 percent. Earnings per security (EPS) before revaluation, amortisation and after tax has also increased from 14.88 cents per security in the prior year to 16.28 cents per security in the current year, an increase of 9.4 percent. The increase in EPS has been in part reflected in the distribution per security increasing 5.8 percent from 14.75 cents to 15.60 cents per security. The balance of the increase in EPS is reflected in an increase of amounts available for distribution carried forward of \$8,507,000 (0.97 cents per security) from \$3,141,000 (0.52 cents per security) as at 30 June 2002 an increase of 171 percent.

The growth in earnings reflects the increase in earnings for both the Company and the Trust, with the Trust contributing 83 percent of earnings before interest, amortisation, depreciation and after tax and the Company 17 percent, increasing from 13 percent in the prior year.

Total Group revenue has increased 102 percent to \$413,830,000 from \$204,739,000 in the prior year. Included in the current year revenue is \$145,013,000 relating to proceeds on the sale of investments, therefore the underlying revenue has increased 31 percent to \$268,817,000.

Revenue by segment is as follows:

- Revenue from "Investment Portfolio" totalled \$371,817,000 (2002 - \$119,740,000) and comprises:
 - Rental income has increased 45 percent to \$141,053,000 due to growth in the property portfolio driven by the purchase of properties acquired from Telstra during the year (242 Exhibition Street, Melbourne, 310 Pitt Street, Sydney and 231 Elizabeth Street, Sydney) along with positive market rental reviews on existing properties.
 - Distributions from associates have increased 54 percent to \$27,297,000 reflecting the impact of new investments in associates made during the year including:
 - a 50 percent interest in Penrhyn House Trust which owns Penrhyn House, Canberra;
 - a 50 percent interest in Investa South Melbourne Trust which owns 209 Kingsway, Melbourne; and
 - a 50 percent interest in 589 Collins Trust, which owns 589 Collins Street, Melbourne.
 - Other revenue of \$204,280,000 includes:
 - \$184,591,000 relating to the gross sales proceeds on investments sold during the year being;
 - 260 Queen Street, Brisbane (realising a profit after disposal costs of \$999,000); and
 - 50 percent of SUNPAC Property Fund (owner of 1 Market Street) and 50 percent of 231 Elizabeth Street, Sydney (both sold to Investa Commercial Property Fund at their carrying value as part of the restructure of this fund thereby realising no gain); and
 - \$16,884,000 of interest income of which \$14,997,000 was earned on loans to Investa Properties Limited and its subsidiaries to facilitate the expansion of the Group's activities.

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements (continued)

Statement of Financial Performance (continued)

- Revenue from “Services” totalled \$21,980,000 (2002 - \$19,484,000) and comprises:
 - Syndicate establishment and management fees of \$3,543,000 (2002 - \$1,721,000), which includes fees in respect to the launch of two new retail property syndicates during the year being the Investa Fourth Commercial Trust and the Investa Fifth Commercial Trust. Ongoing management fees were received from the five syndicates established prior to 30 June 2002;
 - Management fees of \$1,575,000 in respect of wholesale property funds (2002 - \$1,429,000);
 - Property management fees of \$4,851,000 driven by the growth in operations in NSW, Victoria and Queensland (2002 - \$3,029,000);
 - \$608,000 being the Company’s share of 2003 operating cost savings delivered to Telstra in relation to its tenancies under the incentive arrangements incorporated into the acquisition agreement for the Telstra properties;
 - Fee revenue of \$7,259,000 from Westpac Banking Corporation in respect of the corporate property services contract which reduced from \$8,288,000 in 2002 due to a reduction in the operating costs of providing the service (these costs are recovered from Westpac);
 - Management fees of \$1,944,000 from Investa Property Trust (2002- \$2,667,000); and
 - Expense recovery and management fees from the vendor of Silverton Limited of \$2,200,000 for the management of property sale agreements executed prior to the acquisition (2002 - \$2,350,000).
- Revenue from “Property Development” totalled \$52,808,000 (2002 - \$66,746,000) and comprises sales of property inventory:
 - Residential lots at Manly, Queensland of \$12,813,000, Quinns Beach, Western Australia of \$6,049,000, and Mill Park Lakes, Melbourne of \$26,697,000;
 - Commercial/industrial units at Turner Street, Melbourne of \$4,049,000 and land at Eden Park, North Ryde Sydney of \$3,200,000;
 - The fall in revenue is due to the sale in the prior period of 4 relatively large industrial properties totalling \$51,650,000.
- Revenue from “Short Term Investments” totalled \$163,766,000 (2002 - \$6,718,000) and comprises:
 - Sales of short term investments totalling \$140,653,000 (2002 - nil) relating to the sale of small Telstra properties in Perth and Adelaide and a 50 percent interest in 589 Collins Street, Melbourne into Investa managed retail syndicates, the sale of a non-core Telstra property in Cairns and the sale of a 10.75 percent interest in Investa Commercial Property Fund;
 - Rental and distribution income from short term investments held prior to syndication/sale, completed developments prior to sale and other rental income of \$21,672,000 (2002- \$1,718,000); and
 - Interest income of \$578,000 (2001 - \$1,215,000).

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements (continued)

Statement of Financial Performance (continued)

Significant profit growth has been achieved in each of the four segments:

- Investment portfolio up 49 percent to \$137,019,000 reflecting the increased investment portfolio detailed above in the description of the movements in revenue;
- Services up 68 percent to \$5,245,000 reflecting the increased activities detailed above in the description of the movements in revenue;
- Property development up 14 percent to \$10,090,000 reflecting greater margins achieved on sales of development inventory, with the margin on cost increasing from 17 percent in 2002 to 44 percent in the current year;
- Short term investments increasing from \$2,151,000 to \$15,098,000 reflecting the holding by the Company during the year of interests in Martin Place Trust, Investa Commercial Property Fund and the non-core Telstra properties prior to syndication/sale. The profit also includes \$5,311,000 on the sale of short term interests in unit trusts and investments.

This profit growth has been achieved in the context of increases in expenses reflecting the significantly expanded size of operations:

- Higher property outgoings and repairs and maintenance (increased by \$15,815,000 to \$36,860,000) attributable to interests in properties acquired during the year;
- Higher employee and accommodation expenses due to increased headcount (from 97 to 132 during the year) and the full year impact of increases that occurred in the prior year resulting in total increases of \$5,196,000 to \$18,046,000;
- Higher amortisation and depreciation (increased by \$651,000 to \$3,959,000) due to the full year impact of the goodwill created on the acquisition of the development business; and
- Higher borrowing costs (increased by \$19,530,000 to \$37,883,000) as a result of increased debt levels during the year being partially offset by a lower average cost of funds arising from proactive interest rate risk management.

Statement of Financial Position

Total assets within the Group increased 76 percent from \$1,466,160,000 at 30 June 2002 to \$2,581,770,000 at 30 June 2003.

The Trust completed the following acquisitions:

- 242 Exhibition Street, Melbourne;
- 310 Pit Street, Sydney;
- a 50 percent interest in 231 Elizabeth Street, Sydney;
- 50 Ann Street, Brisbane;
- a 50 percent interest in Kings Row, Brisbane;
- a 50 percent interest in 209 Kingsway, Melbourne (construction completed in December 2002);
- a 50 percent interest in Penrhyn House, Bowden Street, Canberra;
- a 50 percent interest in 589 Collins Street, Melbourne; and
- an 8.4 percent investment in Principal Office Fund.

During the year the Trust sold 260 Queen Street, Brisbane for \$24,200,000.

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements (continued)

Statement of Financial Position (continued)

The Company also contributed to the increase in assets through its short term investments held prior to either syndication or disposal to third parties. As at 30 June 2003 the Company held the following investments:

- an interest in Martin Place Trust;
- an interest in Investa Commercial Property Fund (89 percent);
- 7-10 Tomlins Street, Townsville, the sale of which was completed in July 2003 to an external party;
- an interest in an industrial property at 29-41 Lysaght Street, Brisbane;
- an 18 percent interest in Investa Fifth Commercial Trust, which has been sold in July 2003; and
- 100 percent of Macarthur Central Trust which owns Macarthur Central Shopping Centre in Brisbane.

In implementing its strategy to replenish its development inventory as current developments are completed and sold, the Company also increased its property development inventory from \$117,565,000 at 30 June 2002 to \$133,486,000 at 30 June 2003.

In order to assist in the funding of the properties acquired from Telstra and to fund other Group acquisitions, a further Commercial Mortgage Backed Security (CMBS) issuance was made in April 2003. This comprised of \$180,000,000 AAA notes and \$33,000,000 AA+ notes which, when combined with the original CMBS issue of \$250,000,000, increases the CMBS issuance to \$463,000,000. In addition to the CMBS refinancing, the Group also renegotiated its revolving facilities with Commonwealth Bank Australia Limited and Westpac Banking Corporation Limited providing an additional \$135,000,000 up to \$411,000,000 in bank lines of credit.

A new bridging facility for \$550,000,000 was also negotiated during the year to assist in the proposed acquisition of Principal Office Fund. As at 30 June 2003, \$124,000,000 had been utilised. The total debt outstanding as at 30 June 2003 was \$849,600,000 (2002- \$320,500,000). The gearing for the Group has increased to 33 percent, up from 22 percent at 30 June 2002.

During the year to 30 June 2003, the Group raised \$556,026,000 from the issue of new equity securities. This was comprised of institutional placements (\$495,561,000), the reinvestment of distributions (\$49,818,000) under the Distribution Reinvestment Plan and \$10,648,000 raised through the Group's Security Purchase Plan.

The net tangible asset backing for the Group has increased 4.6 percent to \$1.81 at 30 June 2003 per security from \$1.73 per security at 30 June 2002.

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements (continued)

Statement of Cash Flows

Significant movements in cash flow reflect the expansion activity of the Group during the year.

Net cash flow from operating activities has increased \$16,701,000 on the prior year reflecting on the one hand the following increased inflows:

- Increased receipts from customers of \$111,532,000 of which \$79,087,000 relates to sales of property inventory including a receipt of \$16,151,000 from sale of inventory in the prior period;
- Distributions and dividends received declined to \$6,283,000 reflecting the restructure of Investa Commercial Property Fund resulting in the inclusion of distributions as rental income included above; and offset by the following increased outflows;
- Payments to suppliers increased by \$64,718,000 to \$137,916,000 driven by the payments for restocking of land banks particularly Sippy Downs on the Sunshine Coast for \$27,280,000, Hillarys, Western Australia of \$5,244,000 and 43 Forbes Street, Brisbane of \$6,021,045;
- Borrowing costs paid increased by \$19,019,000 due to the increased level of external debt.

Net cash flow from investing activities for the year was a significant outflow of \$1,016,569,000 reflecting:

- Payment for investments totalling \$1,160,778,000 comprising of:
 - Payments for investment properties of \$563,352,000 which includes 242 Exhibition Street, Melbourne; 310 Pitt Street, Sydney and 231 Elizabeth Street, Sydney;
 - Payments for company investments and interests in associates of \$322,801,000 which includes Macarthur Central Shopping Centre, Brisbane; a 50 percent interest in Penrhyn House, Canberra; 589 Collins Street, Melbourne; and the completion of the construction of 209 Kingsway, Melbourne;
 - Payment for an 8.4 percent holding in Principal Office Fund of \$127,159,000; and
 - Payment for the investment in Investa Sunlaw Trust of \$147,466,000;
- partially offset by proceeds on disposal of 260 Queen Street, Brisbane, the property located in Cairns and interests in Pirie Street and Stirling Street and 589 Collins Trusts for a total of \$156,853,000.

