


Contents



Investa Property Group
Annual Report
2004

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Key Information

Investa Property Group	2004	2003
Total Assets	\$4.5 billion	\$2.6 billion
Gearing	36.3%	32.9%
Net Tangible Asset Backing	\$1.78	\$1.81
Assets Under Management	\$5.1 billion	\$3.2 billion
Employees	190	132

Investment Portfolio		
37 Commercial office buildings (27 in 2003)	752,000 m ²	553,000 m ²
Occupancy Rate*	96.2%	97.7%
Average remaining lease term*	4.4 years	5.1 years

* weighted by ownership

Funds Management

Syndicates

Collins Property Trust	\$45 million	\$46 million
Investa Brisbane Commercial Trust	\$54 million	\$54 million
Investa North Sydney Property Trust	\$45 million	\$47 million
Investa First Industrial Trust	\$53 million	\$53 million
Investa Second Industrial Trust	\$62 million	\$62 million
Investa Fourth Commercial Trust	\$61 million	\$60 million
Investa Fifth Commercial Trust	\$90 million	\$74 million
Investa Sixth Commercial Trust	\$95 million	n/a

Wholesale Funds Management

Martin Place Wholesale Fund	\$94 million	\$93 million
Investa Commercial Property Fund	\$254 million	\$250 million

Asset Management

Real Estate Licences in New South Wales, Victoria and Queensland

Properties Under Management	58	47
Net Lettable Area	1,220,000m ²	790,000m ²
Rent Roll	\$520 million pa	\$280 million pa

Development

Residential/Office/Industrial project inventory	\$169 million	\$133 million
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Corporate Property Services

Westpac Banking Corporation Contract	✓	✓
Suncorp Metway Contract (01 July '04)	✓	-

ASX Trading Performance (1 July – 30 June)

Closing trade price (per security)	\$1.95	\$1.98
12 month high (per security)	\$2.09	\$2.24
12 month low (per security)	\$1.85	\$1.92
Market Capitalisation (30 June)	\$2.8 billion	\$1.8 billion

2004 Highlights



Graham Monk, Chief Financial Officer
Brian McGarry, Company Secretary

Performance

- Income distribution for the year at 16.50 cents per security represents a 5.8% increase over the previous financial year
- Earnings before interest, tax, depreciation and amortisation (EBITDA) for the year increased by 72.0% to \$300 million
- Business activities contributed \$45.7 million in segment ordinary profit, up 34.0%, and equivalent to 13.0% of Group earnings (18% 2003)
- Total assets increased by 73.0% to \$4.5 billion
- Assets under management increased by 59.0% to \$5.1 billion
- Equity raisings totalling \$1.1 billion were completed at an average price of \$1.94
- Notwithstanding an under benchmark performance for the year (4.9% vs 5.9%), total return to securityholders for the three years to 30 June 2004, was 10.2% compared to the benchmark UBS-W Commercial 200 property trust index, which returned 7.4%

Completed Acquisition of Principal Office Fund

- \$1.8 billion assets acquired via on market takeover
- IPL appointed as the responsible entity on 8 October, 2003
- Added 12 properties to the Investment Portfolio, including 126 Phillip Street, Sydney
- Increased the asset quality of the Investment Portfolio
- Upon acquisition, we renamed the fund as Delta Office Fund (hereinafter referred to as Delta)



400 GEORGE STREET, SYDNEY

2004 Highlights continued

Recognition

- 2004 Banksia Environmental Foundation Award - Leadership in Socially Responsible Investment. The theme for this year was "Innovation in the Year of the Built Environment"
- 2004 Facilities Management Association SEDA Environmental Achievement Award

Development

- Investa now controls in excess of 7,500 lots and potential lots, which will underpin the continued contribution from the residential land and medium density business
- 289 residential lots sold in 2004 from development projects in Manly, Qld; Mill Park Lakes, Vic and Quinns Beach, WA, generating \$34.7 million in sales
- Purchased 60.9 hectare residential subdivision in Henley Brook, WA for \$15.79 million to produce 571 lots, with preselling anticipated to commence September 2006
- Purchased 10.3 hectares at Evendrive, South Morang, Vic, adjacent to the Mill Park Lakes Estate for \$6.1 million, to produce 117 lots. Pre-selling commenced in August 2004 and all lots forecast to be settled over the next two years

- Purchased 226.5 hectares at Eden's Crossing, Qld (South West of Brisbane), for \$48 million, to produce 1,650 lots, with settlements occurring over a 3 year period. Construction and sales to commence November 2004
- Seeking rezoning of development site at Forbes Street, West End, Qld consisting of a 290 unit medium density apartment project with an end value in excess of \$160 million. Rezoning approval is expected in October 2004
- 11 of 12 Stage 2 commercial/ industrial units at Turner Street in Port Melbourne, Vic, have been sold whilst the remaining unit is under contract. Of the 32 Stage 3 units under construction, five have been contracted for sale. The design for Stage 4 will commence in late 2004 and the final stage of the project, Stage 5, will commence design in 2005

Asset Management – Portfolios

- Properties under management increased by 11 to 58
- Rent roll per annum increased from \$280 million to \$520 million
- The average Australian Building Greenhouse Rating for properties rated across the portfolio has improved from 2.3 in 2003 to 2.6 in 2004.

- Achieved a 5-Star Health and Safety Management System rating by the National Safety Council of Australia for the second consecutive year. This year the Investa programme was extended from 16 to 25 properties, with the inclusion of Investa's Queensland portfolio and additional properties in Sydney and Melbourne
- Scale of the portfolio provides efficiencies and national relationship opportunities
- Investa controls 20.0% of the Sydney Premium and A Grade commercial office market by area and 7.0% of the Melbourne market

Asset Management – Corporate Property Services

- Appointed (on 1 July, 2004) to manage Suncorp-Metway's national corporate property portfolio. The five year contract includes the management of 179 Suncorp and GIO retail outlets, five call centres, and 21 corporate office sites across the country as well as Project Management of the office fit-out in the newly constructed Brisbane Square
- Provision of property services to Westpac
- Management Projects included completing the refurbishment of RACV's headquarters at Noble Park, Victoria, the rollout of 30 new branches for Westpac and various projects for Investa Asset Management and Investa Developments

Investments

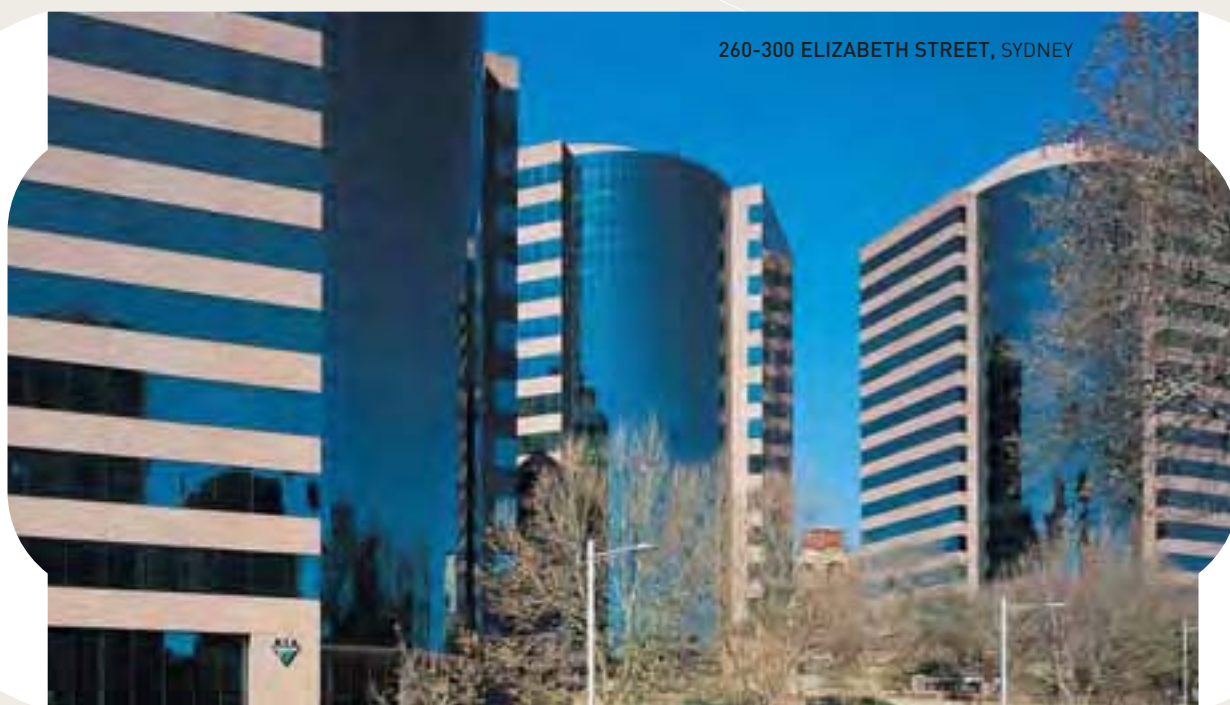
- Investment portfolio key facts:
 - 37 properties with a total value of \$3.7 billion
 - Comparable year to year Net Operating Income increased by 2.1%
 - Actual Net Operating Income increased by 89.0%
 - The Capitalisation Rate for the portfolio tightened by 0.5% to 7.7%
 - Vacancy as at June 2004 was 3.8%
 - 97,200m² of leases secured over the period
 - Comparable tenant retention rate of 83.8%

- Sold 32 Phillip Street, Parramatta, 115 Grenfell Street, Adelaide and 241 Adelaide Street, Brisbane
- Acquired 441 St Kilda Road, Melbourne for \$45 million on a fully let yield of 9.4%
- 126 Phillip Street, Sydney scheduled for completion in September 2005. As at August 2004, the core is nearly complete and the external façade is up to level 18 of 34

Funds Management

- Investa manages eight Syndicates and two Wholesale funds
- Launched one syndicate during the year, Investa Sixth Commercial Trust, increasing total funds under management to \$850 million, a 15.0% increase over the corresponding period

- Continued sell down of units in the Wholesale Funds. New investors include:
 - Emergency Services Superannuation, Victoria
 - WA Local Government Superannuation Plan
 - Combined Fund (Anglican Church of Australia)
- Secured Socially Responsible Investment (SRI) endorsement from Sustainable Investment Research Institute for the Investa Commercial Property Fund, an Australian first
- Funds managed on behalf of seven institutional and over 4,000 retail investors



Summary of Results

	2004 \$m	2003 \$m
Net Rental and Investment Income	278.9	151.5
Net Development Income	27.1	15.8
Net Corporate Property Services Income	2.1	1.7
Funds Management Income	8.8	7.5
Asset Management Income	7.5	5.5
Interest Income	2.3	3.3
Investment sales profit	4.4	6.1
Other Income	-	2.3
Total Income	331.1	193.7
Operating Expenses	31.2	19.3
EBITDA	299.9	174.4
Interest	73.6	35.0
Depreciation and Amortisation	7.9	4.0
Tax	3.0	7.2
Net Profit	215.4	128.2
Transfers from contributed equity	18.1	9.1
Amount available for distribution brought forward	8.5	3.1
Amount available for distribution	242.0	140.4
Amount distributed	233.3	131.9
Amount available for distribution carried forward	8.7	8.5
Distributions to Securityholders		
Distribution per unit	15.85c	14.00c
Dividend per share	0.65c	1.60c
Total amount distributed per security	16.50c	15.60c
Net Tangible Assets per Security	\$1.78	\$1.81

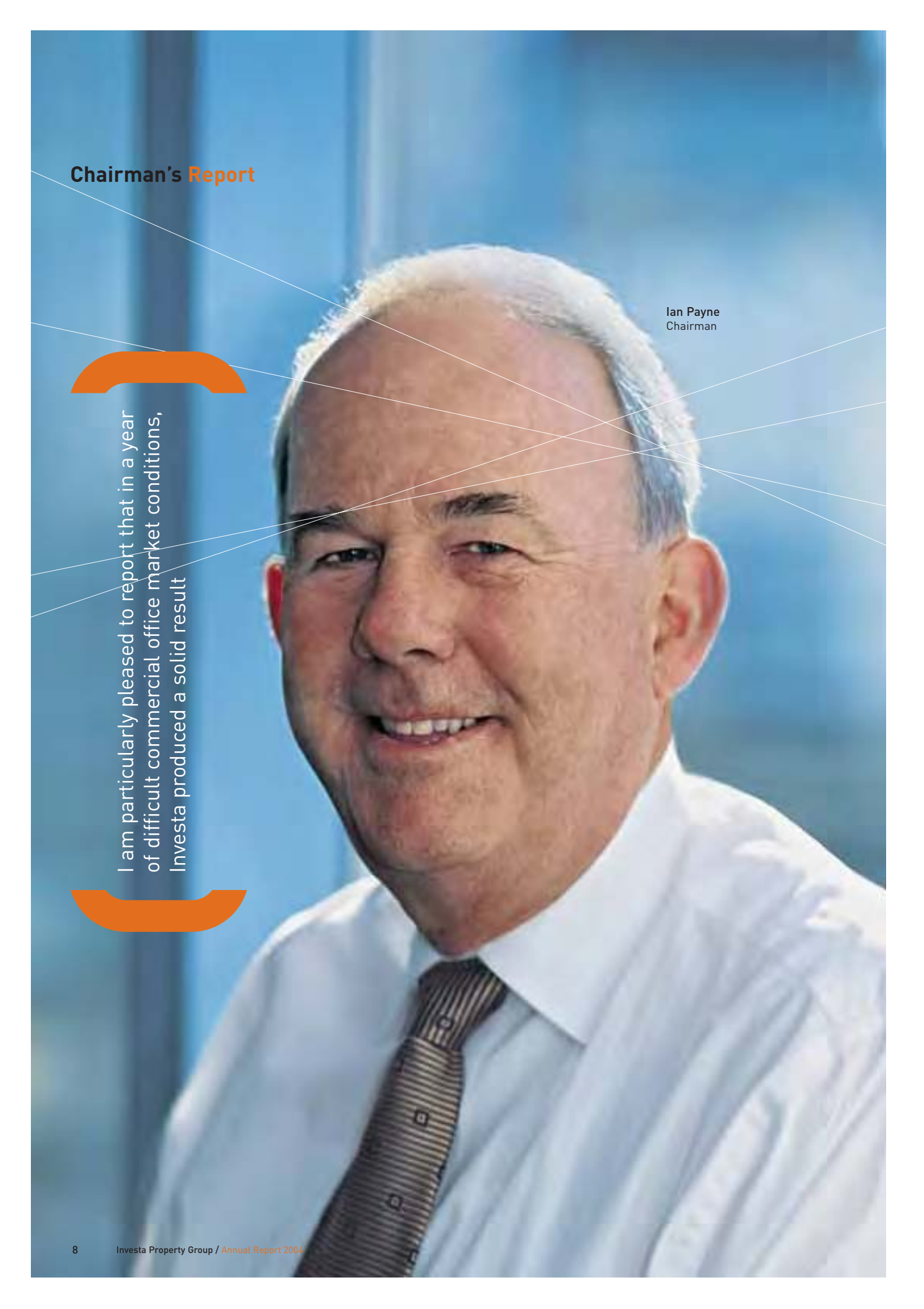


414 LA TROBE STREET, MELBOURNE



Chairman's Report

Ian Payne
Chairman



I am particularly pleased to report that in a year of difficult commercial office market conditions, Investa produced a solid result

Performance overview

The true measure of a successful organisation is the ability to drive stakeholder value in tougher times, so I am particularly pleased to report that in a year of difficult commercial office market conditions, Investa produced a solid result, meeting the guidance we gave in our June 2003 Bidder's Statement, and lifting net profit after tax by 68% to \$215 million.