The investing activities acquisitions have been funded by a mix of debt and equity raisings resulting in a **net cash inflow from financing activities** of \$889,999,000. The split is:

- Equity raised net of costs of \$496,419,000; and
- Net increases in borrowings of \$393,580,000.

Annual Concise Report

Investa Property Group

Combined Statement of Financial Performance

For the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Revenue from ordinary activities			
Revenue from operating activities		245,788	180,284
Distributions from associates		16,411	17,685
Other revenues from ordinary activities		151,631	6,770
Total revenue from ordinary activities	2	413,830	204,739
Cost of development inventory sold		(36,784)	(57,273)
Employee expenses		(16,708)	(11,727)
Property outgoings		(32,424)	(18,657)
Repairs and maintenance		(4,436)	(2,388)
Borrowing costs		(37,883)	(18,353)
Net increment on revaluations of investment properties		–	6,876
Depreciation of property, plant and equipment		(339)	(252)
Amortisation of intangibles		(3,620)	(3,056)
Other expenses from ordinary activities		(145,828)	(7,406)
Net profit from ordinary activities before income tax expense		135,808	92,503
Company income tax expense		(7,213)	(3,796)
Net profit after company tax		128,595	88,707
Net profit attributable to outside equity interest		(368)	–
Net profit after company tax attributable to stapled securityholders of Investa Property Group		128,227	88,707
Net increase in asset revaluation reserve		3,397	46,565
Total changes in equity other than those resulting from transactions with stapled securityholders as owners		131,624	135,272
Distributions and dividends paid and payable	4	131,895	84,666
		Cents	Cents
Distributions and dividends paid and payable cents per stapled security	4	15.60	14.75
Basic and diluted earnings per stapled security	6	15.83	15.55
Basic and diluted earnings per stapled security (before revaluation)	6	15.83	14.35
Basic and diluted earnings per stapled security (before revaluation and amortisation)	6	16.28	14.88

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

Annual Concise Report

Investa Property Group

Combined Statement of Financial Position

As at 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Current assets			
Cash assets		9,939	22,873
Receivables		37,470	39,969
Loan to related entity		–	29,577
Property development inventories		20,056	39,561
Other investments		156,404	45,629
Total current assets		223,869	177,609
Non-current assets			
Deferred tax asset		2,574	1,643
Intangibles		39,870	51,847
Property, plant and equipment		1,032	1,177
Loans to employees		9,232	5,561
Other investments		374,186	–
Property development inventories		113,430	78,004
Investment properties	3	1,817,577	1,150,319
Total non-current assets		2,357,901	1,288,551
Total assets	2	2,581,770	1,466,160
Current liabilities			
Payables		23,021	14,670
Provisions		39,025	25,964
Current tax liabilities		4,661	7,080
Total current liabilities		66,707	47,714
Non-current liabilities			
Interest bearing liabilities		849,600	320,500
Deferred tax liabilities		6,041	4,490
Total non-current liabilities		855,641	324,990
Total liabilities	2	922,348	372,704
Net assets		1,659,422	1,093,456
Equity			
Contributed equity		1,580,041	1,043,750
Outside equity interest in controlled entities		20,000	–
Reserves		50,874	46,565
Amounts available for distribution		8,507	3,141
Total equity		1,659,422	1,093,456

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

Annual Concise Report

Investa Property Group

Combined Statement of Cash Flows

For the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	287,046	175,514
Cash payments in the course of operations	(137,916)	(73,198)
Interest received	2,630	2,637
Distributions and dividends received	6,283	19,957
Borrowing costs paid	(37,074)	(18,055)
Income taxes paid	(7,333)	(9,920)
Net cash inflow from operating activities	113,636	96,935
Cash flows from investing activities		
Payments for investments in property	(563,352)	-
Payment for purchase of controlled entity, net of cash acquired	(147,466)	(50,519)
Capital expenditure on investment properties	(9,432)	(4,996)
(Payment)/refund of due diligence costs	689	(1,120)
Payments for investment in listed property trust	(127,159)	(50,628)
Loans to related entities	-	(95,872)
Repayment of borrowings from related entities	-	56,203
Proceeds from sale of investments	156,853	5,000
Payments for investments	(322,801)	-
Proceeds from sale of for property, plant and equipment	-	650
Payment for property, plant and equipment	(230)	(242)
Loans to employees	(3,671)	(4,388)
Payment for intangible assets	-	(8,870)
Net cash (outflow) from investing activities	(1,016,569)	(154,782)
Cash flows from financing activities		
Proceeds from issues of securities	506,208	132,618
Proceeds from borrowings	747,300	84,800
Repayment of borrowings	(496,200)	(340,500)
Proceeds from issues of commercial notes	213,000	249,405
Payment for costs associated with issue of units	(9,789)	(5,649)
Payment for costs associated with issue of commercial notes	(1,040)	(1,018)
Distributions paid	(69,480)	(51,034)
Net cash inflow from financing activities	889,999	68,622
Net increase/(decrease) in cash held	(12,934)	10,775
Cash at the beginning of the financial year	22,873	12,098
Cash at the end of the financial year	9,939	22,873

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

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements

For the year ended 30 June 2003

Note 1. Basis of preparation of concise financial report

The combined 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 combined concise financial report have been derived from the aggregated full financial report for the financial period. The combined concise financial report cannot be expected to provide as full an understanding of the combined financial performance, combined financial position and financing and investing activities of Investa Property Group as the full financial report.

The accounting policies adopted are consistent with those of the previous year.

Note 2. Segment information

The combined entity operates in the following business segments:

Investment portfolio

Investa Property Trust invests directly in properties located throughout Australia and also has indirect property holdings through investments in units in listed and unlisted property trusts.

Services

Investa Properties Limited is the Responsible Entity for Investa Property Trust and for ten registered schemes. Annual management fees and establishment fees are earned. The Company also provides asset, property and facilities management services to properties managed by Investa Property Group.

Property development

Investa Properties Limited engages in retail, commercial and industrial development as well as medium density and broad acre residential subdivision.

Short term investments

Investa Properties Limited holds short term investments prior to either syndication, disposal, or sell down to external investors.

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2003

Note 2. Segment information (continued)

30 June 2003	Investment Portfolio \$'000	Services \$'000	Property Development \$'000	Short Term Investments \$'000	Elimination/ Unallocated \$'000	Consolidated \$'000
Revenue from ordinary activities	371,817	21,980	52,808	163,766	(196,541)	413,830
Segment ordinary profit ¹	137,019	5,245	10,090	15,098	(257)	167,195
Net profit after tax	113,501	4,415	8,455	2,113	(257)	128,227
Segment ordinary profit contribution (%)	82%	3%	6%	9%		100%
Segment assets	1,813,381	2,818	133,486	534,786	97,299	2,581,770
Segment liabilities	730,000	–	59,600	60,000	72,748	922,348
Depreciation and amortisation expense	1,930	830	1,199	–	–	3,959
Acquisition of property, plant and equipment	–	181	49	–	–	230

¹ Segment ordinary profit represents earnings before interest, amortisation, depreciation and after tax. Segment ordinary profit for the Short term investment segment is after accounting for proceeds on the sale of short term investments of \$140,653,000 and deducting the carrying amount of investments sold of \$135,343,000 included in other expenses from ordinary activities in the Statement of Financial Performance.

The combined entity operates solely in Australia.

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2003

Note 2. Segment information (continued)

	Investment Portfolio \$'000	Services \$'000	Property Development \$'000	Short Term Investments \$'000	Elimination/ Unallocated \$'000	Consolidated \$'000
30 June 2002 ²						
Revenue from ordinary activities	119,740	19,484	66,746	6,718	(7,949)	204,739
Segment ordinary profit ¹	92,063	3,124	8,880	2,151	-	106,218
Net profit after tax	79,917	320	7,987	483	-	88,707
Segment ordinary profit contribution (%)	87%	3%	8%	2%	-	100%
Segment assets	1,150,319	3,223	117,565	45,629	149,424	1,466,160
Segmented liabilities	272,500	-	48,000	81,082	(28,878)	372,704
Depreciation and amortisation expense	1,930	815	563	-	-	3,308
Acquisition of property, plant and equipment	-	1,167	175	-	-	1,342

¹ Segment ordinary profit represents earnings before interest, amortisation, depreciation and after tax.

² The 2002 comparative segment analysis has been restated to include the results of the short term investment business segment. The combined entity operates solely in Australia.

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2003

Note 3. Investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
Investa Property Trust				
62 Northbourne Avenue, Canberra, ACT	Offices / 96 yr Leasehold	100%	26/02/88	28,750
64 Northbourne Avenue, Canberra, ACT	Offices / 96 yr Leasehold	100%	01/07/94	23,991
73 Northbourne Avenue, Canberra, ACT *	Offices / 99 yr Leasehold	100%	06/05/94	23,330
73 Miller Street, North Sydney, NSW *	Offices / Freehold	100%	12/06/97	75,802
50-60 Talavera Road, North Ryde, NSW *	Offices / Freehold	100%	01/11/99	32,743
32 Philip Street, Parramatta, NSW	Offices / Freehold	100%	01/11/99	21,784
55 Market Street, Sydney, NSW *	Offices / Freehold	100%	31/07/98	122,559
241 Adelaide Street, Brisbane, QLD	Offices / 75 yr Leasehold	100%	10/09/98	21,218
410 Ann Street, Brisbane, QLD *	Offices / Freehold 120 yr Leasehold	100%	23/11/87	59,291
260 Queen Street, Brisbane, QLD	Offices / Freehold	100%	01/11/99	-
469 La Trobe Street, Melbourne, VIC *	Offices / Freehold	100%	01/07/88	81,290
485 La Trobe Street, Melbourne, VIC *	Offices / Freehold	100%	10/09/98	91,103
420 St Kilda Road, Melbourne, VIC	Offices / Freehold	100%	12/12/86	24,686
109 St Georges Terrace, Perth, WA	Offices / Freehold	100%	01/11/99	25,000
Total Parent				631,547
Investment in controlled entities				
Investa Real Property Growth Trust				
115 Grenfell Street, Adelaide, SA *	Offices / Freehold	100%	04/05/89	49,572
110 George Street, Parramatta, NSW *	Offices / Freehold	50% , 50%	02/10/97, 15/12/98	67,916
State Law Building, Brisbane, QLD	Offices / Freehold	100%	31/01/03	85,973
Kings Row, Brisbane, QLD	Offices / Freehold	50%	31/01/03	33,108
1 Market Street, Sydney, NSW*	Offices / Freehold	50%	31/01/03	106,172
Total - Investa Real Property Growth Trust				342,741

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/03 \$'000	Consolidated book value 30/06/02 \$'000
30/06/02	27,500	P Harding, Knight Frank	27,507	27,500
31/03/02	16,100	A Martin, AAPI, JLL Advisory	16,130	16,100
30/06/03	17,100	R Ford, AAPI, FPD Savills	17,100	17,134
30/06/02	90,000	A Richard, FAPI, CB Richard Ellis	90,319	90,000
30/06/03	32,000	D McGrath, AAPI, FPD Savills	32,000	31,400
30/06/03	23,000	M Smallhorn, AAPI, JLL Advisory	23,000	21,100
30/06/02	138,000	D Castles, AAPI, Landmark White	138,516	138,000
31/12/02	17,000	J Porter, AAPI, CBRE	17,026	18,100
30/06/01	62,500	C Chatwood, AAPI, JLL Advisory	64,173	62,610
31/03/01	23,000	W Wiermann, AAPI, JLL Advisory	-	23,070
30/06/02	53,100	J Perillo, AAPI, Knight Frank	53,289	53,100
30/06/02	111,000	G Longden, FAPI, JLL Advisory	111,046	111,000
30/06/03	27,500	D Magree, AAPI, m3 Property	27,500	27,159
30/06/02	25,500	S Nuttall, AAPI, JLL Advisory	25,726	25,500
			643,332	661,773
30/06/03	28,600	S Hickin, AAPI, JLL Advisory	28,600	26,680
30/06/02	66,500	M Caruana, FAPI, Knight Frank	67,071	66,500
31/12/02	83,000	I Gregory, AAPI, Knight Frank	85,973	-
31/12/02	31,700	J Apted, AAPI, Colliers International	33,108	-
31/12/02	102,500	A Pannifex, AAPI, Knight Frank	106,172	-
			320,924	93,180

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2003

Note 3. Investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
Investa Property Trust				
Lizbeth Trust				
255 Elizabeth Street, Sydney, NSW*	Offices / Freehold	50%, 10%, 40%	21/09/94, 11/12/98, 01/11/99	172,610
Total – Lizbeth Trust				172,610
Connect Property Trust				
242 Exhibition Street, Melbourne, Vic*	Offices / Freehold	100%	19/08/02	274,518
231 Elizabeth Street, Sydney, NSW*	Offices / Freehold	50%	19/08/02	58,362
310 Pitt Street, Sydney, NSW*	Offices / Freehold	100%	08/10/02	125,484
Total – Connect Property Trust				458,364
Total investment in controlled entities				973,715
Investment in associates				
60 Martin Place Unit Trust				
60 Martin Place, Sydney, NSW	Offices / Freehold	50%	01/11/99	80,475
SUNPAC Property Fund*				
1 Market Street, Sydney, NSW	Offices / Freehold	50%	09/01/96	–
80 Pacific Highway Trust				
80 Pacific Highway, North Sydney, NSW	Offices / Freehold	50%	04/05/01	45,743
Investa South Melbourne Trust				
209 Kingsway, Melbourne, VIC	Offices / Freehold	50%	31/01/02	51,425
Penrhyn House Trust				
Penryhn House, Woden, ACT	Offices/ Freehold	50%	06/12/02	20,649
589 Collins Trust				
589 Collins Street, Melbourne, VIC	Offices / Freehold	50%	31/01/03	28,486
Investa Brisbane Commercial Trust**				
		20%	08/05/01	4,820
Total investment in associates				231,598
Total non-current investment				1,836,860

* These properties and units are used as security for the issue of commercial notes.

** The underlying properties are located at 45 Charlotte Street, Brisbane and 363 Adelaide Street, Brisbane.

Properties not independently valued during the last 12 months are carried at directors' valuation at 30 June 2003.

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/03 \$'000	Consolidated book value 30/06/02 \$'000
30/06/03	152,000	D Castles, AAPI, Landmark White	152,000	154,447
			152,000	154,447
30/06/02	261,000	A Pannifex, AAPI, FPDSavills	274,523	-
30/06/02	57,500	A Pannifex, AAPI, FPDSavills	58,362	-
30/06/02	120,000	A Pannifex, AAPI, FPDSavills	125,486	-
			458,371	-
			931,295	247,627
30/06/02	92,500	P A Dempsey, FAPI , Ernst & Young	91,825	88,325
31/12/02	102,500	A Pannifex, AAPI, FPDSavills	-	102,029
31/03/01	45,375	M S Smallhorn, FAPI, JLL Advisory	45,745	45,745
01/08/02	50,000	G Longden, FAPI, JLL Advisory	51,425	-
01/09/02	19,300	P Harding, Knight Frank	20,649	-
01/12/02	28,000	J A Perillo, AAPI, Knight Frank	28,486	-
-	-	-	4,820	4,820
			242,950	240,919
			1,817,577	1,150,319

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2003

Note 4. Dividends & Distributions

	2003 \$'000	2003 Cents per security	2002 \$'000	2002 Cents per security
Timing of distributions and dividends				
30 September	29,629	3.800	18,930	3.625
31 December	32,610	3.900	21,097	3.675
31 March	34,678	3.950	22,258	3.725
30 June final payable ¹	34,978	3.950	22,381	3.725
	131,895	15.600	84,666	14.750

¹ To be paid on 22 August 2003.

Franked dividends

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

	2003 \$'000	2002 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	3,574	15,046

The above amounts represent the balance of the franking account as at the end of the financial 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 combined amounts include franking credits that would be available to the company if distributable profits of its controlled entities were paid as dividends.

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2003

Note 5. Amounts available for distribution

	2003 \$'000	2002 \$'000
Opening balance	3,141	1,403
Profit attributable to securityholders of Investa Property Group	128,227	88,707
Revaluation increments transferred to asset revaluation reserve	–	(6,876)
Transfer from contributed equity*	9,034	4,573
Dividends/distributions paid and payable	(131,895)	(84,666)
Closing balance	8,507	3,141

* This transfer represents \$5,415,000 income support on security placements and amortisation of intangibles of \$3,619,000.

Note 6. Earnings per stapled security

	2003	2002
Basic earnings per stapled security (cents)	15.83 c	15.55 c
Basic earnings per stapled security before revaluation, after amortisation (cents)	15.83 c	14.35 c
Basic earnings per stapled security before revaluation, before amortisation (cents)	16.28 c	14.88 c
Weighted average number of stapled securities outstanding during the period used in the calculation of basic earnings per stapled security	809,850,175	570,361,749

The calculation of basic earning per stapled security includes the net increments on revaluation of investment properties.

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2003

Note 7. Events occurring after reporting date

Principal Office Fund

On 21 May 2003 Investa Property Trust acquired 78,351,484 units in Principal Office Fund, representing an 8.4 percent holding. On 26 May 2003 Investa Properties Limited as responsible entity of Investa Property Trust announced its intention to make an off market scrip and cash offer to acquire the remaining units in Principal Office Fund under the terms set out in the bidder's statement lodged with the Australian Securities and Investments Commission (ASIC) on 2 June 2003. The bidder's statement was issued to Principal Office Fund unitholders on 20 June 2003. The offer was declared unconditional on 14 July 2003. On 21 July 2003 the cash component of the offer consideration was increased by 3 cents per Principal Office Fund unit, which resulted in a 14 day extension of the offer period to 4 August 2003.

In the period from 1 July 2003 to 28 July 2003 Investa Property Trust acquired a further 148,415,738 units for an approximate consideration of \$230 million, which increased its holding to 24.3 percent of the units in Principal Office Fund. The acquisition of those units has been funded out of a debt facility arranged with Commonwealth Bank of Australia and the issue of stapled securities in Investa Property Group. The financial effects of the units acquired in Principal Office Fund and the cash and securities issued to fund the acquisition in the period from 1 July 2003 to 28 July 2003 have not been brought to account at 30 June 2003.

Other matters

On 1 July 2003 the Group settled on the sale of 7-13 Tomlins Street, Townsville for \$10.9 million. On 3 July 2003 Investa Properties Limited sold the remainder of its units in Investa Fifth Commercial Trust for \$9.5 million, therefore completing the syndication of that trust. The financial effects of these transactions have not been brought to account as at 30 June 2003.

Note 8. Full financial report

Further financial information can be obtained from the full financial reports which are available, free of charge, on request from the company, Investa Properties Limited. Copies may be requested by calling 1800 635 323 and for international 612 8280 7182 and it will be forwarded to you. Alternatively, you can access both the combined full financial report and the combined concise report via the internet at: www.investa.com.au.

Annual Concise Report

Investa Property Group

Directors' Declaration

The directors of Investa Properties Limited declare that in their opinion, the combined concise financial report of Investa Property Group (the Group), comprising Investa Properties Limited and its controlled entities and Investa Property Trust and its controlled entities for the year ended 30 June 2003, as set out on pages 64 to 76, complies with Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements and specific disclosures included in this combined concise financial report have been derived from the full combined financial report for the period ended 30 June 2003.

The combined concise financial report cannot be expected to provide as full an understanding of the combined financial performance, combined financial position and financing and investing activities of the Group as the full combined financial report, which as indicated in Note 8, is available on request.

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



I K Payne
Chairman
Sydney
29 July 2003

Annual Concise Report

Investa Property Group

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

Independent Audit Report to the Securityholders of Investa Property Group

Audit opinion

In our opinion, the concise financial report of Investa Properties Group (the Group) for the year ended 30 June 2003, set out on pages 64 to 77 complies with Australian Accounting Standard AASB 1039: Concise Financial Reports.

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The concise financial report – responsibility and content

The preparation and content of the concise financial report for the year ended 30 June 2003 are the responsibility of the directors of Investa Properties Limited.

The auditor's role and work

We conducted an independent audit of the concise financial report in order to express an opinion on it to the securityholders of the Group. Our role was to conduct the audit 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 Group for the financial year ended 30 June 2003. Our audit report on the full financial report was signed on 29 July 2003, and was not subject to any qualification. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

In conducting the audit of the concise financial report, we carried out a number of procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports.

The procedures included:

- testing that the information included in the concise financial report is consistent with the information in the full financial report.
- selecting and examining evidence, on a test basis, as required by auditing standards, to support amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report. We did not examine every item of available evidence.
- reviewing the overall presentation of information in the concise financial report.

Our audit opinion was formed on the basis of these procedures.

Annual Concise Report

Investa Property Group

Independent Audit Report to the Securityholders of Investa Property Group (continued)

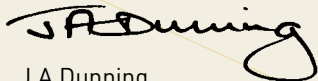
Independence

As auditor, we are required to be independent of the Group and its controlled entities and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia and the Auditing and Assurance Standards Board.

In addition to our statutory audit work, we were engaged to undertake other services for the Group and its controlled entities. In our opinion the provision of these services has not impaired our independence.



PricewaterhouseCoopers
Chartered Accountants



J A Dunning
Partner
Sydney
29 July 2003



231 ELIZABETH STREET SYDNEY

Annual Concise Report 30 June 2003

Investa Properties Limited
ABN 54 084 407 241

Contents

	Page
Directors' Report	82
Discussion and Analysis on the Consolidated Financial Statements	88
Consolidated Statement of Financial Performance	92
Consolidated Statement of Financial Position	93
Consolidated Statement of Cash Flows	94
Notes to the Consolidated Financial Statements	95
Directors' Declaration	99
Independent Audit Report to the Members of Investa Properties Limited	100

This concise report has been derived from the full financial report for the year ended 30 June 2003 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 8280 7182, 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.

Annual Concise Report

Investa Properties Limited

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 2003.

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
J I Messenger
D R Page

J I Messenger was appointed to the board on 15 August 2002.

P J Carney passed away on 7 August 2002.

Principal activities

During the year the principal continuing activities of the consolidated entity consisted of property and funds management, property development and holding short term investments prior to syndication. During the year the activity in the consolidated entity's investment segment increased substantially with investments increasing from \$45,629,000 to \$401,785,000 accounting for the increase in total assets during the year. All business segments operate in one geographical area, Australia. The company had 132 employees at 30 June 2003 (2002: 97).

Dividends

Dividends paid to members during the financial year were as follows:

	2003 \$'000
Final dividend for the year ended 30 June 2002 of 0.709 cents per share paid on 24 August 2002	4,260
Interim dividend of 0.50 cents per share paid on 22 November 2002	3,899
Interim dividend of 0.45 cents per share paid on 21 February 2003	3,763
Interim dividend of 0.40 cents per share paid on 23 May 2003	3,512
	15,434

In addition to the above dividends, the directors declared a final dividend on 17 June 2003 of 0.25 cents per share (\$2,213,821) to be paid on 22 August 2003.