Assets/distribution growth

Investa grew significantly during the year, largely due to the \$1.8 billion takeover of Delta taking total assets at 30 June 2004 to \$4.5 billion – a 73% increase over the previous period.

The Board saw the Delta acquisition as strategically important not only in light of the well documented trend towards consolidation in our industry, but also because the additional assets delivered by the transaction broadened Investa's economic base and created considerable economies of scale for us to leverage.

It is also pleasing to note that despite the distractions of a successful contested takeover bid, Investa was again able to grow distributions by almost 6% from 15.60 to 16.50 cents per security.

Stockmarket performance/benchmarks

In the three year period to 30 June 2004, Investa has outperformed the UBS-W Commercial 200 property trust index by 2.8%.

For the one year to 30 June 2004, Investa underperformed the same index by 1.0% (4.9% vs 5.9%) reflecting the fortunes of the commercial office sector, particularly in Melbourne, which underperformed against other property asset classes. Compounding that, the major initiatives taken by Westfield and Lend Lease in the listed property trust

sector, led many institutional investors to sell property stocks, such as Investa, and increase their weighting to Westfield and General Property Trust.

Looking forward we expect our security price to strengthen as office markets improve and our company activities, particularly the development business, continue to grow and add value and as a consequence, gain wider investment community recognition.

Corporate governance

We continue to take a proactive approach to corporate governance recognising that best practice governance is now a requirement not an option. Our robust governance platform also ensures that major initiatives, such as the bid for Delta, are approached in a measured and diligent fashion. In considering growth initiatives, the Board's objective is always to promote long-term increases in securityholder value, whilst at the same time minimising transaction and execution risk.

Allied to our commitment to corporate governance is a belief that long-term securityholder wealth is enhanced, and business and employee relationships strengthened, by the Group's commitment to our social, environmental and economic responsibilities.

Group Strategy – The Property Value Chain

The diversification inherent in our strategic participation along the property value chain effectively lowers risk by reducing Investa's relative dependence on, and exposure to, down swings in the office rental market. It also enables us to develop broader, and more valuable, business skills in our management team. We use these skills to serve our customers better and in turn increase our revenues. The benefits flowing from this broader

skill base are also apparent in our ability to offer better solutions to new and existing tenants at times when the market is difficult. This is demonstrated by the 97,000m² of office space that we leased during the year.

Examples of progress made in our value chain strategy during the year include the successful negotiation of the Suncorp-Metway contract for Corporate Property Services and the solid progress of the Development business, with substantial residential lot sales. Stock replenishment and landbank purchases in the Development business will continue in the coming year.

A strong, proven team

The Investa team is proud of its achievement in growing a small property investment business into one of Australia's leading integrated property solution providers in just four years. Successfully acquiring and integrating Delta without loss of focus on day to day operational issues is another example of our management team's exceptional professionalism and skill. In your Board's view our people are, and will remain, Investa's most important asset.

Looking forward

Following a year of consolidation and integration, Investa is well placed to explore new property development and investment growth opportunities in the Australian market. On behalf of the Board and senior management we thank you, our investors, for your continued support. We look forward to your participation in the opportunities that Investa Property Group intends to capitalise on in the years ahead.



Ian Payne
Chairman

Managing Director's Report

Chris O'Donnell
Managing Director

After four years of well measured, acquisition-led expansion, we have a strong, cohesive business model as a solid base for future activities.

Overview

Achieving our four-year vision

Following another year of calculated growth, Investa has progressed further towards fully realising the vision established by your management team at Investa's inception in November 2000. After four years of well measured, acquisition-led expansion, we have a strong, cohesive business model as a solid base for future activities.

Our 2004 result, which is generally in line with the Bidder's Statement issued in June 2003, indicates the potential of this consolidated model.

For the year ended 30 June 2004, Investa delivered a 68% increase in net profit after tax from \$128.2 million to \$215.4 million, while earnings per security before revaluation and amortisation were 16.55 cents per security (cps) up from 16.28 cps in 2003. Our distribution increased by 5.8% to 16.50 cps. Over the past four years to 30 June 2004 Investa has delivered compound growth in distributions of 5.9% per annum.

During the year Investa completed a number of strategic transactions, including the Delta acquisition, enabling Investa to raise \$1.1 billion in equity, at an average issue price of \$1.94 per security. Investa now has over \$5.1 billion of assets under management and provides property and facilities management services for more than 1,220,000m² of office space throughout Australia. As a result, at 30 June 2004, our market capitalisation stood at \$2.8 billion, an increase of 60% on the previous year.

Due to the debt required to fund the acquisition of Delta and the capital expenditure absorbed by the 126 Phillip Street project, gearing at 30 June 2004 was at 36.3%, which was up from 32.9% at 30 June 2003.

The continued sell down of units held in Investa Commercial Property Fund (ICPF), coupled with other debt reduction initiatives being undertaken by management should reduce gearing to a level consistent with our target debt range of 28 – 32%.

Business Activities - Solid earnings growth across the value chain

Business earnings, after tax and before interest, depreciation and amortisation (segment ordinary profit) have grown from \$34.0 million for the 2003 financial year to \$45.7 million, representing 13% of Investa's earnings. This is down from 18% in the prior year because of the impact of the Delta acquisition adding to Investment Portfolio earnings, therefore diluting the proportion of company earnings to investment earnings.

The growth in business activities was due to higher development profits, including profits on the sale of 289 residential lots and the Manly Shopping Centre and higher income from short term investments including income from the Group's investment in ICPF and the Macarthur Central Shopping Centre.

Managing Director's report continued

Earnings from Development activity (residential subdivision, commercial and industrial development) generated a segment ordinary profit of \$18.0 million, with an average 47% margin on costs across all sales, up from 44% on the previous year.

At the same time, the Asset Management and Funds Management businesses (together described as Services in the financial statements segment note) continued to expand, growing their income by 16% and contributing \$4.8 million in segment ordinary profit.

Investment Portfolio – Quality enhanced

Income from the Investment Portfolio was up 89% to \$259 million, due mainly to acquiring the Delta properties, 441 St Kilda Road, Melbourne and the full year impact of properties acquired in the prior year. Net property income was up 2.1% on a like-for-like basis, demonstrating the resilience of the Portfolio in adverse markets.

The Delta properties are a complementary fit with Investa's other properties and enhance the quality of our Portfolio, particularly in the key office markets of Sydney and Melbourne.

Strategic transactions consolidate the business platform

During the year, Investa reinforced its business platform with strategic acquisitions to strengthen the foundation of the group and transform our standing in the property investment market.

The Delta acquisition immediately increased our market capitalisation and index weighting. In the next financial year we will experience further benefits from the flow on effects of greater efficiencies of scale and development of strategic partnering relationships with our client base.

Other significant transactions included:

- Investa Property Trust acquiring 441 St Kilda Road, Melbourne at a cost of \$45 million
- The launch of the \$94.5 million Investa Sixth Commercial Trust
- \$81.3 million of development acquisitions expanding the landbank to 7,500 lots
- Sale of assets realising \$161.1 million in gross proceeds

Depth of management for a mature organisation

With Investa reaching a critical mass, we have been careful to recruit an appropriate depth of talent to support senior management in the implementation of strategy.

Our management team now includes some of Australia's most experienced and talented property professionals. Recognising that we are now large enough to generate our own skills base, during the year we commenced a graduate recruitment program to combine youthful energy and new ideas with the depth of experience already in the team.

We have continued to build our culture of innovation, teamwork and flexibility with a clear focus on our core values (see page 30).

Environmentally and commercially sustainable results

Investa's position on sustainability clearly demonstrates the compatibility of business growth and bottom line success with social responsibility.

During the year, we put in place a formal sustainability framework and an integrated environmental performance management programme which have received global and domestic recognition (see page 50).

We make a point of communicating the business benefits of our sustainability activities to stakeholders, tenants and peers to encourage the wider understanding that sustainability makes good business sense.

Strategy

Our controlled growth strategy has created the type of organisation we imagined when Investa began life as an independent entity in 2000. As a top 60 listed company by market capitalisation, Investa has the scale to go on to even bigger and better things.

Our next task is to extract further value for our stakeholders by fine-tuning and enhancing our property value chain model. We believe our model has the potential to grow company earnings from the current 13% level to 20-25%, providing us with an even larger diversification benefit.

As we pursue this strategy we will also focus on developing key points of difference in the office sector with a view to becoming recognised by our customers as the best provider of office space in Australia.

Outlook

Investa is in a strong market position as Australia's largest listed owner of office property. In addition, our services and development activities will allow us to offer our clients a unique end-to-end property solution; leverage our portfolio to generate new earnings opportunities; and spread our risk across the property value chain.

Positive signs have emerged in leasing markets around the country with consistent white collar employment growth and growing consumer confidence generating improvements in tenant demand. The Investment Portfolio delivered in excess of 97,200 m² of leasing transactions

over the 2004 year, of which 76% can be attributed to the last six months.

Some markets, Melbourne in particular, continue to suffer from excess supply through new construction. However, faster than anticipated take up of available space has seen markets like Brisbane and Canberra experience growth in effective rentals in the latter half of 2003. In addition, Sydney remains well poised for rental growth in early 2005 as underlying tenant demand outstrips the current cycle of new developments.

Investa has a high quality core portfolio of premium and A-grade office buildings, a well-spread lease maturity profile and strong asset,

tenant and geographic diversity. Now that we have grown in scale, we will be able to extract greater value from our business platform and continue to realise solid investor returns.

We firmly believe our integrated business model, quality people and the experience gained from participating across the property value chain will continue to differentiate Investa from its competitors and benefit all of our stakeholders.



Chris O'Donnell
Managing Director



400 GEORGE STREET, SYDNEY



120 Collins Street, Melbourne

Strategic Progress / The Value Chain

Four year strategy to create a resilient integrated property platform

In November 2000, Investa was created as a stapled security with the objective of building a range of businesses in the property market: funds management, development, investment and asset management. Our aim was to supplement the earnings from a quality investment

portfolio with a wide range of mutually supportive corporate activities. To this end, we built a platform on which we could add complementary businesses easily and efficiently.

Four years later, through the controlled strategy of acquisitive

growth shown below, Investa has four sizeable businesses integrated right across the property chain. We manage \$5.1 billion of property assets and are the largest listed owner of offices in Australia. We are also one of the top 10 residential property developers in Australia.

Financial Year	2001	2002	2003	2004
Development		Acquired Silverton Ltd with \$145m development assets	Increased residential inventory by 3,092 lots Assets valued at \$133m	Continued growth in residential lots which now total over 7,500 Total value \$169m
Asset Management	Investa Asset Management Pty Ltd (IAMPL) commenced operations on 11/4/01 with 11 properties under management in NSW & Vic	Added Qld assets - properties managed now 31	Increased operations of in-house property and facilities management to 47 properties	With the addition of Delta operations increased to 58 properties
	Contract to manage Westpac's national corporate property portfolio			Second major outsourcing contract with Suncorp
Investment	Funds under management \$1.1 billion		Acquired \$570 million Telstra portfolio	Acquired \$1.8 billion Delta portfolio
Funds Management	3 Syndicates - Collins Property Trust - Investa Brisbane Commercial Trust - Investa North Sydney Property Trust	2 Syndicates - Investa First Industrial Trust - Investa Second Industrial Trust	2 Syndicates - Investa Fourth Commercial Trust - Investa Fifth Commercial Trust	1 Syndicate - Investa Sixth Commercial Trust
	2 Wholesale Funds Martin Place Trust Investa Commercial Property Fund			

Strategic Progress / The Value Chain



Development

David Bromell
General Manager, Developments

Asset Management

Andrew Junor
General Manager, Portfolios

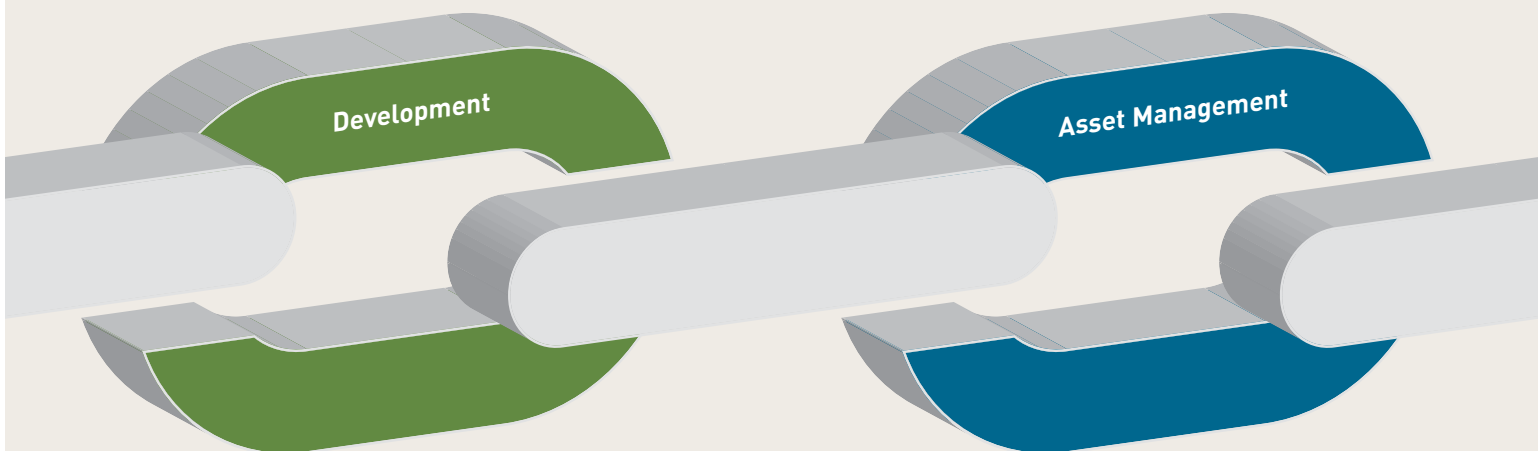
Asset Management

Peter Bolton-Hall
General Manager,
Corporate Property Services

Leveraging the synergies of the value chain

Our Development division purchases, develops and resells properties. In addition to providing an income stream in its own right, the Development business provides an important means of generating quality assets for potential investment by property trusts and syndicates under Investa management.