Dividends paid and payable for the year ended 30 June 2003 were \$13,386,708, representing 1.60 cents per share, increasing 51 percent from 1.059 cents per share in 2002 or \$6,290,056. All dividends were fully franked.

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Review of operations and significant changes in the state of affairs

A summary of the consolidated results is as follows:

	2003 \$'000	2002 \$'000
Total revenue from ordinary activities	237,741	92,948
Net profit after tax	15,352	8,790
Profit attributable to outside equity interests*	(1,182)	-
Profit attributable to members of Investa Properties Limited	14,170	8,790
Retained profits brought forward	2,943	443
Dividend paid and payable	(13,387)	(6,290)
Retained profits at 30 June	3,726	2,943
Total assets	569,987	224,421

* This represents the profit attributable to the outside equity interests in Investa Commercial Property Fund and Townsville Trust.

Profit for the Company after taxation and outside equity interests is \$14,170,000 compared to \$8,790,000 in the previous corresponding year, an increase of \$5,380,000 or 61 percent. Earnings per share before amortisation and depreciation has increased from 1.78 cents per share in 2002 to 2.00 cents per share in the current year. The increase in earnings has resulted in the dividend per share increasing 51 percent from 1.059 cents per share in 2002 to 1.60 cents per share in the current year.

The increase in assets is due to the growth in investments being held by the Company prior to syndication or disposal to third parties. Assets held as at 30 June 2003 include:

— an 89 percent interest in Investa Commercial Property Fund	\$245,381,000
— a 55 percent interest in 7-13 Tomlins Street, Townsville	\$9,325,000
— an 18 percent interest in Investa Fifth Commercial Trust	\$8,603,000
— a 100 percent interest in Macarthur Central Shopping Centre, Brisbane	\$100,796,000

For a more detailed explanation of the results for the year refer to the discussion and analysis on the consolidated financial statements.

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Matters subsequent to the end of the financial year

Principal Office Fund

On 21 May 2003 Investa Property Trust acquired 78,351,484 units in Principal Office Fund, representing an 8.4 percent holding. On 26 May 2003 Investa Properties Limited as responsible entity of Investa Property Trust announced its intention to make an off market scrip and cash offer to acquire the remaining units in Principal Office Fund under the terms set out in the bidder's statement lodged with the Australian Securities and Investments Commission (ASIC) on 2 June 2003. The bidder's statement was issued to Principal Office Fund unitholders on 20 June 2003. The offer was declared unconditional on 14 July 2003. On 21 July 2003 the cash component of the offer consideration was increased by 3 cents per Principal Office Fund unit, which resulted in a 14 day extension of the offer period to 4 August 2003.

In the period from 1 July 2003 to 28 July 2003 Investa Property Trust acquired a further 148,415,738 units for an approximate consideration of \$230 million, which increased its holding to 24.3 percent of the units in Principal Office Fund. The acquisition of those units has been funded out of a debt facility arranged with Commonwealth Bank of Australia and the issue of stapled securities in Investa Property Group (comprising of shares in Investa Properties Limited and units in Investa Property Trust).

The financial effects of the shares issued by Investa Properties Limited to assist in the funding of the acquisition in the period from 1 July 2003 to 28 July 2003 have not been brought to account at 30 June 2003.

Other matters

On 1 July 2003 the Group settled on the sale of 7-13 Tomlins Street, Townsville for \$10.9 million (55 percent owned by Investa Properties Limited). On 3 July 2003 Investa Properties Limited sold the remainder of its units in Investa Fifth Commercial Trust for \$9.5 million, therefore completing the syndication of that trust. The financial effects of these transactions have not been brought to account as at 30 June 2003.

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.

Environmental regulation

Whilst the company is not 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.

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

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 was also Chairman of Export Finance and Insurance Corporation from 1996 to August 2002 and is currently a Director of SFE Corporation Limited, Legalco Limited and Zurich Financial Services Australia Limited.	Non Executive Chairman
C J O'Donnell Dip.Bus., NZCB, FAICD, AIQS (Affil), FAPI	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
J L Arthur LLB (Hons)	John has been a partner of major law firms in Sydney 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 Rinker Group Limited.	Non Executive Director Chairman Nominations and Remuneration Committee
S A Mays B.Sc (Hons) M.Sc, MBA, FAICD	Shaun retired as the Managing Director of Westpac Financial Services in 2003. Prior to joining Westpac he was Chief Investment Officer of Commonwealth Financial Services and Managing Director & Chief Investment Officer of Mercury Asset Management. His current appointments include Non-Executive Director, Babcock and Brown Direct Investment Fund, a Member of the National Environmental Education Council, a Member of the Australian Stock Exchange Listing Appeals Committee, a Member of the Environment Minister's Roundtable and a Director of Plan International Australia.	Non Executive Director Chairman Sustainability Committee
J I Messenger ANZIF Snr. Assoc	John has extensive international insurance broking and risk management experience. Between 1986 and 1995, John was the Managing Director of MLC Insurance Limited and a director of Lend Lease Learning Pty Limited. From 1997 to 2001, he was the Chief Executive Officer, Corporate Risk Management for the Lend Lease Group. John is a director of St John Ambulance Australia Limited and of Territory Insurance Office, Darwin.	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.	Non Executive Director Chairman Audit and Risk Management Committee

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Directors interests in shares of Investa Properties Limited are as follows:

	Number of shares	
	2003	2002
I K Payne	22,278	7,595
C J O'Donnell	1,566,347	1,017,760
J L Arthur	10,215	-
S A Mays	30,375	-
J I Messenger	30,769	-
D R Page	18,521	-

Meetings of directors

The number of meetings of the company's board of directors and of each board committee held during the year to 30 June 2003, and the number 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		Sustainability Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
I K Payne	23	22								
C J O'Donnell	23	23	4	4	18	18	4	4	1	1
J L Arthur	23	23					4	4	1	1
P J Carney	4	4	2	2						
S A Mays	17	16	8	6					1	1
J I Messenger	18	18	7	7	21	21				
D R Page	23	22	10	10	5	5	4	4		

Held reflects the number of meetings which the relevant director was eligible to attend.

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\$	Retirement allowance\$	Superannuation\$	Total\$
I K Payne (Chairman)	110,000	-	9,900	119,900
P J Carney	16,250	59,518	1,463	77,231
S A Mays	82,916	-	7,462	90,378
J L Arthur	88,875	-	7,999	96,874
D R Page	76,667	-	6,900	83,567
J I Messenger	70,359	-	6,332	76,691

As at 30 June 2003 a further entitlement of \$105,864 has been accrued by I K Payne.

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Executive director of Investa Properties Limited

Name	Base salary \$	Superannuation \$	Other benefits \$	Total \$
C J O'Donnell	490,700	44,163	344,216	879,079

Other executives of Investa Properties Limited

Name	Base salary \$	Superannuation \$	Other benefits \$	Total \$
G B Monk	345,000	31,050	70,000	446,050
A S Junor	260,048	23,404	118,239	401,691
P D Bolton-Hall	216,250	19,463	40,000	275,713
B V McGarry	196,250	17,663	55,000	268,913
P J Malpass	220,000	19,800	20,000	259,800

Indemnification and Insurance of officers and auditors

During the financial year, Investa Properties Limited paid a premium of \$267,000 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.

Rounding

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars, in accordance with that class order, unless otherwise indicated.

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.



I K Payne
Chairman
Sydney
29 July 2003

Annual Concise Report

Investa Properties Limited

Discussion and Analysis on the Consolidated Financial Statements

Consolidated Statement of Financial Performance

Profit for the company after taxation and outside equity interests was \$14,170,000 compared to \$8,790,000 in the previous corresponding year, an increase of \$5,380,000 or 61 percent. Earnings per share before amortisation, depreciation and after tax has increased from 1.78 cents per share in 2002 to 2.00 cents per share in the current year. The increase in earnings has supported the dividend per share increasing 51 percent from 1.059 cents per share in 2002 to 1.60 cents per share in the current year.

Total revenue for the year ended 30 June 2003 was \$237,741,000 compared to \$92,948,000 in 2002, a 256 percent increase. Revenue by segment is as follows:

- Revenue from “Services” totalled \$21,980,000 (2002 - \$19,484,000) and comprises:
 - Syndicate establishment and management fees of \$3,543,000 (2002 - \$1,721,000), which includes fees in respect to the launch of two new retail property syndicates during the year being the Investa Fourth Commercial Trust and the Investa Fifth Commercial Trust. Ongoing management fees were received from the five syndicates established prior to 30 June 2002;
 - Management fees of \$1,575,000 in respect of wholesale property funds (2002 - \$1,429,000);
 - Property management fees of \$4,851,000 driven by the growth in operations in NSW, Victoria and Queensland (2002 - \$3,029,000);
 - \$608,000 being the Company’s share of 2003 operating cost savings delivered to Telstra in relation to its tenancies under the incentive arrangements incorporated into the acquisition agreement for the Telstra properties;
 - Fee revenue of \$7,259,000 from Westpac Banking Corporation in respect of the corporate property services contract which reduced from \$8,288,000 in 2002 due to a reduction in the operating costs of providing the service (these costs are recovered from Westpac);
 - Management fees of \$1,944,000 from Investa Property Trust (2002- \$2,667,000); and
 - Expense recovery and management fees from the vendor of Silverton Limited of \$2,200,000 for the management of property sale agreements executed prior to the acquisition (2002 - \$2,350,000).
- Revenue from “Property Development” totalled \$52,808,000 (2002 - \$66,746,000) and comprises sales of property inventory:
 - Residential lots at Manly, Queensland of \$12,813,000, Quinns Beach, Western Australia of \$6,049,000, and Mill Park Lakes, Melbourne of \$26,697,000;
 - Commercial/industrial units at Turner Street, Melbourne of \$4,049,000 and land at Eden Park, North Ryde, Sydney of \$3,200,000;
 - The fall in revenue is due to the sale in the prior period of 4 relatively large industrial properties totalling \$51,650,000.
- Revenue from “Investments” totalled \$162,953,000 (2002 - \$6,718,000) and comprises:
 - Sales of short term investments totalling \$140,653,000 (2002 - nil) relating to the sale of small Telstra properties in Perth and Adelaide and a 50 percent interest in 589 Collins Street, Melbourne into Investa managed retail syndicates, the sale of a non-core Telstra property in Cairns and the sale of a 10.75% interest in Investa Commercial Property Fund;
 - Rental and distribution income from short term investments held prior to syndication/sale, completed developments prior to sale and other rental income of \$21,672,000 (2002- \$1,718,000); and
 - Interest income of \$578,000 (2001 - \$1,215,000).

Annual Concise Report

Investa Properties Limited

Discussion and Analysis on the Consolidated Financial Statements (continued)

Consolidated Statement of Financial Performance (continued)

Significant profit growth has been achieved in each of the three segments:

- Services up 68 percent to \$5,245,000 reflecting the increased activities detailed above in the description of the movements in revenue;
- Property development up 14 percent to \$10,090,000 reflecting greater margins achieved on sales of development inventory, with the margin on cost increasing from 17 percent in 2002 to 44 percent in the current year;
- Investments up 564 percent to \$14,285,000 as a result of increased profit on the holding of investments which includes a profit of \$5,311,000 on the sale of short term interests in unit trusts and investments; and
- This profit growth has been achieved in the context of increases in expenses reflecting the significantly expanded size of operations:
 - Higher property outgoings and repairs and maintenance (increased from nil in 2002 to \$2,182,000) attributable to interests in properties acquired during the year;
 - Higher employee and accommodation expenses due to increased headcount (from 97 to 132 during the year) and the full year impact of increases that occurred in the prior year resulting in total increases of \$5,196,000 to \$18,046,000;
 - Higher amortisation and depreciation (increased by \$651,000 to \$2,029,000) due to the full year impact of the goodwill created on the acquisition of the development business; and
 - Higher borrowing costs (increased by \$11,970,000 to \$15,957,000).

Annual Concise Report

Investa Properties Limited

Discussion and Analysis on the Consolidated Financial Statements (continued)

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position for Investa Properties Limited at 30 June 2003 reflects the significant increase in activity of the Company since 1 July 2002. Total assets have increased from \$224,421,000 as at 30 June 2002 to \$569,987,000 as at 30 June 2003.

The major contributor to the increase in assets was the acquisition of a number of properties, either directly or as investments in partly owned sub-trusts. Investments have increased from \$45,629,000 to \$401,785,000 due to holding the following investments at 30 June 2003:

- an 89 percent interest in Investa Commercial Property Fund (\$245,381,000);
- a 55 percent interest in 7 - 13 Tomlins Street, Townsville (\$9,325,000);
- an 18 percent interest in Investa Fifth Commercial Trust (\$8,603,000); and
- a 100 percent interest in Macarthur Central Shopping Centre, Brisbane (\$100,796,000).

Both the property in Townsville and the interest in Investa Fifth Commercial Trust were sold to external parties in July 2003.

In implementing its strategy to replenish its development inventory as current developments are completed and sold, the Company also increased its property development inventory from \$117,565,000 at 30 June 2002 to \$133,486,000 at 30 June 2003.

The expansion in the company was primarily funded by loans from Investa Property Trust. Investa Property Trust provided total loans amounting to \$378,530,000 out of a total debt level for the company of \$498,130,000 as at 30 June 2003. The external loans are associated with the development operations and a loan within Investa Commercial Property Fund of \$60,000,000.

In order to assist in the funding of the acquisitions during the year the Company raised a net \$19,574,000 through share issues and through the dividend reinvestment plan.

Annual Concise Report

Investa Properties Limited

Discussion and Analysis on the Consolidated Financial Statements (continued)

Consolidated Statement of Cash Flows

Significant movements in cash flow reflect the expansion activity of the company during the year.

Net cash flow from operating activities has decreased on prior year reflecting on the one hand the following increases:

- Increased receipts from customers of \$109,936,000 of which \$79,087,000 relates to sales of property inventory including a receipt of \$16,151,000 from sale of inventory in the prior period;
- Distributions and dividends received increased to \$8,539,000 reflecting the increase in short term investments made during the year; and
- Borrowing costs paid decreased \$367,000 due to the lower level of external debt required in Investa Properties Limited during the year.

offset by the following increased outflow:

- Payments to suppliers increased by \$56,306,000 to \$100,429,000, driven by the payments for restocking of land banks particularly Sippy Downs on the Sunshine Coast for \$27,280,000, Hillarys, Western Australia of \$5,244,000 and 43 Forbes Street, Brisbane of \$6,021,000.

Net cash flow from investing activities for the year was a significant outflow of \$318,119,000 reflecting:

- Payment by the Company for property investments totalling \$455,560,000 which include, as part of the restructure of its wholesale fund, a 50 percent interests in SUNPAC Property Fund (1 Market Street, Sydney), Investa South Melbourne Trust (209 Kingsway, Melbourne) and 231 Elizabeth Street Trust (231 Elizabeth Street, Sydney);
- The purchase of Macarthur Central Shopping Centre, Brisbane for \$100,796,000;

partially offset by:

- proceeds on disposal of the Company's interest in Investa Sunlaw Trust to Investa Property Trust, the property located in Cairns and the Company's investment in the Telstra Perth and Adelaide properties for a total of \$140,653,000.

To help facilitate the funding of these investment activities, the consolidated entity increased its borrowings primarily from Investa Property Trust, by \$448,411,000. However, following the sale of the investments described above and using part of the proceeds from share capital raised, the consolidated entity was able to reduce the borrowings from Investa Property Trust by \$216,736,000.

Through a rights issue, two placements and the Shareholder Purchase Plan, the consolidated entity was able to raise a net \$17,734,000 during the year.

Annual Concise Report

Investa Properties Limited

Consolidated Statement of Financial Performance

For the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Revenue from ordinary activities	2	237,741	92,948
Cost of development inventory sold		(36,784)	(57,273)
Property outgoings		(1,862)	-
Repairs & maintenance		(320)	-
Employee expenses		(16,708)	(11,727)
Accommodation expenses		(1,338)	(1,123)
Purchased services – external consultants		(1,630)	(2,797)
Depreciation and amortisation expenses		(2,029)	(1,378)
Borrowing costs		(15,957)	(3,987)
Other expenses from ordinary activities		(138,548)	(2,077)
Profit from ordinary activities before income tax expense		22,565	12,586
Income tax expense		(7,213)	(3,796)
Net Profit		15,352	8,790
Net profit attributable to outside equity interests		(1,182)	-
Net profit attributable to members of Investa Properties Limited	2	14,170	8,790
Total changes in equity other than those resulting from transactions with owners as owners		14,170	8,790
		Cents	Cents
Basic and diluted earnings per share	4	1.75	1.54

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

Annual Concise Report

Investa Properties Limited

Consolidated Statement of Financial Position

As at 30 June 2003

	2003 \$'000	2002 \$'000
Current assets		
Cash assets	5,460	11,203
Receivables	10,174	25,353
Investments	156,404	45,629
Property development inventories	20,056	39,561
Total current assets	192,094	121,746
Non-current assets		
Deferred tax asset	2,575	1,643
Investments	245,381	-
Property, plant and equipment	1,032	1,177
Property development inventories	113,430	78,004
Loans to employees	9,232	5,561
Intangible assets	6,243	16,290
Total non-current assets	377,893	102,675
Total assets	569,987	224,421
Current liabilities		
Payables	6,766	7,920
Interest and non interest bearing liabilities	205,864	-
Income tax liability	4,661	7,080
Provisions	6,335	7,843
Total current liabilities	223,626	22,843
Non-current liabilities		
Interest and non interest bearing liabilities	292,266	193,586
Deferred tax liabilities	6,040	4,490
Total non-current liabilities	298,306	198,076
Total liabilities	521,932	220,919
Net assets	48,055	3,502
Equity		
Contributed equity	20,133	559
Outside equity interest	24,196	-
Retained profits	3,726	2,943
Total equity	48,055	3,502

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

Annual Concise Report

Investa Properties Limited

Consolidated Statement of Cash Flows

For the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Cash flows from operating activities		
Receipts from customers	109,936	79,119
Payments to suppliers and employees	(100,429)	(44,123)
Dividends received	8,539	1,673
Interest received	578	261
Borrowing costs	(2,831)	(3,198)
Income taxes paid	(7,333)	(9,920)
Net cash inflow from operating activities	8,460	23,812
Cash flows from investing activities		
Purchase of controlled entity, net of cash acquired	-	(50,519)
Payments for property, plant and equipment	(230)	(242)
Proceeds from sale of property, plant and equipment	-	650
Due diligence (costs)/recovered	689	(1,120)
Payments for investments	(455,560)	(50,628)
Proceeds from sales of investments	140,653	5,000
Payment for intangible assets	-	(8,870)
Loans to employees	(3,671)	(4,388)
Net cash (outflow) from investing activities	(318,119)	(110,117)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	18,170	559
Proceeds from borrowings from related entity	448,411	172,452
Proceeds from borrowings	91,600	3,000
Repayment of borrowings	(23,500)	(34,700)
Repayments of borrowings from related entity	(216,736)	(41,990)
Costs of share issue	(436)	-
Dividends paid	(13,593)	(2,457)
Net cash inflow/(outflow) from financing activities	303,916	96,864
Net (decrease)/increase in cash held	(5,743)	10,559
Cash at the beginning of the financial year	11,203	644
Cash at the end of the financial year	5,460	11,203

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

Annual Concise Report

Investa Properties Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2003

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.

Note 2. Segment information

The consolidated entity operates in the following business segments:

Services

Investa Properties Limited is the Responsible Entity for Investa Property Trust and for ten registered schemes. Annual management fees and establishment fees are earned. The Company also provides asset, property and facilities management services to properties managed by Investa Property Group.

Property development

Investa Properties Limited engages in retail, commercial and industrial development as well as medium density and broad acre residential subdivision.

Investments

Investa Properties Limited holds short-term investments prior to either syndication, disposal, or sell down to external investors.

Annual Concise Report

Investa Properties Limited

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Note 2. Segment information (continued)

	Services \$'000	Property Development \$'000	Investments \$'000	Consolidated \$'000
30 June 2003				
Revenue from ordinary activities	21,980	52,808	162,953	237,741
Segment ordinary profit ¹	5,245	10,090	14,285	29,620
Net profit after tax	4,415	8,455	1,300	14,170
Segment assets	2,818	133,486	401,785	538,089
Unallocated assets				31,898
Total assets				569,987
Segment liabilities	-	59,600	378,530	438,130
Unallocated liabilities				83,802
Total liabilities				521,932
Depreciation and amortisation expense	830	1,199	-	2,029
Acquisition of property, plant and equipment	181	49	-	230
30 June 2002 ²				
Revenue from ordinary activities	19,484	66,746	6,718	92,948
Segment ordinary profit ¹	3,124	8,880	2,151	14,155
Net profit after tax	320	7,987	483	8,790
Segment assets	3,223	117,565	45,629	166,417
Unallocated assets				58,004
Total assets				224,421
Segmented liabilities	-	48,000	38,096	86,096
Unallocated liabilities				134,823
Total liabilities				220,919
Depreciation and amortisation expense	815	563	-	1,378
Acquisition of property, plant and equipment	1,167	175	-	1,342

¹ Segment ordinary profit represents earnings before interest, amortisation, depreciation and after tax. Segment ordinary profit for the investment segment is after accounting for proceeds on the sale of investments of \$140,653,000 and deducting the carrying amount of investments sold of \$135,343,000 included in other expenses from ordinary activities in the Statement of Financial Performance.

² The 2002 comparative segment analysis has been restated to include the results of the investment business segment. The Consolidated Entity operates solely in Australia.

Annual Concise Report

Investa Properties Limited

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Note 3. Dividends

	2003 \$'000	2002 \$'000
Ordinary shares		
Interim dividends		
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
Franked @30% - 0.709 cents per share – 30 June 2002	–	4,260
Franked @30% - 0.50 cents per share – 30 September 2002	3,899	–
Franked @30% - 0.45 cents per share – 31 December 2002	3,763	–
Franked @30% - 0.40 cents per share – 31 March 2003	3,512	–
Final dividend of 0.25 cents per share – 30 June 2003 *	2,213	–
Total dividends provided or paid	13,387	6,290

* The 30 June 2003 dividend will be paid on 22 August 2003

Franked dividends

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

	2003 \$'000	2002 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2002: 30%)	3,574	15,046

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.

Annual Concise Report

Investa Properties Limited

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Note 4. Earnings per share

	2003 Cents	2002 Cents
Basic and diluted earnings per share	1.75	1.54
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	809,850,175	570,362,749

Note 5. Events occurring after reporting date

Principal Office Fund

On 21 May 2003 Investa Property Trust acquired 78,351,484 units in Principal Office Fund, representing an 8.4 percent holding. On 26 May 2003 Investa Properties Limited as responsible entity of Investa Property Trust announced its intention to make an off market scrip and cash offer to acquire the remaining units in Principal Office Fund under the terms set out in the bidder's statement lodged with the Australian Securities and Investments Commission (ASIC) on 2 June 2003. The bidder's statement was issued to Principal Office Fund unitholders on 20 June 2003. The offer was declared unconditional on 14 July 2003. On 21 July 2003 the cash component of the offer consideration was increased by 3 cents per Principal Office Fund unit, which resulted in a 14 day extension of the offer period to 4 August 2003.