Our Portfolios division generates property, facilities management and leasing fees for Investa that would otherwise be paid to external organisations. It preserves and enhances Investa's asset values by ensuring tenant comfort and satisfaction and protecting the owners' interests.



In addition, our Corporate Property Services division, which has managed Westpac's corporate property portfolio since our inception, provides management capabilities for corporate clients that can also be deployed across Investa's development programs.

Investment
Michael Cook
Portfolio Manager

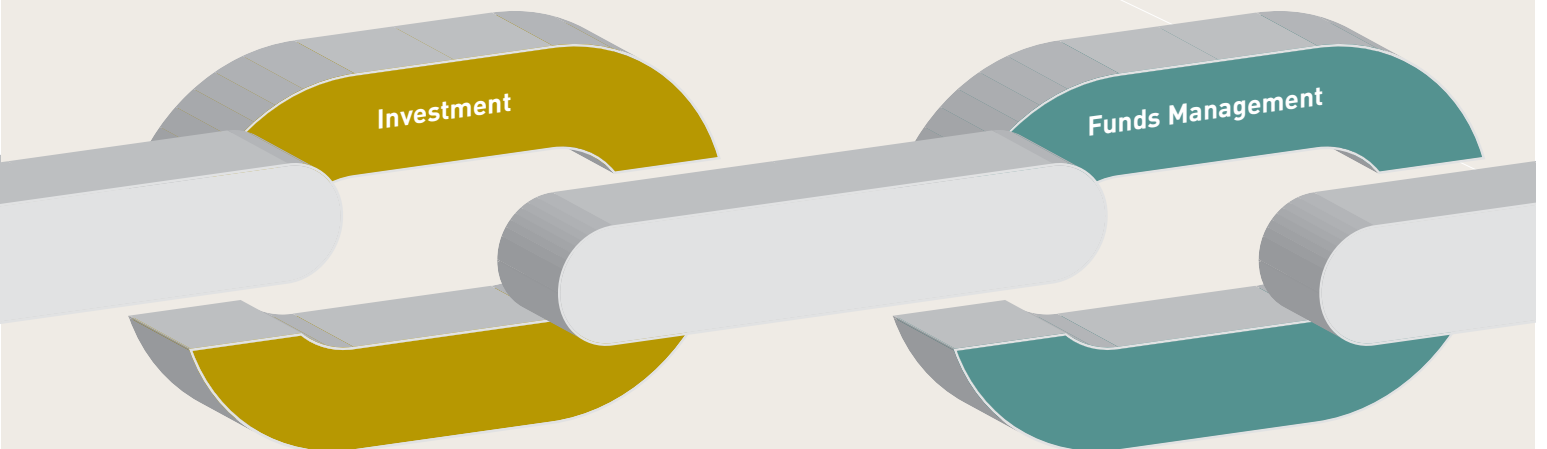
Investment
Campbell Hanan
Portfolio Manager

Funds Management
Bill Grounds
General Manager, Unlisted Funds



Investa Property Trust is our foundation stone with \$3.4 billion in office assets. Over the last four years, two substantial commercial property acquisitions – Telstra and Delta – have made this portfolio the largest in the Australian listed office sector.

We leverage the experience of managing our own portfolio by managing a number of wholesale property funds and syndications on behalf of third party clients. These clients benefit from access to an expert management team and more substantial assets than would otherwise be available.



As Investa enters its fifth financial year, we are well positioned to fully exploit the synergies between this substantial portfolio and our development, property management and funds management operations.

Business Division Reports / Development

The Development business contributed \$18.0 million in earnings after tax and before interest, depreciation and amortisation

John Bruzzaniti
Executive General
Manager – Residential

The Group's Development business continued to expand in major centres across Australia, delivering strong earnings from residential land subdivision, commercial development and commercial/industrial unit projects. The Development business contributed \$18.0 million in earnings after tax and before interest, depreciation and amortisation (segment ordinary profit) in the year to 30 June 2004, up from \$12.1 million in 2003.

The business employs 23 people in Sydney, Melbourne, Brisbane and Perth.

Residential

Residential lot sales continued at a healthy rate, achieving prices in line with expectations. Residential sales were sourced from three estates – Manly, Queensland, Quinns Beach, Western Australia and Mill Park Lakes, Victoria – generating revenues of \$34.7 million from the sale of 289 lots during the year.

The residential development pipeline remains strong. We anticipate approval for a 290 unit project at West End, Brisbane in late 2004 and expect construction on the first development stage of the Group's holding at Sippy Downs on the Sunshine Coast to start in early 2005.

Investa now holds 7,549 lots and potential lots with 726 in WA, 1,327 in Victoria and 5,496 in Queensland.

John Bruzzaniti

Executive General Manager – Residential

"My team of development managers and I are focused on creating real communities in which housing and lifestyle choices are at their best. The raw material needed for this, our landbank, now comprises some 7,000 residential lots and 500 medium density housing sites across Australia, and it's still growing! We have an enviable record of successful residential development because the communities we create are those that people actually want to live in and that capture their imagination".



Commercial/Industrial

During the year, progress in developing our commercial/industrial units included selling 11 of 12 stage 2 units at Turner Street in Port Melbourne and contracting 5 stage 3 units for sale. Construction of the Office/Warehouse facility in Investa's 'Eden Park Estate' in Sydney's North Ryde precinct is on target for completion in November

2004. This facility has been sold to the Investa Fifth Commercial Trust syndicate, with 60% of the floor space pre-leased to Contract Pharmaceutical Services of Australia. The vacant space is currently being marketed. However the North Ryde market has high vacancy rates and is proving a challenge for the team.

Business Division Reports / Asset Management Portfolios

Garry Chard
Property Supervisor

Asset Management has become a substantial, national operation as our share of the prime grade CBD office market has grown from 7% to 13%.

In 2004, the Asset Management division broadened its facilities management to meet the needs of our substantially broadened portfolio. With an additional 11 assets coming under Investa's control during the year, the value of the portfolio we manage now exceeds \$5.1 billion. Asset Management has become a significant, national operation as our share of the prime grade CBD office market has grown from 7% to 13%.

During the year, the Asset Management division increased its responsibilities from 47 to 58 mainly office assets, but also includes retail and industrial properties. The core strength of an asset management business is its people: we now have over 100 staff representing asset management, facilities management and on-site supervision throughout Australia.

This national coverage benefits our tenants and owners, giving them access to greater purchasing power, comprehensive risk management and best practice in occupational health and safety (OH&S) and environmental performance.

Having expanded our OH&S programme to assets in Brisbane and Melbourne during the year, the Group achieved a 5 star National Safety Council of Australia rating for the second year running.

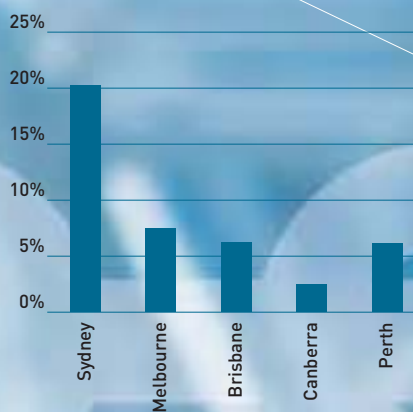
We also exceeded our environmental targets in energy and water use and the proportion of waste going to land fill (see page 50) – increasing the portfolio's average Australian Building Greenhouse Rating from 2.3 stars to 2.6 stars.

Gary Chard
Property Supervisor

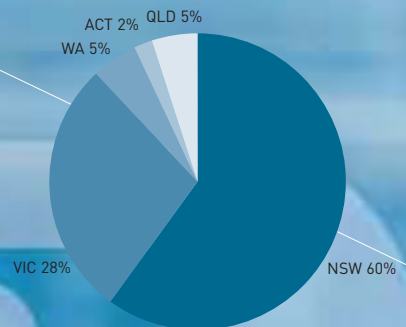
"I work at the coal face of operational management in one of Investa's properties. It's my job to look after our tenants, deal with contractors, manage building maintenance and coordinate security. Like most of my colleagues, I come from a trade background. That means I'm good at dealing with tradespeople and I know what they're capable of. I set the standard of house keeping in my properties, and my standards are high: I believe that quality comes from getting the details right, and that's what I insist on."



Investa's *Office Market Share by State



Geographic Diversity of Portfolio



*Premium and A grade CBD Office Markets

Business Division Reports / Asset Management
Corporate Property Services

Frank Hack
Client Manager

In 2004, we introduced an advisory component to our service and increased the focus on project management.

2004 was a year of repositioning and change for the Corporate Property Services (CPS) business. We introduced an advisory component to our service and increased the focus on project management, both of which contributed to the successful conversion of the second major outsourcing contract: a five year agreement to manage the property portfolio of Suncorp-Metway Ltd. The contract includes leasing, project management, planning and design, acquisition, facilities management, property strategy and workplace accommodation strategies.

Advisory and Project Management are key components of the CPS integrated business model and are provided as discrete services or as part of the overall outsourcing service.

In addition to continuing to fulfil our contract with Westpac, CPS provided strategic advice to Suncorp and the Department of Defence in 2004 as well as project managing the refurbishment of RACV's headquarters upgrade at Noble Park, Victoria and undertaking work for Investa Asset Management and Investa Developments.

Projects in 2005 will include: Suncorp's Brisbane Square fit-out, covering 14 floors and housing 2000 staff; continuing with the rollout

and upgrading of a number of new Westpac and Suncorp branches; major signage initiatives in Victoria and Western Australia, driving the Disability Discrimination Act upgrade in over 200 Westpac branches across Australia and project managing new office fit-outs for Westpac at 109 St George's Terrace, Perth and 260 Queen St, Brisbane.

The CPS business is now well positioned for growth and is instrumental in delivering new business opportunities for Investa.

The CPS business delivered a segment ordinary profit of \$1.4 million, up from \$1.2 million in 2003.

Frank Hack

Client Manager – CPS

"Being client manager is like doing an MBA, every day! Servicing our Westpac account requires 42 full time employees and the scope of that service is breathtaking. We manage over 1,600 leases and are responsible for a diverse range of work from branch refurbishment in Broome, office reconfiguration in Brisbane and call centres in Tasmania. On a day-to-day basis, the role can move through asset and facilities management, project management and finance and budgeting – all of which we're required to deliver in line with a set of key performance indicators."



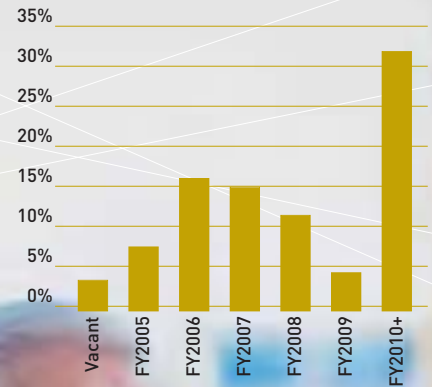
Business Division Reports / Investment Portfolio Reports

The Investment Portfolio delivered earnings growth of 89% with property income increasing by 2.1% over the previous period on a like-for-like basis. The addition of Delta enhanced the size and quality of the portfolio. Funds under management increased from \$1.8 billion to \$3.7 billion, and including three premium grade assets (120 Collins St, Melbourne, Grosvenor Place, Sydney and QV1, Perth) tightened the weighted average capitalisation rate by 0.5% to 7.7%.

Leasing update

The lease expiry profile is currently 4.4 years and occupancy stands at 96.2%.

Lease Expiry Profile by Area



Peter Malpass
Project Director

Our premium grade office building, 126 Phillip Street, is on track for completion in September 2005. In addition to Ebsworth & Ebsworth Lawyers pre-commitment to 5,040m² during the year, Investa intends to occupy 2,880m².

We have been successful in mitigating leasing risk, with lease deals for the year totalling 97,200m², with more than three quarters of this space secured over the past six months.

The recovery in the Sydney market, where 60% of the portfolio is located, bodes well for future occupancy rates.

Peter Malpass

Project Director – 126 Phillip Street

"I'm responsible for directing all the resources required for this major office building development. This includes leading and co-ordinating the efforts of internationally acclaimed architects Foster and Partners, the excellent design and construction team from Bovis Lend Lease and Investa's own consultants and staff who are responsible for development management, leasing, project finance, legal services, project management, quantity surveying and facilities management. It's great to have a team with such a depth of experience, skills and resources. It makes me extremely confident that we are able to apply best practice in terms of commercial viability and performance, to produce a development that represents 'new ground' in the Sydney office market enhanced by leading edge technology, sustainability, safety, and building operations."



Major Leases Executed

Address	Tenant	Area	Expiry
126 Phillip Street, Sydney	Deutsche Bank	12,960	Sep 2015
QV1, Perth	Worley	8,154	Dec 2015
410 Ann Street, Brisbane	Telstra	7,849	Dec 2006
109 St George's Terrace, Perth	Westpac	6,929	June 2012
126 Phillip Street, Sydney	Ebsworth & Ebsworth Lawyers	5,040	Sep 2017
410 Ann Street, Brisbane	Rio Tinto (Pacific Coal)	4,608	July 2012
410 Ann Street, Brisbane	Hatch Associates	3,735	April 2007
469 La Trobe Street, Melbourne	Russell Kennedy Solicitors	3,622	Dec 2014
31 Market Street, Sydney	Spruson & Ferguson	3,219	Dec 2014
64 Northbourne Ave, Canberra	DEWR	2,706	Nov 2011
Maritime Trade Towers, Sydney	Austrade	2,650	April 2014
Total leases executed (over 2,000m²)			61,472

Business Division Reports / Funds Management

During the year our Funds Management division leveraged our property value chain strategy by launching a new syndicate for investors with assets purchased from the Investa Property Trust. As a result, this division finished the 2004 year managing \$850 million of funds. These funds delivered \$8.8 million of fee income, including the fee received by IPL for managing IPT, an increase of 17% on the previous year. The business generated a segment ordinary profit of \$4.3 million, which was in line with the previous year.

Syndicate funds

In December 2003 we launched our eighth syndicate, the Investa Sixth Commercial Trust. Valued at \$95 million, the Trust's properties include: 32 Philip St, Parramatta, 115 Grenfell St, Adelaide, 241 Adelaide St, Brisbane and a 25% interest in the Martin Place Trust, which owns 50% of 60 Martin Place, Sydney.

Market conditions for new syndicate products were subdued for the second half of 2004, mainly driven by competition for capital from the Listed Property Trust and equity sectors. However, conditions are now improving, with \$150 million of new syndicate products planned for launch in 2005.