In the period from 1 July 2003 to 28 July 2003 Investa Property Trust acquired a further 148,415,738 units for an approximate consideration of \$230 million, which increased its holding to 24.3 percent of the units in Principal Office Fund. The acquisition of those units has been funded out of a debt facility arranged with Commonwealth Bank of Australia and the issue of stapled securities in Investa Property Group Group (comprising of shares in Investa Properties Limited and units in Investa Property Trust).

The financial effects of the shares issued by Investa Properties Limited to assist in the funding of the acquisition in the period from 1 July 2003 to 28 July 2003 have not been brought to account at 30 June 2003.

Other Matters

On 1 July 2003 the Group settled on the sale of 7-13 Tomlins Street, Townsville for \$10.9 million (55 percent owned by Investa Properties Limited). On 3 July 2003 Investa Properties Limited sold the remainder of its units in Investa Fifth Commercial Trust for \$9.5 million, therefore completing the syndication of that trust. The financial effects of these transactions have not been brought to account as at 30 June 2003.

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 8280 7182 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.

Annual Concise Report

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 2003 as set out on pages 92 to 98 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 2003.

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
Chairman
Sydney
29 July 2003

Annual Concise Report

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

Independent Audit Report to the Members of Investa Properties Limited

Audit opinion

In our opinion, the concise financial report of Investa Properties Limited for the year ended 30 June 2003, set out on pages 92 to 99 complies with Australian Accounting Standard AASB 1039: Concise Financial Reports.

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The concise financial report – responsibility and content

The preparation and content of the concise financial report for the year ended 30 June 2003 are the responsibility of the directors of Investa Properties Limited (the Company).

The auditor's role and work

We conducted an independent audit of the concise financial report in order to express an opinion on it to the members of the Company. Our role was to conduct the audit 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 financial year ended 30 June 2003. Our audit report on the full financial report was signed on 29 July 2003, and was not subject to any qualification. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

In conducting the audit of the concise financial report, we carried out a number of procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports.

The procedures included:

- (a) testing that the information included in the concise financial report is consistent with the information in the full financial report
- (b) selecting and examining evidence, on a test basis, as required by auditing standards, to support amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report. We did not examine every item of available evidence
- (c) reviewing the overall presentation of information in the concise financial report.

Our audit opinion was formed on the basis of these procedures.

Annual Concise Report

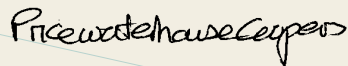
Investa Properties Limited

Independent Audit Report to the Members of Investa Properties Limited (continued)

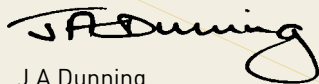
Independence

As auditor, we are required to be independent of the Company and its controlled entities and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit work, we were engaged to undertake other services for the Company and its controlled entities. In our opinion the provision of these services has not impaired our independence.



PricewaterhouseCoopers
Chartered Accountants



J A Dunning
Partner
Sydney
29 July 2003

Annual Concise Report 30 June 2003

Investa Property Trust
ARSN 088 705 882

Contents

	Page
Directors' Report	103
Discussion and Analysis on the Consolidated Financial Report	108
Consolidated Statement of Financial Performance	111
Consolidated Statement of Financial Position	112
Consolidated Statement of Cash Flows	113
Notes to the Consolidated Financial Statements	114
Directors' Declaration	121
Independent Audit Report to the Unitholders of Investa Property Trust	122

This concise report has been derived from the full financial report for the year ended 30 June 2003 for Investa Property Trust. The full financial report and auditors report will be sent to unitholders on request, free of charge. Please call 1800 635 323 (freecall) and for International 612 8280 7182, 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 Property Trust as the full financial report.

Annual Concise Report

Investa Property Trust

Directors' Report

The directors of Investa Properties Limited, the Responsible Entity of Investa Property Trust present their report together with the financial report of the Trust and the consolidated financial report of the Trust and its controlled entities for the year ended 30 June 2003.

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
J I Messenger
D R Page

J I Messenger was appointed to the board on 15 August 2002.

P J Carney passed away on 7 August 2002.

Principal activities

During the year the principal activity of the Trust continued to consist of investment in commercial properties.

Distributions

Distributions paid to unitholders during the financial year were as follows:

	2003
	\$'000
Final distribution for the year ended 30 June 2002 of 3.016 cents per unit paid on 24 August 2002	18,121
Interim distribution of 3.30 cents per unit paid on 22 November 2002	25,730
Interim distribution of 3.45 cents per unit paid on 21 February 2003	28,847
Interim distribution of 3.55 cents per unit paid on 23 May 2003	31,167
	103,865

In addition to the above distribution, the directors declared a final distribution on 17 June 2003 of 3.70 cents per unit (\$32,765,000) to be paid on 22 August 2003.

Distributions totalling \$118,509,000 (14.00 cents per unit) were paid or payable by the Trust for the year ended 30 June 2003 (2002: \$78,377,000 equivalent to 13.69 cents per unit).

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

Units on issue

	2003 No.'000	2002 No.'000
Opening units on issue	600,822	515,490
Units issued via placements	260,431	70,358
Units issued through the distribution reinvestment plan	24,276	14,974
Closing units on issue	885,529	600,822

Review of operations and significant changes in the state of affairs

A summary of the consolidated results is as follows:

	2003 \$'000	2002 \$'000
Net profit (including net revaluation of investment properties)	114,314	79,919
Income brought forward	199	960
Transfer from contributed equity	9,035	4,573
Net transfers to reserves	-	(6,876)
Distribution paid and payable	(118,509)	(78,377)
Amounts available for distribution carried forward	5,039	199
Value of Trust assets at 30 June	2,393,011	1,384,155

Distributions from the Trust increased from 13.69 cents per unit in 2002 to 14.00 cents in 2003, with underlying profit attributable to unitholders before asset revaluations increasing from \$73,043,000 in 2002 to \$114,314,000 in 2003, an increase of 57 percent. This increase reflects growth in rental revenue driven by the increased property portfolio and also increased interest income on loans to related parties.

Trust assets increased from \$1,384,155,000 in 2002 to \$2,393,011,000 a net increase of \$1,008,856,000, driven by the level of acquisition activity during the year, and the increase in loans to related parties.

For a more detailed explanation of the results for the year refer to the discussion and analysis on the consolidated financial statements.

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

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 was also Chairman of Export Finance and Insurance Corporation from 1996 to August 2002 and is currently a Director of SFE Corporation Limited, Legalco Limited and Zurich Financial Services Australia Limited.	Non Executive Chairman
C J O'Donnell Dip.Bus. NZCB, FAICD, AIQS (Affil), FAPI	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
J L Arthur LLB (Hons)	John has been a partner of major law firms in Sydney 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 Rinker Group Limited.	Non Executive Director Chairman Nominations and Remuneration Committee
S A Mays B.Sc (Hons) M.Sc, MBA, FAICD	Shaun retired as the Managing Director of Westpac Financial Services in 2003. Prior to joining Westpac he was Chief Investment Officer of Commonwealth Financial Services and Managing Director & Chief Investment Officer of Mercury Asset Management. His current appointments include Non-Executive Director, Babcock and Brown Direct Investment Fund, a Member of the National Environmental Education Council, a Member of the Australian Stock Exchange Listing Appeals Committee, a Member of the Environment Minister's Roundtable and a Director of Plan International Australia.	Non Executive Director Chairman Sustainability Committee
J I Messenger ANZIF Snr. Assoc	John has extensive international insurance broking and risk management experience. Between 1986 and 1995, John was the Managing Director of MLC Insurance Limited and a director of Lend Lease Learning Pty Limited. From 1997 to 2001, he was the Chief Executive Officer, Corporate Risk Management for the Lend Lease Group. John is a director of St John Ambulance Australia Limited and of Territory Insurance Office, Darwin.	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.	Non Executive Director Chairman Audit and Risk Management Committee

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

Directors' Interests in units of Investa Property Trust were as follows:

	Number of units	
	2003	2002
I K Payne	22,278	7,595
C J O'Donnell	1,566,347	1,017,760
J L Arthur	10,215	-
S A Mays	30,375	-
J I Messenger	30,769	-
D R Page	18,521	-

Responsible Entity Interests

No fees were paid out of Trust property to the directors of the responsible entity during the year.

Management expense ratio (MER)

The MER of the Trust for the past five years is shown in the following table. The MER figures include the expenses incurred directly and indirectly by the Trust:

	2003	2002	2001	2000	1999
	%	%	%	%	%
MER	0.20	0.29	0.44	0.72	0.90

Environmental regulation

Whilst the Trust is not subject to significant environmental regulation in respect of its activities, the directors of the Responsible Entity 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.

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

Matters subsequent to the end of the financial year

Principal Office Fund

On 21 May 2003 Investa Property Trust acquired 78,351,484 units in Principal Office Fund, representing an 8.4 percent holding. On 26 May 2003 Investa Properties Limited as responsible entity of Investa Property Trust announced its intention to make an off market scrip and cash offer to acquire the remaining units in Principal Office Fund under the terms set out in the bidder's statement lodged with the Australian Securities and Investments Commission (ASIC) on 2 June 2003. The bidder's statement was issued to Principal Office Fund unitholders on 20 June 2003. The offer was declared unconditional on 14 July 2003. On 21 July 2003 the cash component of the offer consideration was increased by 3 cents per Principal Office Fund unit, which resulted in a 14 day extension of the offer period to 4 August 2003.

In the period from 1 July 2003 to 28 July 2003 Investa Property Trust acquired a further 148,415,738 units for an approximate consideration of \$230 million, which increased its holding to 24.3 percent of the units in Principal Office Fund. The acquisition of those units has been funded out of a debt facility arranged with Commonwealth Bank of Australia and the issue of stapled securities in Investa Property Group. The financial effects of the units acquired in Principal Office Fund and the cash and units issued to fund the acquisition in the period from 1 July 2003 to 28 July 2003 have not been brought to account at 30 June 2003.

Other matters

On 1 July 2003 Townsville Trust sold 7-13 Tomlins Street, Townsville for \$10.9 million. Investa Real Property Growth Trust, 100 percent sub trust of Investa Property Trust, owns 45 percent of Townsville Trust. The financial effect of this transaction has not been brought to account at 30 June 2003.

Likely developments and expected results of operations

Information on the likely developments in operations and the expected results of these operations have not been included because the directors believe that it would be likely to result in unreasonable prejudice to the Trust.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided for the directors of the Responsible Entity or the auditors of the Trust. So long as the officers of Investa Properties Limited act in accordance with the constitution and the law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

Rounding of amounts

The Trust is a registered scheme of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars, in accordance with that class order, unless otherwise indicated.

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



I K Payne
Chairman
Sydney
29 July 2003

Annual Concise Report

Investa Property Trust

Discussion and Analysis on the Consolidated Financial Statements

Consolidated Statement of Financial Performance

Net profit before revaluation increments for the year to 30 June 2003 increased 57 percent on the previous corresponding period to \$114,314,000 from \$73,043,000.

The distribution per unit has increased 2 percent to 14.00 cents per unit from 13.69 cents per unit in the corresponding year compared to an increase in earnings per unit before amortisation and revaluations of 9 percent to 14.35 cents per unit. Amounts available for distribution carried forward have increased from \$199,000 as at 30 June 2002 to \$5,039,000 as at 30 June 2003.