Tina Raftopoulos

Portfolio Manager – Unlisted Funds


"Together with two other Portfolio Managers in our Unlisted Funds division, I'm responsible for managing \$850 million worth of funds. Essentially, we are responsible and accountable for fund performance. Working closely with the Asset Managers and Fund Manager, we set out to maximise fund performance through setting the fund strategy, establishing and monitoring trust budgets, maintaining relations with tenants, service providers and financiers and keeping investors informed of their investment through regular communication. Another important facet of our role is that of business development, being responsible for arranging and marketing new offerings to investors."



Institutional funds

Investa's flagship wholesale fund, Investa Commercial Property Fund (ICPF), continued to attract new investment. The fund now has four institutional investors and, with the emerging positive investment sentiment towards the office sector, ICPF is well positioned to move into a growth phase of activity.

Investa's second wholesale fund, the closed end Martin Place Trust continued to perform well, delivering a total return since inception of nearly 10%. On the basis of this performance, we intend to establish another closed end fund for institutional investors in 2005.

A woman with long brown hair, wearing a white button-down shirt, is smiling and talking on a white mobile phone. She is sitting at a desk in an office environment with blurred windows in the background. The lighting is bright and natural.

Tina Raftopoulos
Portfolio Manager

Our Funds Management
division leveraged our
property value chain
strategy by launching a
new syndicate

Finance and Capital Management

Stephanie Yeung
Property Accounting Team Leader

Investa continued to strengthen its balance sheet through refinancing debt facilities, the distribution reinvestment plan and reducing leverage by selling non-core assets.

After acquiring Delta in August 2003, Investa was rated BBB+/A2 by Standard and Poor's, reflecting the increased scale of our portfolio. This has allowed us to refinance the bulk of our debt finance, improving access to a lower cost of funds.

Previously, the majority of Investa's loan facilities were provided by banks on a secured basis, and we supplemented this by issuing Commercial Mortgage Backed Securities. When it was acquired, Delta had in place a Medium Term Note program that included two tranches of bonds, and both secured and unsecured bank debt.

Since December 2003, Investa has renegotiated and refinanced all of its bank facilities under much simplified

unsecured loan facilities provided by a range of banks. We have also diversified the source of our debt funds through the issue of long term bonds (10 and 12 years) in the United States, providing access to a large pool of long term financing.

To complement the issue of notes offshore, in the next 12 months we intend to establish a program under which we will be able to issue both short and long term securities in the Australian debt capital markets.

Stephanie Yeung
Property Accounting Team Leader

"Together with my team of four Property Accountants, it's my job to keep our property owners fully informed about their portfolio's performance. In doing so, we concentrate not just on timely and accurate reporting but in putting monthly results in context. Our owners need to know more than the results – they need reasons, forecasts and strategies. That means analysing monthly variances, investigating the reasons for budget number movements (both up and down!) and keeping owners informed as to how we will mitigate or capitalise on every new market development."



Our People

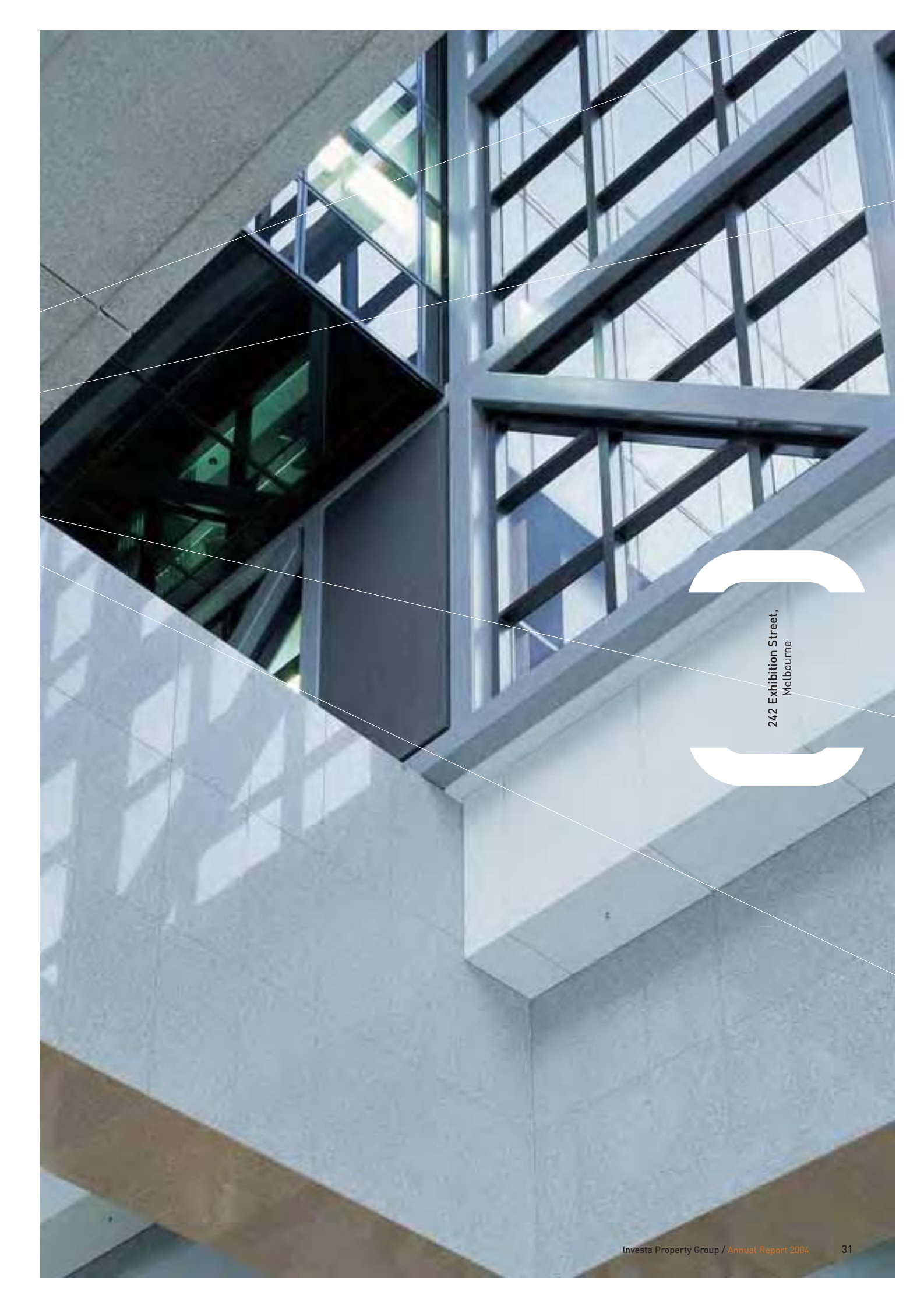
Investa's success depends on the quality of our people. Having grown from 55 to 190 employees in the last four years, managing Investa's internal stakeholders and maintaining their focus and enthusiasm is a high priority.

We support our staff with development and succession plans – ensuring people understand their value to us and see their future growing with ours. We also give them clearly defined performance targets linked with organisational objectives. This means they understand our expectation of them and how their performance will be rewarded.

Over the last twelve months the following strategies have been implemented to ensure that Investa continues to attract and retain superior staff:

- Individual Performance Planning and Review system
- Succession Planning
- Training Programs developed on the following topics:
 - OH&S
 - Customer Service
 - Harassment and Discrimination
 - Recruitment Interviewing Skills
 - Trade Practices Act
 - Group Inductions
- Graduate program implemented
- The following Core Values embedded:





242 Exhibition Street,
Melbourne

Investment Portfolio Summary

Property	Date Purchased	Independent Valuation of Property (\$'000)	Valuation Date/ Cap Rate	IRR/ Terminal Yield	Vacancy as at 30 June 2004	Net Lettable Area (NLA)/ Car Spaces
New South Wales						
400 George Street, Sydney	Oct 1999	387,500	Jun 2003 6.75%	10.00% 7.00%	NIL	51,616m ² 93
Grosvenor Place - 225 George Street, Sydney ⁽²⁾	May 1988	230,250	Jun 2003 7.50%	9.75% 7.75%	4,557m ² 5.3%	85,379m ² 566
255 Elizabeth Street, Sydney	Sep 1994	152,000	Jun 2003 7.50%	10.00% 7.75%	NIL	28,451m ² 148
55 Market Street, Sydney	Jul 1998	138,000	Jun 2002 7.50%	10.50% 7.75%	1,629m ² 7.1%	22,908m ² 49
St Martins Tower - 31 Market Street, Sydney	Sep 2000	125,000	Dec 2003 8.00%	10.25% 8.50%	828m ² 3.3%	25,442m ² 169
310 Pitt Street, Sydney	Nov 2002	120,000	Jun 2002 7.75%	10.25% 8.50%	NIL	29,157m ² -
Maritime Trade Towers - 201 Kent Street, Sydney ⁽⁴⁾	Dec 2000	110,000	Jun 2003 7.75%	10.00% 8.25%	2,869m ²	40,173m ² 269
BT Tower - 1 Market Street, Sydney ⁽¹⁾	Jan 1996	102,500	Dec 2003 7.50%	9.75% 7.75%	2,039m ² 6.9%	29,726m ² 666
60 Martin Place, Sydney ⁽¹⁾	Nov 1999	93,500	Sep 2003 6.65%	10.00% 7.35%	NIL	27,999m ² 82
73 Miller Street, North Sydney	Jun 1997	90,000	Jun 2002 7.75%	10.50% 8.25%	NIL	14,666m ² 159
Centennial Plaza C - 300 Elizabeth Street, Sydney	Sep 2000	87,000	Jun 2003 8.75%	10.25% 9.25%	4,502m ² 20.8%	21,651m ² 171
Centennial Plaza B - 280 Elizabeth Street, Sydney	Sep 2000	74,500	Jun 2003 8.25%	10.00% 9.00%	7,084m ² 39.2%	18,059m ² 190
The Octagon - 110 George Street, Parramatta	Oct 1997	66,500	Jun 2002 9.30%	10.75% 9.25%	859m ² 4.1%	20,976m ² 347
Centennial Plaza A - 260 Elizabeth Street, Sydney	Sep 2000	60,000	Jun 2003 8.25%	10.00% 8.75%	NIL	14,217m ² 65
Kindersley House - 33 Bligh Street, Sydney	Dec 2001	60,000	Dec 2003 7.00%	10.00% 7.50%	2,310m ² 12.7%	18,137m ² 42
231 Elizabeth Street, Sydney ⁽¹⁾	Aug 2002	57,500	Jun 2002 7.25%	10.00% 8.00%	NIL	23,269m ² 80
80 Pacific Highway, North Sydney ⁽¹⁾	Apr 2001	44,000	Dec 2003 7.50%	9.49% 7.75%	NIL	13,696m ² 90
50 - 60 Talavera Road, North Ryde	Nov 1999	32,000	Jun 2003 8.50%	10.45% 8.75%	NIL	11,323m ² 128

Property	Date Purchased	Independent Valuation of Property (\$'000)	Valuation Date/ Cap Rate	IRR/ Terminal Yield	Vacancy as at 30 June 2004	Net Lettable Area (NLA)/ Car Spaces
Victoria						
120 Collins Street, Melbourne	Jan 1994	320,000	Dec 2003 6.75%	9.75% 7.50%	1,917m ² 3.0%	63,381m ² 319
242 Exhibition Street, Melbourne	Aug 2002	261,000	Jun 2002 7.50%	9.75% 8.00%	125m ² 0.2%	65,538m ² 346
485 LaTrobe Street, Melbourne	Sep 1998	111,000	Jun 2002 8.50%	10.25% 8.75%	1,123m ² 3.3%	34,045m ² 208
209 Kingsway, South Melbourne ⁽¹⁾	Jan 2002	50,000	Aug 2002 8.00%	10.20% 8.50%	NIL	24,420m ² 750
469 LaTrobe Street, Melbourne	Jul 1988	48,000	Dec 2003 8.50%	10.00% 9.50%	NIL	19,830m ² 47
441 St Kilda Road, Melbourne	Oct 2003	45,000	Oct 2003 8.50%	9.75% 9.50%	1,842m ² 11.5%	16,021m ² 343
Customs House - 414 La Trobe Street Melbourne	Jul 1997	44,800	Jun 2003 8.50%	9.50% 9.00%	NIL	14,322m ² 88
589 Collins Street, Melbourne ⁽¹⁾	Feb 2003	28,000	Dec 2002 10.45%	11.50% 10.50%	NIL	31,906m ² 156
420 St Kilda Road, Melbourne	Dec 1986	27,500	Jun 2003 9.00%	10.00% 9.50%	502m ² 4.8%	10,558m ² 135
Queensland						
State Law Building - 50 Ann Street Brisbane	Dec 2002	83,000	Dec 2002 8.75	10.22% 9.00%	NIL	25,519m ² 119
Cathedral Square -410 Ann Street, Brisbane	Nov 1987	62,500	Dec 2003 9.00%	10.50% 9.50%	893m ² 4.4%	20,489m ² 693
Kings Row Office Park, - 50 McDougall Street, Milton ⁽¹⁾	Dec 2002	31,700	Dec 2002 9.00%	10.10% 9.50%	849m ² 4.1%	20,710m ² 417
Australian Capital Territory						
62 Northbourne Avenue, Canberra	Feb 1988	27,500	Jun 2002 9.75%	11.50% 10.25%	215m ² 2.2%	9,964m ² 110
Penrhyn House - Bowes Street, Woden, Canberra ⁽¹⁾	Dec 2002	19,300	Sep 2002 9.25%	10.75% 9.50%	NIL	12,675m ² 131
73 Northbourne Avenue, Canberra	May 1994	17,100	Jun 2003 9.50-10.00%	10.75% 10.25%	NIL	6,237m ² 86
64 Northbourne Avenue, Canberra	Jul 1994	16,100	Mar 2002 10.00%	11.50% 10.50%	355m ² 5.5%	6,508m ² 35
Western Australia						
250 St Georges Terrace, Perth ⁽⁴⁾	Dec 1998	159,000	Jun 2004 7.25%	9.48% 7.50%	3,058m ² 4.9%	62,862m ² 1,072
109 St Georges Terrace, Perth	Nov 1999	17,500	Dec 2003 8.00-8.25%	10.50% 8.50%	NIL	14,041m ² 79
Total Portfolio		3,399,250			34,687m² 3.6%	955,871m²⁽³⁾ 8,448

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

⁽²⁾ 30% Interest.

⁽³⁾ Weighted Area = 751,517m² Weighted vacancy = 3.8%

⁽⁴⁾ 50% interest with external joint owners

Investment Portfolio Details

New South Wales

The single largest contributor to the earnings of the Group is our investment in the rental derived from the 36 office commercial assets, having a combined portfolio value of over \$3.4 billion.



400 George Street, Sydney

A 29 level, "A" grade office tower with basement, ground and first floor retailing. The property is located in the premium end of the Sydney CBD near Martin Place.