Rental income has increased 45 percent to \$141,053,000 due to growth in the property portfolio driven by the purchase of properties acquired from Telstra during the year (242 Exhibition Street, Melbourne, 310 Pitt Street, Sydney and 231 Elizabeth Street, Sydney), the acquisition of State Law, Brisbane and 50 percent of Kings Row, Brisbane, along with positive market rental reviews on existing properties.

Distributions from associates have increased 54 percent to \$27,297,000 reflecting the impact of new investments in associates made during the year including:

- a 50 percent interest in Penrhyn House Trust which owns Penrhyn House, Canberra;
- a 50 percent interest in Investa South Melbourne Trust which owns 209 Kingsway, Melbourne; and
- a 50 percent interest in 589 Collins Trust, which owns 589 Collins Street, Melbourne.

Other revenue of \$204,280,000 includes:

- \$184,591,000 relating to the gross sales proceeds on investments sold during the year being:
 - 260 Queen Street, Brisbane (realising a profit after disposal costs of \$999,000);
 - 50 percent of SUNPAC Property Fund (owner of 1 Market Street) and 50 percent of 231 Elizabeth Street, Sydney (both sold to Investa Commercial Property Fund at their carrying value as part of the restructure of this fund thereby realising no gain); and
- \$16,884,000 of interest income of which \$14,997,000 was earned on loans to Investa Properties Limited and its subsidiaries to facilitate the expansion of the Group's activities.

Annual Concise Report

Investa Property Trust

Discussion and Analysis on the Consolidated Financial Statements (continued)

Consolidated Statement of Financial Performance (continued)

Operating expenses including rates and taxes, property outgoings and repairs and maintenance have increased on the corresponding year (by \$9,946,000 to \$33,550,000) reflecting the increase in the property portfolio.

Borrowing costs include interest expense and line facility fees and have increased on the corresponding year (by \$18,872,000 to \$35,962,000) due to the increase in borrowings required to partly fund the investments made by Investa Property Group during the year. This increase is partially offset by a lower average cost of funds arising from proactive interest rate risk management.

Included in other expenses is the management fee paid to Investa Properties Limited and other general operating expenses of the Trust. The MER has reduced to 0.20 percent as compared to 0.29 percent in the previous corresponding year.

Consolidated Statement of Financial Position

Trust assets increased by 73 percent to \$2,393,011,000 primarily driven by the increase in the property portfolio due to the acquisition of the properties mentioned above.

Increased loans to Investa Properties Limited and its subsidiaries, to facilitate the growth of the Company's activities, have also contributed to the growth of Trust assets.

In order to assist in the funding of the properties acquired from Telstra and the general expansion of the Group's activities, a further Commercial Mortgage Backed Security (CMBS) issuance was made in April 2003. This comprised of \$180,000,000 AAA notes and \$33,000,000 AA+ notes which, when combined with the original CMBS issue of \$250,000,000, increases the CMBS issuance to \$463,000,000. Interest bearing liabilities have increased from \$269,000,000 to \$730,000,000.

During May 2003, Investa Property Trust also purchased an 8.4 percent holding in Principal Office Fund for \$127,159,000 including acquisition costs. The purchase was funded by a new \$550,000,000 facility negotiated during the year.

Gearing has increased from 19 percent at 30 June 2002 to 31 percent at 30 June 2003.

Contributed equity increased in the period due to the issue of units, raising \$536,016,000 to facilitate the Group's acquisitions.

Annual Concise Report

Investa Property Trust

Discussion and Analysis on the Consolidated Financial Statements (continued)

Consolidated Statement of Cash Flows

Cash flow from operating activities has increased 41 percent to \$103,448,000 in the period consistent with the increase in net profit before revaluation adjustments. The increase is driven by an increase in rental receipts by 41 percent matching the increase in rental income, by growth in the distribution from associates (see comments above on revenue growth from associates) and the increase in interest income received from loans to related entities.

Net cash flow from investing activities for the year was a significant outflow of \$930,095,000 reflecting:

- Payment by the Trust for property investments totalling \$516,726,000 which includes, 242 Exhibition Street, Melbourne, 310 Pitt Street, Sydney and 231 Elizabeth Street, Sydney;
- Payments for investments in associates of \$106,402,000 including a 50 percent interest in Penrhyn House, Canberra, 589 Collins Street, Melbourne, and the completion of the construction of 209 Kingsway, Melbourne;
- The purchase of an 8.4 percent stake in Principal Office Fund for \$127,159,000 including acquisition costs; and
- Net loans to related entities of \$201,396,000 were made during the period to fund Investa Properties Limited's acquisitions of an interest in five Telstra properties and its investment in Investa Commercial Property Fund;

partially offset by:

- Proceeds on disposal of 3 investments including 50 percent interests in SUNPAC Property Fund (1 Market Street, Sydney) and 231 Elizabeth Street, both as part of the restructure of the Group's wholesale fund and 260 Queen Street, Brisbane for a total of \$176,591,000.

The investing activities acquisitions have been funded by a mix of debt and equity raisings resulting in a **net cash inflow from financing activities** of \$817,758,000. The split is:

- Equity raised net of costs of \$422,798,000; and
- Net increases in borrowings of \$394,960,000.

Annual Concise Report

Investa Property Trust

Consolidated Statement of Financial Performance

For the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Revenue from ordinary activities			
Rent		141,053	97,562
Distributions from associates		27,297	17,685
Other revenues from ordinary activities		204,280	4,493
Total revenue from ordinary activities		372,630	119,740
Property outgoings		(29,801)	(21,216)
Repairs and maintenance		(3,749)	(2,388)
Borrowing costs		(35,962)	(17,090)
Increment on revaluations of investment properties		–	6,876
Amortisation of intangibles		(1,930)	(1,930)
Other expenses from ordinary activities		(186,874)	(4,073)
Net profit		114,314	79,919
Net increase in asset revaluation reserve		3,139	46,565
Total revenues, expenses and valuation adjustments attributable to unitholders of Investa Property Trust recognised directly in equity		3,139	46,565
Total changes in equity other than those resulting from transactions with unitholders as owners		117,453	126,484
Distributions paid and payable	3	118,509	78,377
		Cents	Cents
Distributions paid and payable per unit (Cents per unit)	3	14.00	13.69
Basic and diluted earnings per unit (Cents per unit)	5	14.12	14.01
Basic and diluted earnings per unit (before revaluation)	5	14.12	12.81
Basic and diluted earnings per unit (before revaluation and amortisation)	5	14.35	13.14

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

Annual Concise Report

Investa Property Trust

Consolidated Statement of Financial Position

As at 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Current assets			
Cash assets		2,781	11,670
Receivables		29,142	14,946
Loans to related entities		205,864	29,577
Investment properties	6	4,196	-
Total current assets		241,983	56,193
Non-current assets			
Intangibles		33,627	35,557
Loans to related entities		172,665	142,086
Other investments		127,159	-
Investment properties	6	1,817,577	1,150,319
Total non-current assets		2,151,028	1,327,962
Total assets		2,393,011	1,384,155
Current liabilities			
Payables		14,683	7,079
Provision for distribution	3	32,765	18,121
Total current liabilities		47,448	25,200
Non-current liabilities			
Interest bearing liabilities		730,000	269,000
Total non-current liabilities		730,000	269,000
Total liabilities		777,448	294,200
Net assets		1,615,563	1,089,955
Equity			
Contributed equity		1,583,173	1,043,191
Reserves		27,351	46,565
Amounts available for distribution	4	5,039	199
Total equity		1,615,563	1,089,955

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

Annual Concise Report

Investa Property Trust

Consolidated Statement of Cash Flows

For the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	142,793	101,495
Cash payments in the course of operations	(32,126)	(34,175)
Interest received	2,770	2,376
Distributions from associates	24,254	18,284
Borrowing costs paid	(34,243)	(14,857)
Net cash inflow from operating activities	103,448	73,123
Cash flows from investing activities		
Proceeds from sale of property and investments	176,591	-
Capital expenditure payments	(7,537)	(4,996)
Loans to related entities	(457,738)	(244,233)
Repayment from loans to related entities	256,342	74,103
Payment for investment in listed trust	(127,159)	-
Payments for investments in property	(516,726)	-
Payments for investments in associates	(106,402)	-
Purchase of controlled entity, net of cash acquired	(147,466)	-
Net cash (outflow) from investing activities	(930,095)	(175,126)
Cash flows from financing activities		
Proceeds from issues of units	488,038	132,057
Proceeds from borrowings	655,700	81,800
Repayment of borrowings	(472,700)	(305,800)
Distributions paid	(55,887)	(48,576)
Proceeds from issue of commercial notes	213,000	249,405
Payment of costs associated with issue of commercial notes	(1,040)	(1,018)
Payments for costs associated with issue of units	(9,353)	(5,649)
Net cash inflow from financing activities	817,758	102,219
Net (decrease)/increase in cash held	(8,889)	216
Cash at the beginning of the financial year	11,670	11,454
Cash at the end of the financial year	2,781	11,670

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

Annual Concise Report

Investa Property Trust

Notes to the Consolidated Financial Statements

For the year ended 30 June 2003

Note 1. Basis of preparation of concise financial report

The concise financial report has been prepared in accordance with the requirements of the Trust Constitution, 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 year. 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 Property Trust as the full financial report.

The accounting policies adopted are consistent with those of the previous year.

Note 2. Segment information

The Consolidated Entity operates solely in the business of investment in commercial property in Australia.

Note 3. Distributions paid and payable

	2003 \$'000	2003 Cents per unit	2002 \$'000	2002 Cents per unit
Timing of distributions				
The distributions were paid/payable as follows:				
30 September	25,730	3.30	18,670	3.575
31 December	28,847	3.45	20,523	3.575
31 March	31,167	3.55	21,063	3.525
30 June final payable*	32,765	3.70	18,121	3.016
	118,509	14.00	78,377	13.691

*The 30 June 2003 distribution will be paid on 22 August 2003.

Annual Concise Report

Investa Property Trust

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Note 4. Amounts available for distribution

	2003 \$'000	2002 \$'000
Amounts available for distribution at the beginning of the financial year	199	960
Net profit	114,314	79,919
Transfer to asset revaluation reserve	-	(6,876)
Transfer from contributed equity	9,035	4,573
Distributions provided for or paid	(118,509)	(78,377)
Amounts available for distribution at the end of the financial year	5,039	199

Note 5. Earnings per unit

	2003	2002
Basic earnings per unit (cents)	14.12 c	14.01 c
Basic earnings per unit (cents) before revaluation, after amortisation	14.12 c	12.81 c
Basic earnings per unit (cents) before revaluation, before amortisation	14.35 c	13.14 c
Weighted average number of units outstanding during the year used in the calculation of basic earnings per unit	809,850,175	570,361,749

Annual Concise Report

Investa Property Trust

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Note 6. Investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
Current assets				
Townsville Trust		45%	11/11/02	4,196
Total current assets				4,196
Non current assets				
Investa Property Trust				
62 Northbourne Avenue, Canberra, ACT	Offices 96 yr Leasehold	100%	26/02/88	28,750
64 Northbourne Avenue, Canberra, ACT	Offices 96 yr Leasehold	100%	01/07/94	23,991
73 Northbourne Avenue, Canberra, ACT *	Offices 99 yr Leasehold	100%	06/05/94	23,330
73 Miller Street, North Sydney, NSW *	Offices / Freehold	100%	12/06/97	75,802
50-60 Talavera Road, North Ryde, NSW *	Offices / Freehold	100%	01/11/99	32,743
32 Philip Street, Parramatta, NSW	Offices / Freehold	100%	01/11/99	21,784
55 Market Street, Sydney, NSW *	Offices / Freehold	100%	31/07/98	122,559
241 Adelaide Street, Brisbane, QLD	Offices 75 yr Leasehold	100%	10/09/98	21,218
410 Ann Street, Brisbane, QLD *	Office / Freehold 120 yr Leasehold	100%	23/11/87	59,291
260 Queen Street, Brisbane, QLD	Offices / Freehold	100%	01/11/99	-
469 La Trobe Street, Melbourne, VIC *	Offices / Freehold	100%	01/07/88	81,290
485 La Trobe Street, Melbourne, VIC *	Offices / Freehold	100%	10/09/98	91,103
420 St Kilda Road, Melbourne, VIC	Offices / Freehold	100%	12/12/86	24,686
109 St Georges Terrace, Perth, WA	Offices / Freehold	100%	01/11/99	25,000
Total Parent				631,547
Investment in controlled entities				
Investa Real Property Growth Trust				
115 Grenfell Street, Adelaide, SA *	Offices / Freehold	100%	04/05/89	49,572
110 George Street, Parramatta, NSW *	Offices / Freehold	50%, 50%	02/10/97, 15/12/98	67,916
State Law Building, Brisbane, QLD	Offices / Freehold	100%	31/01/03	85,973
Kings Row, Brisbane, QLD	Offices / Freehold	50%	31/01/03	33,108
1 Market Street, Sydney, NSW*	Offices / Freehold	50%	31/01/03	106,172
Total - Investa Real Property Growth Trust				342,741

Annual Concise Report

Investa Property Trust

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/03 \$'000	Consolidated book value 30/06/02 \$'000
-	-	-	4,196	-
			4,196	-
30/06/02	27,500	P Harding, Knight Frank	27,507	27,500
31/03/02	16,100	A Martin, AAPI, JLL Advisory	16,130	16,100
30/06/03	17,100	R Ford, AAPI, FPD Savills	17,100	17,134
30/06/02	90,000	A Richard, FAPI, CB Richard Ellis	90,319	90,000
30/06/03	32,000	D McGrath, AAPI, FPD Savills	32,000	31,400
30/06/03	23,000	M Smallhorn, AAPI, JLL Advisory	23,000	21,100
30/06/02	138,000	D Castles, AAPI, Landmark White	138,516	138,000
31/12/02	17,000	J Porter, AAPI, CBRE	17,026	18,100
30/06/01	62,500	C Chatwood, AAPI, JLL Advisory	64,173	62,610
31/03/01	23,000	W Wiermann, AAPI, JLL Advisory	-	23,070
30/06/02	53,100	J Perillo, AAPI, Knight Frank	53,289	53,100
30/06/02	111,000	G Longden, FAPI, JLL Advisory	111,046	111,000
30/06/03	27,500	D Magree, AAPI, m3 Property	27,500	27,159
30/06/02	25,500	S Nuttall, AAPI, JLL Advisory	25,726	25,500
			643,332	661,773
30/06/03	28,600	S Hickin, AAPI, JLL Advisory	28,600	26,680
30/06/02	66,500	M Caruana, FAPI, Knight Frank	67,071	66,500
31/12/02	83,000	I Gregory, AAPI, Knight Frank	85,973	-
31/12/02	31,700	J Apted, AAPI, Colliers International	33,108	-
31/12/02	102,500	A Pannifex, AAPI, Knight Frank	106,172	-
			320,924	93,180

Annual Concise Report

Investa Property Trust

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Note 6. Investment properties (continued)

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
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Investment in controlled entities (continued)

Lizabeth Trust

255 Elizabeth Street, Sydney, NSW*	Offices / Freehold	50%	21/09/94	172,610
		10%	11/12/98	
		40%	01/11/99	
Total – Lizabeth Trust				172,610

Connect Property Trust

242 Exhibition Street, Melbourne, Vic*	Offices / Freehold	100%	19/08/02	274,518
231 Elizabeth Street, Sydney, NSW*	Offices / Freehold	50%	19/08/02	58,362
310 Pitt Street, Sydney, NSW*	Offices / Freehold	100%	08/10/02	125,484
Total – Connect Property Trust				458,364

Total investment in controlled entities	973,715
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Investment in associates

60 Martin Place Unit Trust

60 Martin Place, Sydney, NSW	Offices / Freehold	50%	01/11/99	80,475
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SUNPAC Property Fund*

1 Market Street, Sydney, NSW	Offices / Freehold	50%	09/01/96	–
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80 Pacific Highway Trust

80 Pacific Highway, North Sydney, NSW	Offices / Freehold	50%	04/05/01	45,743
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Investa South Melbourne Trust

209 Kingsway, Melbourne, VIC	Offices / Freehold	50%	31/01/02	51,425
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Penryhn House Trust

Penryhn House, Woden, ACT	Offices / Freehold	50%	06/12/02	20,649
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589 Collins Trust

589 Collins Street, Melbourne, VIC	Offices / Freehold	50%	31/01/03	28,486
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Investa Brisbane Commercial Trust**

		20%	08/05/01	4,820
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Total investment in associates	231,598
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Total non-current investment	1,836,860
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Total Investment	1,841,056
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* These properties and units are used as security for the issue of the commercial notes.

** The underlying properties are located at 45 Charlotte Street, Brisbane and 363 Adelaide Street, Brisbane.

Properties not independently valued during the last 12 months are carried at directors' valuation at 30 June 2003.

Annual Concise Report

Investa Property Trust

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/03 \$'000	Consolidated book value 30/06/02 \$'000
30/06/03	152,000	D Castles, AAPI, Landmark White	152,000	154,447
			152,000	154,447
30/06/02	261,000	A Pannifex, AAPI, FPDSavills	274,523	-
30/06/02	57,500	A Pannifex, AAPI, FPDSavills	58,362	-
30/06/02	120,000	A Pannifex, AAPI, FPDSavills	125,486	-
			458,371	-
			931,295	247,627
30/06/03	92,500	P A Dempsey, FAPI, Ernst & Young	91,825	88,325
31/12/02	102,500	A Pannifex, AAPI, FPDSavills	-	102,029
31/03/01	45,375	M S Smallhorn, FAPI, JLL Advisory	45,745	45,745
01/08/02	50,000	G Longden, FAPI, JLL Advisory	51,425	-
01/09/02	19,300	P Harding, Knight Frank	20,649	-
01/12/02	28,000	J A Perillo, AAPI, Knight Frank	28,486	-
-	-	-	4,820	4,820
			242,950	240,919
			1,817,577	1,150,319
			1,821,773	1,150,319

Annual Concise Report

Investa Property Trust

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2003

Reconciliations

Reconciliations of the carrying amounts of investment property at the beginning and end of the current and previous financial year are set out below:

	2003 \$'000	2002 \$'000
Carrying amount at start of year	1,150,319	1,091,885
Additions	847,570	4,993
Disposals	(183,451)	-
Revaluation increments	3,139	53,441
Carrying amount at end of year	1,817,577	1,150,319

Note 7. Events occurring after reporting date

Principal Office Fund

On 21 May 2003 Investa Property Trust acquired 78,351,484 units in Principal Office Fund, representing an 8.4 percent holding. On 26 May 2003 Investa Properties Limited as responsible entity of Investa Property Trust announced its intention to make an off market scrip and cash offer to acquire the remaining units in Principal Office Fund under the terms set out in the bidder's statement lodged with the Australian Securities and Investments Commission (ASIC) on 2 June 2003. The bidder's statement was issued to Principal Office Fund unitholders on 20 June 2003. The offer was declared unconditional on 14 July 2003. On 21 July 2003 the cash component of the offer consideration was increased by 3 cents per Principal Office Fund unit, which resulted in a 14 day extension of the offer period to 4 August 2003.

In the period from 1 July 2003 to 28 July 2003 Investa Property Trust acquired a further 148,415,738 units for an approximate consideration of \$230 million, which increased its holding to 24.3 percent of the units in Principal Office Fund. The acquisition of those units has been funded out of a debt facility arranged with Commonwealth Bank of Australia and the issue of stapled securities in Investa Property Group. The financial effects of the units acquired in Principal Office Fund and the cash and units issued to fund the acquisition in the period from 1 July 2003 to 28 July 2003 have not been brought to account at 30 June 2003.

Other matters

On 1 July 2003 Townsville Trust sold 7-13 Tomlins Street, Townsville for \$10.9 million. Investa Real Property Growth Trust, 100 percent sub trust of Investa Property Trust, owns 45 percent of Townsville Trust. The financial effect of this transaction has not been brought to account at 30 June 2003.

Note 8. Full financial report

Further financial information can be obtained from the full financial report which is available, free of charge, on request from the unit registry. A copy may be requested by calling 1800 635 323 (free call) and for international 612 8280 7182. Alternatively, both the full financial report and the concise financial report can be accessed via the internet at: www.investa.com.au.

Annual Concise Report

Investa Property Trust

Directors' Declaration

The directors of the Responsible Entity declare that in their opinion, the concise financial report, comprising Investa Property Trust and its controlled entities for the year ended 30 June 2003 as set out on pages 111 to 120 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 2003.

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 8, is available on request.

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



I K Payne
Chairman
Sydney
29 July 2003

Annual Concise Report

Investa Property Trust

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

Independent Audit Report to the Unitholders of Investa Property Trust

Audit opinion

In our opinion, the concise financial report of Investa Property Trust (the Trust) for the year ended 30 June 2003, set out on pages 111 to 121 complies with Australian Accounting Standard AASB 1039: Concise Financial Reports.

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The concise financial report – responsibility and content

The preparation and content of the concise financial report for the year ended 30 June 2003 are the responsibility of the directors of Investa Properties Limited (the Responsible Entity).

The auditor's role and work

We conducted an independent audit of the concise financial report in order to express an opinion on it to the unitholders of the Trust. Our role was to conduct the audit 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 Trust for the financial year ended 30 June 2003. Our audit report on the full financial report was signed on 29 July 2003, and was not subject to any qualification. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

In conducting the audit of the concise financial report, we carried out a number of procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports.

The procedures included:

- testing that the information included in the concise financial report is consistent with the information in the full financial report
- selecting and examining evidence, on a test basis, as required by auditing standards, to support amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report. We did not examine every item of available evidence
- reviewing the overall presentation of information in the concise financial report.

Our audit opinion was formed on the basis of these procedures.

Annual Concise Report

Investa Property Trust

Independent Audit Report to the Unitholders of Investa Property Trust (continued)

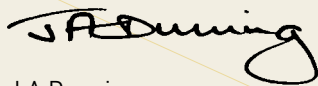
Independence

As auditor, we are required to be independent of the Trust and its controlled entities and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit work, we were engaged to undertake other services for the Trust and its controlled entities. In our opinion the provision of these services has not impaired our independence.



PricewaterhouseCoopers
Chartered Accountants



J A Dunning
Partner
Sydney
29 July 2003



1 MARKET STREET SYDNEY

Directory

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Sydney NSW 2000
Telephone (02) 8226 9300

Directors

Ian Payne, (Chairman) Non Executive
Chris O'Donnell, Managing Director
John Arthur, Non Executive
Shaun Mays, Non Executive
John Messenger, Non Executive
Deborah Page, Non Executive

Company Secretary

Brian McGarry

Auditors

PricewaterhouseCoopers
Chartered Accountants
201 Sussex Street
Sydney 2000

Share Registry

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If you are interested in receiving details of opportunities to invest in property syndicates, please contact Investa Property Group on (02) 8226 9300

Website www.investa.com.au



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