Net Lettable Area
51,616m²

Car Parks
93

Valuation Details

Cap Rate	6.75%
Discount rate	10.00%
Terminal Yield	7.00%

Major Tenants
Telstra
SG Australia
Jones Lang LaSalle
APRA

Valuation Date
June 30, 2003 \$387.5m

Lease Expiry

2004/05	10.8%
2005/06	4.9%
2006/07	13.1%



225 George Street, Sydney

Grosvenor Place is a Premium office building comprising a 44 level office tower, three-storey lobby, five levels of basement car parking, a retail plaza and several historic buildings.

The property is located in the Sydney CBD core, near Circular Quay and Sydney Opera House

Net Lettable Area
85,379m²

Car Parks
566

Valuation Details

Cap Rate	7.50%
Discount rate	9.75%
Terminal Yield	7.75%

Major Tenants
Deloitte Touche Tohmatsu
Deutsche Bank AG
Blake Dawson Waldron
JP Morgan

Valuation Date
June 30, 2003 \$230.25m*

Lease Expiry

2004/05	3.5%
2005/06	26.9%
2006/07	0.5%

*30% interest



255 Elizabeth Street, Sydney

A 21 level "A" grade office building completed in 1990, consisting of 15 office levels, ground floor foyer and 6 retail outlets. Approximately 148 car spaces are provided over 6 basement levels.

Net Lettable Area
28,451m²

Car Parks
148

Valuation Details

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

Major Tenants
Westpac
Phillips Fox Lawyers
Telstra
NSW Farmers Association

Valuation Date
June 30, 2003 \$152m

Lease Expiry

2004/05	27.2%
2005/06	48.3%
2006/07	0.0%



55 Market Street, Sydney

An 18 level "A" grade 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. Approximately 49 car spaces (28 DA approved) are provided over 2 basement levels.

Net Lettable Area
22,908m²

Car Parks
49

Valuation Details	
Cap Rate	7.50%
Discount rate	10.50%
Terminal Yield	7.75%

Major Tenants
RIC
Commonwealth Government
St George Bank Ltd
State of NSW

Valuation Date
June 30, 2002 \$138m

Lease Expiry	
2004/05	9.5%
2005/06	18.0%
2006/07	2.3%



31 Market Street, Sydney

St Martins Tower is a "B" grade office building comprising a 35 level office tower, ground floor retail and three levels of basement car parking. The property is located between the midtown and western precincts of the Sydney CBD.

Net Lettable Area
25,442m²

Car Parks
169

Valuation Details	
Cap Rate	8.00%
Discount rate	10.25%
Terminal Yield	8.50%

Major Tenants
Spruson & Ferguson
Spherion Education
Harmers Workplace Lawyers

Valuation Date
Dec 31, 2003 \$125m

Lease Expiry	
2004/05	9.9%
2005/06	19.7%
2006/07	22.3%



310 Pitt Street, Sydney

An "A" grade 32 level office building consisting of 29 office levels, ground floor foyer, 1 retail and a shared loading dock with the adjacent building, incorporating a vehicle turntable.

Net Lettable Area
29,157m²

Car Parks
Nil

Valuation Details	
Cap Rate	7.75%
Discount rate	10.25%
Terminal Yield	8.50%

Major Tenants
Telstra

Valuation Date
June 30, 2002 \$120m

Lease Expiry	
2004/05	0.0%
2005/06	0.0%
2006/07	0.0%



201 Kent Street, Sydney

The Maritime Trade Centre is an "A" grade office building with views over Darling Harbour featuring the fully restored century old Grafton Bond Building. The property is located in the "western corridor", a five minute walk from CBD core and close to Wynyard rail and bus station and amenities at King Street Wharf.

Net Lettable Area
40,173m²

Car Parks
269

Valuation Details	
Cap Rate	7.75%
Discount rate	10.00%
Terminal Yield	8.25%

Major Tenants
AON Risk Services
Austrade
RAMS

Valuation Date
June 30, 2003 \$110m*

Lease Expiry	
2004/05	6.0%
2005/06	8.1%
2006/07	19.8%

*50% interest

Investment Portfolio

New South Wales



1 Market Street, Sydney

This "A" grade property was completed in 1991 and comprises a 34 level office tower, with a 3 level podium and ground retail space. Adjoining the office tower is a 10 level car park complex for 666 vehicles.

Net Lettable Area

29,726m²

Car Parks

666

Valuation Details

Cap Rate	7.63%
Discount rate	9.75%
Terminal Yield	7.75%

Major Tenants

BT Australia
Horwarth NSW Pty Ltd
Japan Travel Bureau
ANZ Banking Corporation

Valuation Date

Dec 31, 2002	\$102.5m*
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Lease Expiry

2004/05	13.6%
2005/06	11.0%
2006/07	10.9%

* 50% interest



60 Martin Place, Sydney

This "A" grade Westpac Head Office was constructed in 1971 and in 1999 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.

Net Lettable Area

27,999m²

Car Parks

82

Valuation Details

Cap Rate	6.65%
Discount rate	10.00%
Terminal Yield	7.35%

Major Tenants

Westpac Banking Corporation

Valuation Date

30 Sep, 2003	\$93.5*
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Lease Expiry

2004/05	0.0%
2005/06	0.0%
2006/07	0.0%

* 50% interest



73 Miller Street, North Sydney

An "A" grade 14 level office building completed in 1990, consisting of 3-basement car parking levels with 159 car spaces, ground floor foyer and retail area.

Net Lettable Area

14,666m²

Car Parks

159

Valuation Details

Cap Rate	7.75%
Discount rate	10.50%
Terminal Yield	8.25%

Major Tenants

Health Department
Open Telecommunications
Wilson Car Parking

Valuation Date

June 30, 2002	\$90m
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Lease Expiry

2004/05	0.0%
2005/06	0.0%
2006/07	0.0%



300 Elizabeth Street, Sydney

Centennial Plaza Tower C is an "A" grade commercial office tower containing 17 floors and 171 car spaces and a small freestanding retail core adjacent to the tower. The property is located in the southern sector of the CBD near Central railway station.

Net Lettable Area

21,651m²

Car Parks

171

Valuation Details

Cap Rate	8.75%
Discount rate	10.25%
Terminal Yield	9.25%

Major Tenants

National Australia Bank
Amadeus
Bureau of Meteorology
Synergi Travel Australia

Valuation Date

June 30, 2003	\$87m
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Lease Expiry

2004/05	30.2%
2005/06	0.0%
2006/07	0.0%



280 Elizabeth Street, Sydney

Centennial Plaza Tower B is an "A" grade commercial office tower containing 14 floors and 190 car spaces and a small freestanding retail core adjacent to the tower. The property is located in the southern sector of the CBD near Central railway station.

Net Lettable Area
18,059m²

Car Parks
190

Valuation Details
Cap Rate 8.25%
Discount rate 10.00%
Terminal Yield 9.00%

Major Tenants
Commonwealth Government:
(Department of Veteran Affairs)
(Department of Aboriginal Affairs)
State of NSW

Valuation Date
June 30, 2003 \$74.5m

Lease Expiry
2004/05 0.0%
2005/06 0.5%
2006/07 51.1%



110 George Street, Parramatta

This "A" grade building has ground floor retail comprising of 14 retail outlets and 6 upper levels of office accommodation contained within 8 separate pods.

Net Lettable Area
20,976m²

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
June 30, 2002 \$66.5m

Lease Expiry
2004/05 26.4%
2005/06 32.4%
2006/07 36.3%



260 Elizabeth Street, Sydney

Centennial Plaza Tower A is an "A" grade commercial office tower containing 11 floors and 65 car spaces. The property is located in the southern sector of the CBD near Central railway station.

Net Lettable Area
14,217m²

Car Parks
65

Valuation Details
Cap Rate 8.25%
Discount rate 10.00%
Terminal Yield 8.75%

Major Tenants
NSW Roads and Traffic Authority

Valuation Date
June 30, 2003 \$60m

Lease Expiry
2004/05 0.0%
2005/06 0.0%
2006/07 0.0%



33 Bligh Street, Sydney

This property is in a prime location in the Sydney CBD and has a Stage 1 Development Approval for a 23,000m² office tower development. All leases have termination clauses to allow development should a suitable pre-commitment tenant be sourced. The property is located in the heart of the CBD core, with a through site link between Bligh and Hunter Streets.

Net Lettable Area
18,137m²

Car Parks
42

Valuation Details
Cap Rate 7.00%
Discount rate 10.00%
Terminal Yield 7.50%

Major Tenants
Macquarie Corporate
Academics Australasia

Valuation Date
Dec 31, 2003 \$60m

Lease Expiry
2004/05 28.7%
2005/06 32.3%
2006/07 12.4%

Investment Portfolio

New South Wales



231 Elizabeth Street, Sydney

An "A" grade, 17 level office building consisting of 15 office levels, ground floor foyer and 2 retail outlets. Approximately 80 car spaces are provided over 2 basement levels.

Net Lettable Area

23,269m²

Car Parks

80

Valuation Details

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

Major Tenants

Telstra

Valuation Date

June 30, 2002 \$57.5m*

Lease Expiry

2004/05	0.0%
2005/06	1.3%
2006/07	0.0%

* 50% interest



80 Pacific Highway, North Sydney

80 Pacific Highway is an "A" grade 15 storey commercial office building incorporating four levels of basement car parking, ground floor foyer and retail space and 14 upper levels of office accommodation.

The building was completed in April 2000. The property is situated within the North Sydney CBD on a site of 1262.7m².

Net Lettable Area

13,696m²

Car Parks

90

Valuation Details

Cap Rate	7.50%
Discount rate	9.49%
Terminal Yield	7.50%

Major Tenants

Siebel Systems
Cisco Systems

Valuation Date

Dec 31, 2003 \$44m*

Lease Expiry

2004/05	0.4%
2005/06	14.4%
2006/07	0.3%

* 50% interest



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 open space car park providing parking for 128 vehicles.

Net Lettable Area

11,323m²

Car Parks

128

Valuation Details

Cap Rate	8.50%
Discount rate	10.45%
Terminal Yield	8.75%

Major Tenants

Westpac

Valuation Date

June 30, 2003 \$32m

Lease Expiry

2004/05	0.0%
2005/06	0.0%
2006/07	0.0%

Victoria



120 Collins Street, Melbourne

A premium office building comprising a 50 level office tower, a striking entry court, retail facilities and basement car parking. The property is located in the "Paris end" of the Melbourne CBD near Parliament house.

Net Lettable Area
63,381m²

Car Parks
319

Valuation Details

Cap Rate	6.75%
Discount rate	9.75%
Terminal Yield	7.50%

Major Tenants

E & W Holdings
Phillip Fox
Merrill lynch

Valuation Date

Dec 31, 2003	\$320m
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Lease Expiry

2004/05	1.9%
2005/06	37.1%
2006/07	47.1%



242 Exhibition Street, Melbourne

The property comprises a 47 level office complex, completed in 1992, providing "A" grade office accommodation over 42 levels of office as well as a retail arcade, food court, theatre and conference facility centre.

Net Lettable Area
65,538m²

Car Parks
346

Valuation Details

Cap Rate	7.50%
Discount rate	9.75%
Terminal Yield	8.00%

Major Tenants

Telstra

Valuation Date

June 30, 2002	\$261m
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Lease Expiry

2004/05	0.2%
2005/06	1.2%
2006/07	1.2%



485 La Trobe Street, Melbourne

This "A" grade property comprises two office towers linked by a 6-storey glass atrium and lobby. The tower on La Trobe Street comprises a 10-storey office building completed in 1988. The rear tower comprises a 21-storey office building and has a frontage to Little Lonsdale Street and was completed in 1990.

Net Lettable Area
34,045m²

Car Parks
208

Valuation Details

Cap Rate	8.50%
Discount rate	10.25%
Terminal Yield	8.75%

Major Tenants

CGU
ASIC
ABS
Panker

Valuation Date

June 30, 2002	\$111m
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Lease Expiry

2004/05	0.0%
2005/06	17.8%
2006/07	72.1%



209 Kingsway, South Melbourne

This "A" grade commercial office building comprises a ground floor car sales showroom, four levels of above ground car park and six levels of commercial office space.

The building has extremely large floor plates with a lift core located in the north-east section of the floor, along with a glass atrium located in the north-west section of each floor. This allows for good quality office space with excellent natural lighting.

Net Lettable Area
24,420m²

Car Parks
750

Valuation Details

Cap Rate	8.00%
Discount rate	10.20%
Terminal Yield	8.50%

Major Tenants

ANZ Banking Corporation
BMW (Australia)

Valuation Date

Aug 31, 2002	\$50m*
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Lease Expiry

2004/05	0%
2005/06	0%
2006/07	0%

* 50% interest

Investment Portfolio

Victoria



469 La Trobe Street, Melbourne

This "A" grade 19 level office building completed in 1988, consisting of 17 upper office levels, 2 parking levels providing approximately 47 car spaces, ground floor foyer and 2 retail outlets.

Net Lettable Area
19,830m²

Car Parks
47

Valuation Details

Cap Rate	8.50%
Discount rate	10.00%
Terminal Yield	9.50%

Major Tenants

Westpac Banking Corporation
Trecomax
R K & C Services
CGU Insurance

Valuation Date

Dec 31, 2003 \$48m

Lease Expiry

2004/05	0.8%
2005/06	42.5%
2006/07	0.8%



441 St Kilda Road, Melbourne

Acquired in October 2003, this property is an "A" grade modern commercial office building comprising ground, five upper office levels and nine split levels of car parking. The building has an impressive central atrium extending the full height of the office accommodation allowing for excellent natural light.

Net Lettable Area
16,021m²

Car Parks
343

Valuation Details

Cap Rate	8.50%
Discount rate	9.75%
Terminal Yield	9.50%

Major Tenants

Kellogg Brown & Root Pty Ltd
SAP
Computer Associates Pty Ltd

Valuation Date

Oct 31, 2003 \$45m

Lease Expiry

2004/05	16.2%
2005/06	30.9%
2006/07	0.0%



414 La Trobe Street, Melbourne

Customs House is an "A" grade office building comprising a ground floor foyer, three levels of above ground car parking and 14 levels of quality office space. The property is located on the northern fringe of the Melbourne Central business district near Flagstaff Station.

Net Lettable Area
14,322m²

Car Parks
88

Valuation Details

Cap Rate	8.50%
Discount rate	9.50%
Terminal Yield	9.00%

Major Tenants

Australian Customs Service

Valuation Date

June 30, 2003 \$44.8m

Lease Expiry

2004/05	0.0%
2005/06	0.0%
2006/07	100%



589 Collins Street, Melbourne

This "B" grade property was completed in 1984 and comprises a 17 level office tower, 2 levels of basement parking and ground floor retail space. The building is interlinked by two hexagon towers interconnected by the lift lobbies and services core.

Net Lettable Area
31,906m²

Car Parks
156

Valuation Details

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

Major Tenants

Minister for Finance

Valuation Date

Dec 31, 2002 \$28m*

Lease Expiry

2004/05	0.0%
2005/06	60.8%
2006/07	0.0%

*50% interest

Queensland



420 St Kilda Road, Melbourne

This "A" grade property comprises an 11 level commercial office building with ground floor retail, 10 upper office levels and two basement parking levels for 135 cars. The property was constructed in 1982.

Net Lettable Area
10,558m²

Car Parks
135

Valuation Details	
Cap Rate	9.00%
Discount rate	10.00%
Terminal Yield	9.50%

Major Tenants
Intergraph Public Safety
Tech Pacific Australia
Salmat
Australian Outback Travel

Valuation Date
June 30, 2003 \$27.5m

Lease Expiry	
2004/05	7.2%
2005/06	16.8%
2006/07	36.4%



50 Ann Street, Brisbane

The State Law Building is an "A" grade, 31 storey commercial office tower comprising three levels of basement car parking for a total of 119 cars, ground floor retail, mezzanine, 25 upper levels of office accommodation and four levels of roof top plant rooms. State of Queensland occupies ground to level 25. The building was originally constructed in 1974 and extensively refurbished in 1994.

Net Lettable Area
25,519m²

Car Parks
119

Valuation Details	
Cap Rate	8.75%
Discount rate	10.25%
Terminal Yield	9.00%

Major Tenants
Dept of Public Works
Luchra Pty Ltd

Valuation Date
Dec 31, 2002 \$83m

Lease Expiry	
2004/05	0.0%
2005/06	0.0%
2006/07	0.5%



410 Ann Street, Brisbane

The Twin tower "A" grade commercial building incorporating 8 ground floor tenancies, 2 connected levels of podium office accommodation and 10 upper levels in the East Tower and 4 upper levels of office accommodation in the West Tower. 2 basement car-parking levels provide 693 car spaces.

Net Lettable Area
20,489m²

Car Parks
693

Valuation Details	
Cap Rate	9.00%
Discount rate	10.50%
Terminal Yield	9.50%

Major Tenants
Telstra
Rio Tinto Coal
Hatch Associates

Valuation Date
Dec 31, 2003 \$62.5m

Lease Expiry	
2004/05	0.0%
2005/06	0.7%
2006/07	56.7%



50 McDougall Street, Milton

Located in the Milton sub-market of Brisbane, the "A" grade Kings Row Office Park is one of the best office parks in Coronation Drive, comprising of four office buildings and tenant facilities including a tennis court, swimming pool and conference facilities. The buildings were completed between 1989 and 1996 and each provide 3-5 levels of office space.

Net Lettable Area
20,710m²

Car Parks
417

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

Major Tenants
BHP Minerals
Queensland Clement
Thiess
Suncorp Metway

Valuation Date
Dec 31, 2002 \$31.7m*

Lease Expiry	
2004/05	17.7%
2005/06	10.2%
2006/07	14.1%

Investment Portfolio

Australian Capital Territory



62 Northbourne Avenue, Canberra

This "A" grade AusAID building is located in the central northern sector of Canberra's CBD. It comprises a modern office building and accommodation for 110 car parking spaces, retail uses on the ground floors & in the atrium, and office use on the upper floors.

Net Lettable Area
9,964m²

Car Parks
110

Valuation Details

Cap Rate	9.75%
Discount rate	11.50%
Terminal Yield	10.25%

Major Tenants
AusAid

Valuation Date

June 30, 2002	\$27.5m
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Lease Expiry

2004/05	0.0%
2005/06	0.5%
2006/07	0.0%



Bowes Street, Woden

This "B" grade property comprises a complex of three inter-connecting refurbished commercial office buildings, originally constructed in 1986 and substantially refurbished in 1996-1997. The buildings are configured with a ground floor and first floor car park. Two of the buildings have three additional upper floors.

Net Lettable Area
12,675m²

Car Parks
131

Valuation Details

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

Major Tenants

Commonwealth Government

Valuation Date

Sep 1, 2002	\$19.3m*
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Lease Expiry

2004/05	0.0%
2005/06	0.0%
2006/07	0.0%

*50% interest



73 Northbourne Avenue, Canberra

This "A" grade CASA building is located on the northern fringe of Canberra's CBD. It comprises a modern office building of approximately 6,237.00m² of NLA, providing two levels of basement car park and seven levels (ground and six upper floors) of typical office use.

Net Lettable Area
6,237m²

Car Parks
86

Valuation Details

Cap Rate	9.50 – 10.00%
Discount rate	10.75%
Terminal Yield	10.25%

Major Tenants
CASA

Valuation Date

June 30, 2003	\$17.1m
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Lease Expiry

2004/05	0.0%
2005/06	0.0%
2006/07	0.0%



64 Northbourne Avenue, Canberra

This "A" grade building at 64 Northbourne Ave is located in the central northern sector of Canberra's CBD. It has frontages to three major streets, Northbourne Ave, Bunda Street and Mort Street, which at that location forms the major Bus Interchange for Civic. The building comprises a modern office building of approximately 6,508m² of NLA, providing secure basement car park, ground floor retail / showroom space and typical office use.

Net Lettable Area
6,508m²

Car Parks
35

Valuation Details

Cap Rate	10.00%
Discount rate	11.60%
Terminal Yield	10.50%

Major Tenants

DEWR
United KFPW

Valuation Date

Mar 31, 2002	\$16.1m
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Lease Expiry

2004/05	1.5%
2005/06	0.0%
2006/07	0.7%

Western Australia



250 St George's Terrace, Perth

Premium office building comprising a 38 level office tower and ground floor, basement level car parking, retail plaza, gymnasium and tennis court. The property is located in the western sector of the Perth CBD.

Net Lettable Area
62,862m²

Car Parks
1,072

Valuation Details

Cap Rate	7.25%
Discount rate	9.48%
Terminal Yield	7.50%

Major Tenants
Freehills
Clayton Utz
PWC

Valuation Date
June 30, 2004 \$159m*

Lease Expiry

2004/05	12.3%
2005/06	25.6%
2006/07	1.1%

*50% interest



109 St George's Terrace, Perth

109 St George's Terrace is a "B" grade, 19 storey office tower in the central Perth CBD, built on a lot area of 2,124sqm in the 1970's. It had been extensively refurbished in the late 1980's by the then owner, Westpac Banking Corporation and was sold to Investa Properties Ltd in 2000.

Net Lettable Area
14,041m²

Car Parks
79

Valuation Details

Cap Rate	8.00-8.25%
Discount rate	10.50%
Terminal Yield	8.50%

Major Tenants
Westpac Banking Corporation

Valuation Date
Dec 31, 2003 \$17.5m

Lease Expiry

2004/05	27.7%
2005/06	0.0%
2006/07	2.2%

Board of Directors



Ian Payne
M.Ec Age 62
**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 47
Managing Director

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

Chris has wide ranging property experience gained over 30 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.

Chris is also a Director of the Green Building Council of Australia.



John Arthur
LLB (Hons) Age 49
Non Executive Director

John has extensive experience in property development, construction and the financial sector. He is a partner at law firm Gilbert and Tobin and was previously a partner at Freehills. Prior to that, John was general counsel at the Lend Lease Group and was a director of the Manager of General Property Trust. He is currently a non-executive director of Rinker Group Limited.

John is Chairman of Investa's Nominations and Remuneration Committee, acting Chairman of the Sustainability Committee and Chairman of Investa Developments and Investa Asset Management.



Deborah Page
B.Ec, FCA, MAICD Age 45
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.



John Messenger
[ANZIF] Snr Assoc. Age 58
Non Executive Director

Appointed to the Board on 15 August 2002, John has extensive insurance 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 currently 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 Investa's Audit and Risk Management Committee.

Corporate Governance

The Board of Directors is responsible for the corporate governance of the Group and regards good corporate governance as being of critical importance to all of Investa's stakeholders.

Good corporate governance practices form a fundamental part of our culture and our operations.

The Board operates four standing Committees and each has a separate Board approved Charter. Each Director is required to have regard to these Charters in the performance of his or her duties as a Director. The Charters appear on the website (www.investa.com.au).

The main corporate governance practices in place during the year to 30 June are outlined in this section.

Board of Directors – Responsibility and Roles

The Board has ultimate oversight responsibility for all of Investa's businesses and empowers the Managing Director to co-ordinate the day-to-day operations of those businesses.

The Board sets the strategic direction of Investa and approves corporate strategies designed to achieve financial and operational goals. It undertakes an annual off-site workshop where strategic direction and corporate strategies are thoroughly reviewed and revised as appropriate.

The Board also critically reviews the operational effectiveness of business strategies and of senior management and their implementation of those strategies. It monitors financial performance and reporting, and progress against targets and key performance indicators. It reviews risk management standards and their effectiveness from time to time.

In performing its functions, the Board schedules 12 meetings per year including limited and full agendas and has appointed Board Committees to assist.

The Board normally consists of six Directors although its Constitution allows for up to twelve Directors. The Constitution specifies that: the members appoint each Director; that (except for the Managing Director), each Director must retire after a maximum of three years; and that retiring Directors may offer themselves for re-election. The Board may appoint additional Directors up to the maximum complement allowed, and may fill a casual vacancy. Any Director so appointed must retire at the next Annual General Meeting and may offer themselves for re-election.

The Directors are selected recognising that a blend of skills, market experience, broader commercial experience and other expertise is required to oversee management's operation of Investa's businesses.

Five of the Board's normal complement of six directors are independent and the Board intends to maintain this balance.

The non-executive Directors meet from time to time, without the Managing Director or executives attending.

Senior management has the responsibility of ensuring that the Board has access to up-to-date and reliable information about the performance of all components of the businesses.

The Board collectively, and each Director individually, has the right to seek independent professional advice.

The Chairman is a non-executive Director, who is elected by the Board from time to time. The Chairman is responsible for the conduct of all Board meetings.

The Managing Director is responsible for the development of strategic objectives for the business and for the implementation of them, upon approval by the Board.

The Managing Director is responsible for the achievement of Investa's planned financial results, in accordance with budgets approved by the Board.

The responsibilities for the provision of leadership and motivation across the business and for the effective management of people issues, including succession planning, also rest with the Managing Director.

The Managing Director meets regularly with the Chairman to ensure that the Chairman is adequately informed on all areas of performance by the Company.

The Board comprised six members during the year to 30 June 2004, Mr I K Payne, Chairman; Mr J L Arthur; Mr S A Mays who resigned on 12 May 2004; Mr J I Messenger and Mrs D R Page being Non-Executive Directors.

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

Committees of the Board

Papers for each Committee of the Board are distributed simultaneously to all Directors.

The Chairman and any other Director may attend any meeting of any Committee and may raise any issue with the Chairman of the relevant Committee or with the Secretary.

The Chairmanships of Committees are allocated amongst non-executive Directors.

Audit and Risk Management

The Audit & Risk Management Committee assists the Board in discharging its operational oversight responsibilities. It reviews Investa's financial reporting processes, scrutinises Investa's accounting policies and the manner in which they are implemented and monitors the systems of internal control. The composition of the Committee is designed to ensure that it possesses appropriate skills in the areas of financial management and reporting and in risk management. In particular, the committee has a close collaboration with the External Auditor (PricewaterhouseCoopers) and with the Internal Auditor (KPMG). It reviews the work of the Auditors and makes recommendations upon the appointment of Auditors to the Board. The Committee reviews the management of debtors for all controlled entities and adjusts the levels for doubtful debts. It critically assesses Investa's process for monitoring compliance with laws and regulations, Trust compliance plans and the process for monitoring observance of Investa's Code of Conduct. It reviews Investa's Conflict of Interest policy and undertakes special investigations when requested by the Board. It makes recommendations to the Board on insurance coverage and reviews the Business Continuity Plan.

The committee meets at least six times per annum and at least once each quarter. Ten meetings were held in 2004.

Members of the Committee

- Chairman: D R Page
- Members: S A Mays (until 12 May 2004), J I Messenger and I K Payne (from 25 May 2004)

Nominations and Remuneration

The Nominations & Remuneration Committee assists the Board by providing

advice and making recommendations on matters including the criteria for selection of new Directors for appointment as Directors. It also prepares criteria for reviewing the performance of Directors and the Board and from time to time undertakes such reviews. An independent review of Board, Committee and Director performance was completed during the September 2003 quarter. The Committee also makes recommendations to the Board on the remuneration policy and the reward levels for Directors and Senior Managers, including the Managing Director, relying upon independent external advice as appropriate. It also makes recommendations to the Board on broader Investa remuneration issues.

It is comprised of two non-executive Directors and the Managing Director. One of the non-executive Directors chairs the Committee and is responsible for the transmission of Committee recommendations to the Board. Meetings are held as required and at least quarterly. Seven meetings were held in 2004.

Members of the Committee

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

Due Diligence

The Due Diligence Committee assists the Board assess and act upon significant investment proposals. It scrutinises all prospectuses/product disclosure statements, reviews trust and company constitutions, reviews policies for handling conflicts of interest and undertakes post acquisition reviews.

It is comprised of one non-executive Director and various Senior Managers nominated from time to time. Where considered appropriate for a particular need, other Directors will be appointed

as ad hoc members to assist with the relevant matter. The non-executive Director is the Chairman. It meets at least quarterly and provides a report of proceedings to the Board. Six meetings were held in 2004.

Members of the Committee

- Chairman: J I Messenger
- Members: C J O'Donnell, G B Monk – Chief Financial Officer, B V McGarry – Company Secretary

Sustainability Committee

The Sustainability Committee assists the Board and guides the implementation, operation and effectiveness of Investa's Sustainability Policy.

With the objective of enhancing securityholder value, the Committee reviews proposals being considered in furthering Investa's sustainability performance, including the establishment and monitoring of performance targets and its own code of business conduct. In performing its duties, the Committee oversees management's working relationships with independent external consultants. Meetings are held at least quarterly per annum. Four meetings were held in 2004.

Members of the Committee:

- Chairman: S R Mays (until May 12th, 2004)
- Acting Chairman: J L Arthur (from May 25th, 2004)
- Members: C J O'Donnell, J L Arthur (until May 24th, 2004)

Ethical Standards

Investa has adopted a Code of Conduct which prescribes the standards of behaviour expected from all Investa people. The guidelines are regularly communicated to all staff and revisited and updated from time to time.

Corporate Governance continued

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.

Non-executive Director remuneration levels are set having regard to the responsibilities of each Director including service as Chairman of a Board Committee and as a Director of major subsidiary companies. Levels of non-executive Director's remuneration now take account of the abolition of the Retirement Benefits for Directors on June 30, 2003. The Board's overarching policy on non-executive Director remuneration is that fees and other benefits paid must be set at reasonable levels determined after review of market comparables, and advice as to reasonableness obtained from independent external advisors expert in the field.

The Board, again having regard to the recommendations of the Nominations and Remuneration Committee and independent professional advice, annually reviews the remuneration of the Managing Director and his direct reports.

Remuneration Disclosures

Directors' and Executives' Emoluments

Details of the nature and amount of each element of the emoluments of each specified Director of Investa Properties Limited and each of the 5 specified executives of the company and the consolidated entity are set out in the Directors' Report in the Concise Annual Report on page 62.

Indemnification and Insurance of officers and auditors

During the financial year, Investa Properties Limited paid a premium of \$494,548 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.

ASX Corporate Governance: Best Practice Recommendations

The Board and the company is committed to achieving the highest standard of Corporate Governance, including meeting the Recommendations set out by the ASX in March 2003.

Investa believes that it has met those Recommendations.

The Board has assessed each of the non-executive Directors who served during the year as being independent. In making this assessment, reference was made to the guidance set out by the ASX at Box 2.1 within Principle 1.

In respect of director John Arthur, he was, until July 2003, a partner of Freehills, which was and continues to be the principal legal advisor to Investa. Since July 2003, John Arthur has been a partner of Gilbert and Tobin which, amongst a range of other legal firms, had provided legal services to Investa from time to time. His spouse is also a partner of Gilbert and Tobin.

During the year, Gilbert and Tobin provided legal services to Investa as follows: in respect to the takeover bid for Delta at a time when Freehills,

which regarded itself as conflicted, could not act for Investa; and in respect of advice upon the contractual arrangements for the CPS work at Suncorp-Metway.

In expressly considering the issue and making its determination that John Arthur is independent, the Board had regard to a range of factors including that the choice of legal firms is primarily a matter for management not the Board, that at Freehills, John Arthur was one of more than 200 partners, that at Gilbert and Tobin, John Arthur is one of more than 40 partners, general considerations of materiality, and John Arthur's demeanour and approach at Board and Board Committee meetings and in his interactions with his fellow Directors and Senior Management.

Auditor Independence

We have received written confirmation from our Auditors, PricewaterhouseCoopers (PwC), that it has maintained its independence in accordance with its internal requirements, the provisions of Statement of Auditing Practice AUP 32, Professional Statement F1 – Professional Independence and with the provisions of the Corporations Act 2001.

PwC has confirmed that it has not carried out any professional engagements for Investa that would impair its professional independence as auditor.

In addition to the professional engagement fees for Investa Property Group, PwC earned Auditor fees totalling \$174,000 in respect of the eight Syndicates and two Wholesale Funds, of which Investa Properties Limited is the Responsible Entity.

Sustainability

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.

Sustainability Policy

Investa Property Group is committed to the long term integration of sustainability practices throughout the organisation for the purpose of enhancing securityholder 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 Investa's capacity to generate securityholder 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 securityholder 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 securityholder value.

Sustainability Report

Engaging in sustainability practices makes good business sense. Organisations that demonstrate environmental and social responsibility are more desirable business partners, suppliers and investments. We therefore consider that being a responsible corporate citizen is in the best interests of our securityholders.

A leader in sustainability

In 2003/04, Investa led the drive for sustainable practices in the property sector by being one of the few Australian companies in our industry to publicly set and surpass environmental performance targets.

Our leadership was recognised globally by inclusion in the 2004 Dow Jones Sustainability World Index and by Sustainable Asset Management, which put Investa in the world's top four real estate groups in terms of sustainability performance.

Sustainability continued

1 MARKET STREET,
SYDNEY



In Australia Investa's sustainability best practice was also recognised through the 2004 Banksia Environmental Award in the category of Socially Responsible Investment and the 2004 FMA SEDA Facilities Management Environmental Achievement Award.

As part of our leadership role, we encourage suppliers to apply sustainability practices in their own operations. In the next financial year, as a prequalification to tender for ongoing supplies, Investa will ask all existing suppliers to indicate how they respond to their environmental, social and ethical responsibilities. This accords with our Environmental Management System, modelled on the international standard ISO 14001, which broadly guides environmental management across the organisation.

In-house Asset Management Improves Environmental Performance

Investa's in-house asset management services don't just deliver lower operating expenses and more effective risk management, they also allow us to manage the environmental impact of our 1,220,000m² real estate portfolio.

In 2003, we used the economies of scale of our asset management business to establish the most comprehensive integrated environmental management system in the Australian property industry. This web-based system centrally monitors and manages energy, waste and water consumption through metering systems on key sites.

Surpassing Environmental Targets Boosts the Bottom Line

In the last financial year, we used this system to surpass the environmental targets set out in the 2003 annual report. As a result, we cut our electricity consumption by 8% and water consumption by 23% over the previous financial year, saving \$475,000 in operating costs. The water savings represent a reduction in usage of over 200,000 litres per day.

2004 Reduction Targets	Actual*
Electricity Consumption reduced by 7%	8% (4,600MWh)
Water consumption reduced by 15%	23% (73,700kl)
Waste to landfill reduced by 15%	37% (7,600m ³)

* Includes 11 months of actual data and a forecast for June

Through these results Investa has reduced carbon emissions by over 9,200 tonnes. Utilising the ABGR it is the first property organisation to apply for carbon credits through the New South Wales Greenhouse Abatement Credits System (NGACS).

In addition, anecdotal evidence suggests that reporting to tenants on environmental, water and waste recovery performance, boosted their confidence in our operational efficiency and corporate responsibility.

To reinforce our corporate commitment to minimising our environmental impact, in the last year we introduced the following head office initiatives:

- Office-wide recycling receptacles for paper, cardboard, glass and PET plastics
- Movement detectors in all meeting rooms to switch off lighting when rooms are not in use
- All Printers and PCs have been set to turn off automatically after periods of no use
- All printers default to duplex printing and draft mode – reducing paper consumption by around 30%
- Flat screen computer monitors have been progressively introduced, reducing heat loads and cooling costs and improving occupant comfort within the tenancies.

Improving our Greenhouse Rating

By participating in the Energy Smart Business Programme, Investa increased the average Australian Building Greenhouse Rating of our portfolio from 2.3 to 2.6 stars during the financial year with a confirmed commitment to achieving an average of 3 stars by 2005.

In the last financial year, we achieved Australian Building Greenhouse Ratings in ten more buildings, including some in Queensland, boosting our Greenhouse Rated buildings total to 33. Two of these buildings having been recognised by the NSW Energy and Utilities Minister as being among the top ten energy efficient buildings in Sydney.

Setting More Demanding Environmental Targets

By 2006, we expect to have 36 Greenhouse Rated buildings in our portfolio, and have set the environmental targets in the box below. We are determined to achieve these targets within three years from it being incorporated into the programme.

2006 Reduction Targets (against 2003 base year participating sites)

Electricity	15% reduction in usage by June 2006
Water	25% reduction in consumption by June 2006
Waste recovery	50% diverted from landfill
Aggregate Emissions	30,000 tonnes saved over 3 years to June 2006

Environmentally Sustainable Development

Investa brings Environmentally Sustainable Development (ESD) principles to bear on all new developments we commission or acquire. Our policy is to review ESD opportunities in the early design stages to ensure these considerations are dealt with as project fundamentals rather than as an 'ESD veneer'.

Our philosophy for residential development is to incorporate water management planning into all recreation spaces. This means that our drainage and landscaping designs focus on water conservation and water quality principles. During construction we have performance standards for waste minimisation and recycling, including reusing topsoil. We also place great emphasis on the needs of the community – lighting walkways and landscaped areas and creating links to local bike networks.

The most significant project presently under construction is a \$500 million premium grade office tower at 126 Phillip Street, Sydney.

Sustainability continued

73 MILLER STREET,
NORTH SYDNEY



This new landmark tower, designed by internationally acclaimed architect Norman Foster, already embraces many ESD principles. However, we also conducted a review to validate the design and look for additional sustainability opportunities. As a result, we have introduced other ideas such as capturing rainwater and re-using water from fire service testing for irrigating landscaped areas. Once complete, the building is expected to achieve an Australian Building Greenhouse Rating in excess of 4.0 stars.

Other new commercial projects include an 11,000m² office warehouse building at North Ryde, designed to achieve a 4.0 Star Australian Building Greenhouse Rating. This star rating is a vital differentiator in driving the leasing campaign for the building – validating the link between sustainable management and commercial viability.

Socially Responsible Investment (SRI) Screened Funds

Following its rating by Sustainable Investment Research Institute (SIRIS) as Australia's first and only SRI screened wholesale property investment fund, the Investa Commercial Property Fund has continued to be sold down. We anticipate that this interest will continue as demand from investors and superannuants for screened products continues to emerge.

Occupational Health and Safety

In the 2004 National Safety Council of Australia (NSCA) audit of our safety management systems, Investa maintained our 5 Star rating and increased our score to 94% with the audit extending from 16 to 25 commercial properties across the country.

The NSCA 5-Star audit covers: policy; organisation and program management; management of health and safety risks; control of specific work risks; work environment issues and emergency preparedness and management.

We are enthusiastic about the contribution that we see our sustainability commitment bringing to our securityholders. Further details of Investa's sustainability activities during the 2004 financial year and a range of targets for the coming year are contained in Investa's 2005 Sustainability Report which can be found at www.investa.com.au

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 dividends from Investa Properties Limited.

Distribution Reinvestment Plan

A Distribution Reinvestment Plan (DRP) 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 and dividends 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.

In July 2004, rollover relief for Capital Gains Tax purposes was received on behalf of the former unitholders in Principal Office Fund (POF) in respect of the units acquired by Investa. Confirmation of the Taxation Ruling can be obtained from the website www.investa.com.au

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, ABN or Exemption.

Voting Rights

The voting rights are one vote per stapled security.

Full Financial Results

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 adviser.

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 to provide TFN or ABN 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

Securityholder Information continued

A. Distribution of Stapled Securityholders as at 31 July 2004

Number of Securities	Number of Securityholders	% of issued securities
1 – 1000	1,962	.07
1001 – 5000	8,354	1.77
5001 – 10000	6,972	3.54
10001 – 100000	6,718	9.59
100001 – over	184	85.04
Total	24,190	100.00

B. Top 20 Largest Securityholders as at 31 July 2004

Rank	Name	Total Units	% Issued Capital
1	Westpac Custodian Nominees Limited	243,651,562	16.98
2	National Nominees Limited	234,754,479	16.36
3	J P Morgan Nominees Australia Limited	155,700,224	10.85
4	Citicorp Nominees Pty Limited	74,665,349	5.20
5	Cogent Nominees Pty Limited	45,256,883	3.15
6	Citicorp Nominees Pty Limited	42,083,321	2.93
7	RBC Global Services Australia Nominees Pty Limited	40,921,114	2.85
8	RBC Global Services Australia Nominees Pty Limited	33,264,662	2.32
9	Cogent Nominees Pty Limited	26,468,526	1.84
10	AMP Life Limited	24,682,050	1.72
11	Bond Street Custodians Limited	21,248,206	1.48
12	Transport Accident Commission	19,376,590	1.35
13	HSBC Custody Nominees (Australia) Limited	16,943,707	1.18
14	Victorian Workcover Authority	16,342,891	1.14
15	Bond Street Custodians Limited	15,354,426	1.07
16	ANZ Nominees Limited	14,863,107	1.04
17	ANZ Nominees Limited	12,305,386	0.86
18	Government Superannuation Office	11,358,272	0.79
19	Westpac Financial Services Limited	10,553,565	0.74
20	Queensland Investment Corporation	10,096,929	0.70
	Total In This Report	1,069,891,249	74.56

C. Substantial Securityholders (notices received as at 31 July 2004)

Securityholder	Number of Securities
Commonwealth Bank of Australia	119,964,949
Maple –Brown Abbott Limited	93,018,138
National Australia Bank Limited	80,237,357
Barclays Group	72,376,581
Macquarie Bank Limited	68,862,831
AMP Limited	63,280,094

You can do so much more online

Did you know that you can access – and even update – information about your holdings in Investa Property Group via the Internet.

Visit Investa's website www.investa.com.au and access a wide variety of holding information, make some changes online or download forms. You can:

- Check your current and previous holding balances
- Choose your preferred annual report option
- Update your address details
- Update your bank details
- Confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- Check transaction and distribution history
- Enter your email address

- Check share prices and graphs
- Download a variety of instruction forms
- Subscribe to email announcements

You can access this information via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (it must be the postcode recorded on your holding record).

Online Annual Reports

As an Investa securityholder you are able to choose how you would like to receive investor information.

By becoming an electronic investor you can receive the Annual and Half Yearly Reports electronically. You will be notified by email when a new communication becomes available for you to view online at www.investa.com.au

Electronic distribution payments.

How would you like to have immediate access to your distribution payment? Your distribution payments can be credited directly into any nominated bank, building society or credit union account in Australia.

Not only can we do your banking for you, but distributions paid by direct credit are deposited into your account as cleared funds, thus allowing you to access them on payment date.

Contact Information

You can also contact the Investa Property Group share registry by calling **1800 635 323**

ASX Perpetual Registrars Limited
Locked Bag A14,
Sydney South, NSW 1235
Website: www.asxperpetual.com.au
1800 635 323 (within Australia)
612 8280 7182 (International)
Fax 612 9287 0303

Financial Statements

Investa Property Group

2004
Financial
Statements

Annual Concise Report 30 June 2004

Investa Property Group

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This combined concise report has been derived from the full combined financial report for the year ended 30 June 2004 for Investa Property Trust and Investa Properties Limited. The full combined financial report and auditors report will be sent to securityholders upon 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 2004.

This report includes the combined results for the year ended 30 June 2004 for Investa Properties Limited ("the Company") and its controlled entities and for Investa Property Trust ("the Trust") and its 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

S A Mays

J I Messenger

D R Page

S A Mays was a director from the beginning of the financial year until his resignation on 12 May 2004.

Principal activities

During the year the principal activities of the Group continued to consist of investment in commercial property, funds and property management and property development. All business segments operate in one geographical area, Australia. The Group had 190 employees at 30 June 2004 (June 2003: 132).

Dividends and distributions

Dividends and distributions paid to stapled securityholders during the financial year were as follows:

	2004 \$'000
Final payment for the year ended 30 June 2003 of 3.95 cents per security paid on 22 August 2003	34,978
Interim payment of 4.05 cents per security paid on 21 November 2003	56,421
Interim payment of 4.10 cents per security paid on 20 February 2004	57,304
Interim payment of 4.15 cents per security paid on 21 May 2004	59,284
	207,987

In addition to the above payments, the directors declared a final payment on 25 June 2004 of 4.20 cents per security, or \$60,265,000 to be paid on 20 August 2004.

Dividends and distributions paid and payable by the Group for the year ended 30 June 2004 were \$233,274,000 (June 2003: \$131,895,000), which is equivalent to 16.50 cents per stapled security (June 2003: 15.60 cents).

Annual Concise Report

Investa Property Group

Directors' Report (continued)

Securities on issue

	2004 No.'000	2003 No.'000
Opening securities on issue	885,529	600,822
Securities issued in relation to the acquisition of Delta (formerly Principal Office Fund)	498,308	-
Securities issued via placements	26,042	255,047
Securities issued via the distribution reinvestment plan	25,011	24,276
Securities issued via the security purchase plan	-	5,384
Closing securities on issue	1,434,890	885,529

Review of operations and significant changes in the state of affairs

During the period the Group completed the acquisition of Delta (formerly Principal Office Fund).

A summary of Group combined revenue and results is set out below:

	2004 \$'000	2003 \$'000
Total revenue from ordinary activities	639,375	413,830
Net profit after company tax attributable to securityholders of Investa Property Group	215,378	128,227
Transfer from contributed equity to distributable income	18,058	9,034
Undistributed income brought forward from previous year	8,507	3,141
Dividends and distributions paid and payable	(233,274)	(131,895)
Undistributed income carried forward at 30 June	8,669	8,507
Total value of Group assets at 30 June	4,459,351	2,581,770

For a more detailed explanation of the results for the year refer to the discussion and analysis of the Combined Financial Statements.

Annual Concise Report

Investa Property Group

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 Director of Investa Development Group Director of Investa Asset Management Companies
J L Arthur LLB (Hons)	John is a commercial lawyer with extensive experience in property development and construction, information technology, e-commerce and the financial sector. He is a partner at law firm Gilbert and Tobin and was previously a partner at Freehills. Prior to that, John was general counsel at the Lend Lease Group and was a director of the Manager of General Property Trust. He is currently a non-executive director of Rinker Group Limited.	Non-Executive Director Chairman Nominations and Remuneration Committee Acting Chairman Sustainability Committee Chairman of Investa Development Group Chairman of Investa Asset Management Companies
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 Director of Investa Development Group

Annual Concise Report

Investa Property Group

Directors' Report (continued)

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year to 30 June 2004, and the numbers of meetings attended by each director at the time the director held office or was a member of the committee during the year were:

	Board meeting		Audit & Risk Management Committee meeting		Due Diligence Committee meeting		Nominations & Remuneration Committee meeting		Sustainability Committee meeting	
	Held ²	Attended	Held ²	Attended	Held ²	Attended	Held ²	Attended	Held ²	Attended
I K Payne	20	20	1	1	-	-	-	-	-	-
C J O'Donnell	20	20	-	-	3	3	7	7	4	4
J L Arthur	20	20	-	-	-	-	7	7	4	4
S A Mays (resigned 12 May 2004) ¹	17	12 ¹	8	7	-	-	-	-	2	2
J I Messenger	20	20	10	10	6	6	-	-	-	-
D R Page	20	20	10	10	-	-	7	7	-	-

¹Shaun Mays was granted leave of absence for 4 meetings held to discuss the Group's takeover bid for Delta to avoid a conflict of interest. His spouse was a director of the Responsible Entity of Delta at that time. (refer Note 26 to the full combined financial report for full details of acquisition).

²"Held" reflects the number of meetings which the director was eligible to attend.

The Audit and Risk Management Committee is chaired by D R Page. It reviews and makes recommendations on the financial reporting process, the system of internal control and management of financial and operational risks, the audit process and the Group's process for monitoring compliance with laws and regulations and its own code of conduct.

The Due Diligence Committee is chaired by J I Messenger. It reviews and makes recommendations in respect of new acquisitions, new syndications, the preparation of associated prospectuses, post acquisition performance reviews and amendments to constitutions.

The Nominations and Remuneration Committee is chaired by J L Arthur and makes specific recommendations on remuneration packages and other terms of employment for executive and non-executive directors and other senior executives.

The Sustainability Committee is chaired by J L Arthur and was established to reflect the belief that securityholder value will be enhanced through formalising and integrating the management of the Group's environmental, social and economic responsibilities.

Meetings of Subsidiary Boards

In addition to the abovementioned meetings, the development group and asset management companies convene separate board meetings to review and consider the operations, strategy and governance of these subsidiary businesses. The development group board met on 11 occasions and the asset management companies' board met on 6 occasions during the year.

Annual Concise Report

Investa Property Group

Directors' Report (continued)

Specified directors' and specified executives' emoluments

Details of the nature and amount of each element of the emoluments of each specified director and each specified executive of Investa Properties Limited are set out in the following tables. Further information on specified directors' and specified executives' emoluments is included in Note 29 to the full combined financial report.

Specified directors

(i) Non-executive directors

2004	Primary						Post-employment		Total \$
	Base Fee	Audit & Risk Mngmt Committee	Due Diligence Committee	Nom. & Rem. Committee	Sustainability Committee	Development Group Board	Asset Mngmt Board	Super- annuation Contribution	
I K Payne ¹	170,000	-	-	-	-	-	-	15,300	185,300
J L Arthur	85,000	-	-	10,000	-	15,000	10,000	10,800	130,800
S A Mays (From 1/7/2003 - 12/5/2004)	73,575	-	-	-	8,656	-	-	7,401	89,632
J I Messenger	85,000	-	25,000	-	-	-	-	9,900	119,900
D R Page	85,000	15,000	-	-	-	10,000	-	9,900	119,900
Total Non-executive directors	498,575	15,000	25,000	10,000	8,656	25,000	10,000	53,301	645,532

¹ A retirement allowance of \$105,864 was accrued in 2003 in respect of I K Payne and will be preserved in real value terms until payment becomes due.

The Chairman's base fee includes allowance for attendance at board committee meetings while non-executive directors receive a base fee and additional fees for chairmanship of board committees and membership of subsidiary boards.

(ii) Executive Director

2004	Primary			Post-employment		Total \$
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
C J O'Donnell	543,200	300,000	203,780	48,888	-	1,095,868

Specified executives

2004	Primary			Post-employment		Total \$
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
D F Bromell	281,750	80,000	17,645	25,358	-	404,753
W W Grounds	222,500	50,000	12,131	20,025	-	304,656
A S Junor	276,860	85,000	49,784	24,917	-	436,561
B V McGarry	215,000	50,000	32,917	19,350	-	317,267
G B Monk	350,000	175,000	81,501	31,500	-	638,001
Total	1,346,110	440,000	193,978	121,150	-	2,101,238

Annual Concise Report

Investa Property Group

Directors' Report (continued)

Specified directors' and specified executives' interests in securities of Investa Property Group

Specified directors' and specified executives' interests in securities of Investa Property Group during 2004 were as follows:

	Balance at the start of the year	Purchases/ (sales)	Balance at the end of the year
Specified directors			
Stapled Securities in Investa Property Group			
I K Payne	22,278	6,000	28,278
C J O'Donnell	1,566,347	250,000	1,816,347
J L Arthur	10,215	21,742	31,957
S A Mays (resigned 12 May 2004)	30,375	-	Not Applicable
J I Messenger	30,769	2,644	33,413
D R Page	18,521	7,873	26,394
Specified executives			
Stapled Securities in Investa Property Group			
D F Bromell	100,000	50,000	150,000
W W Grounds	70,000	40,000	110,000
A S Junor	325,500	100,000	425,500
B V McGarry	253,600	100,000	353,600
G B Monk	552,475	100,000	652,475

Matters subsequent to the end of the financial year

US Private Placement

The Group has agreed to issue AUD325,545,000 of bonds to investors in the United States Private Placement market with effect from 27 July 2004. The issue comprises a tranche of USD170,000,000 of fixed rate 6.03% notes maturing 27 July 2014 and a tranche of AUD79,560,000 floating rate notes yielding three month bank bills plus 0.88%, maturing 27 July 2016.

Coincident with agreeing to issue these bonds, the Group entered into a cross currency interest rate swap to convert the USD denominated ten year notes into a floating rate Australian dollar obligation. The USD cash flows under the bond and the swap offset to protect the Group from movements in US interest rates, and from movements in the rate of exchange of Australian and US dollars.

The proceeds of the bond issue will be used to retire short term bank debt, thereby lengthening the term to maturity of the Group's loan liabilities.

Since the end of the financial year, the directors of the Group have not become aware of any other matter or circumstance that has significantly affected, or may significantly affect the operations of the Group, the results of these operations, or the state of affairs in future financial years.

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 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 of these requirements and to the best of their knowledge all activities have been undertaken in compliance with environmental requirements.

Indemnification and insurance of officers and auditors

During the financial year, Investa Properties Limited paid a premium of \$494,548 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.

Likely developments and expected results of operations

The Group is required to adopt International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board for reporting periods beginning on or after 1 January 2005. A summary of how the Group is managing this transition and what the likely impact will be, is contained in Note 35 to the full combined financial report.

Rounding of amounts

The Group 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
12 August 2004

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements

The following commentary will help securityholders when reviewing and interpreting the results of the Group for the year ended 30 June 2004.

Combined Statement of Financial Performance

Profit for the Group after tax and outside equity interests was \$215,378,000 compared to \$128,227,000 in the previous year reflecting the significant increase in the property investment portfolio of the Group due mainly to the acquisition of Delta (formerly Principal Office Fund) in August 2003.

Earnings per security before amortisation and after tax has increased to 16.55 cents per security from 16.28 cents per security in the prior year. The distribution for the year has increased from 15.60 cents per security to 16.50 cents per security. Both the earnings and distribution per security equal or exceed the forecast as disclosed in the Bidders Statement prepared in relation to the Group's bid to acquire Delta and lodged with ASIC on 2 June 2003.

The following summary highlights the key contributors to the performance of the Group for the period.

1. Analysis of Revenue by Segment

Excluding proceeds from the sale of investments, revenue from operating activities is up 78% from \$268,817,000 to \$478,277,000. Key contributors to this growth are:

a. Investment Portfolio

Portfolio net income has increased from \$137,300,000 to \$259,000,000 due to the acquisition of Delta, a full twelve month effect of properties purchased during the prior period, including the Telstra properties, 209 Kingsway, South Melbourne, Penrhyn House, ACT, 589 Collins Street, Melbourne, State Law Building, Brisbane, Kings Row, Brisbane and 441 St Kilda Road, Melbourne.

b. Services

The Services business continued to grow in 2004 due to the full year impact of syndications launched in prior years, the increased scale of the asset management business arising from the properties acquired through the Delta acquisition and continued provision of corporate property services to Westpac Banking Corporation and other corporate clients.

Overall services revenue is higher than the prior year, however an increase in operating costs particularly in the asset management business has resulted in a reduction in segment profit from \$5,835,000 to \$4,832,000.

- **Fund management fees** from the Unlisted Funds business has increased from \$5,600,000 to \$6,500,000. These are comprised of fees earned from the retail syndicates and wholesale funds managed by the Group and are broken down as follows:
 - **Syndication fee income** has increased from \$3,600,000 to \$4,900,000 reflecting higher funds under management and fees from the launch of the Investa Sixth Commercial Trust in December 2003. Investa continues to broaden its syndication fee base by earning equity placement fees on units placed directly with investors.
 - **Wholesale fee income** is \$400,000 below the prior period (down to \$1,600,000) as the prior period fee included non-recurring items. Wholesale fee income is derived from the two wholesale schemes managed by the Group, Martin Place Wholesale syndicate and Investa Commercial Property Fund.
- **CPS** has continued to provide services to Westpac and other corporate clients generating a net contribution of \$2,100,000 (up from \$1,700,000 in 2003).
- **Asset management fees** continue to grow, increasing by \$2,000,000 to \$7,500,000 due to the acquisition of Delta, other acquisitions made by the Group and growth in assets managed on behalf of the syndication business.

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements (continued)

Consolidated Statement of Financial Performance (continued)

c. Property Development

Development income is up from \$52,808,000 to \$85,308,000. The result for the development business was underpinned by sales of 289 residential lots and the retail shopping centre at Manly, Queensland which was opened in late June 2004.

The following table summarises residential lots sales in the year:

Project

Mill Park, VIC	217 lots @ \$100,000/lot average
Quinns Beach, WA	24 lots @ \$230,000/lot average
Manly, QLD	48 lots @ \$155,000/lot average

Total **289 lots**

In addition, there have been sales of 15 units at Turner Street, Melbourne plus land at Eden Park, North Ryde, Sydney and Acacia Ridge, Brisbane. The land at Eden Park was sold to the Investa Fifth Commercial Trust and construction on the high tech office building is almost complete. Profit will be recognised progressively over the life of the project.

d. Investments

Short Term Investment Income

Investment income includes distribution and rental income derived from assets either held in preparation for syndication, sell down or assets for sale. This represents a key element of the Group's strategy as we are able to draw on the strength of the Group's balance sheet as we hold assets either for future sale or syndication.

Investment earnings continued to grow in 2004 due to a number of acquisitions in 2003, resulting in an increase in investment income of \$5,400,000 to \$19,800,000.

Investment income was earned from the following investments:

Investment	\$
Investa Commercial Property Fund	10,100,000
Martin Place Wholesale Syndicate	1,400,000
Macarthur Central	7,200,000
Investa Brisbane Commercial Trust	500,000
Investa Sixth Commercial Trust	600,000
Total	19,800,000

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements (continued)

Consolidated Statement of Financial Performance (continued)

Short Term Investment and Investment Property disposals

Profit on the sale of investments (both short term investments and investment properties) is down \$1,682,000 to \$4,370,000. During the year the Group sold the following investments:

	Gross Proceeds on Sale \$'000	Book Value of asset sold \$'000	Profit/(Loss) on Sale \$'000
115 Grenfell Street, Adelaide	30,500	29,389	1,111
241 Adelaide Street, Brisbane	17,500	17,713	(213)
32 Phillip Street, Parramatta, Sydney	23,000	23,643	(643)
185 Macquarie Street, Sydney	17,300	15,508	1,792
Part interest in Martin Place Trust	16,589	15,438	1,151
7-13 Tomlins Street, Townsville	11,847	10,900	947
Part interest in Investa Fifth Commercial Trust	9,000	8,603	397
Part interest in Investa Commercial Property Fund	23,701	23,689	12
29-41 Lysaght Street, Acacia Ridge	11,661	11,845	(184)
Total	161,098	156,728	4,370

2. Analysis of Expenses

During the year the Group considerably grew the scale of operations with the acquisition of the Delta portfolio and the full year impact of acquisitions made in 2003.

- Company operating expenses have increased by \$9,600,000 during the year reflecting the increased scale of operations. The bulk of these increases occurred as a result of the additional resources required to manage the Delta and other assets acquired during the past two years. A large portion of the increase is due to the growth in employee numbers from 132 at 30 June 2003 to 190 at 30 June 2004, reflected in an increase in personnel costs from \$16,708,000 to \$24,640,000.

Trust expenses are also higher due to the absorption of Delta's expense base and the payment of external Responsible Entity fees during the period in which Investa was not the Responsible Entity for Delta.

- Borrowing costs include interest expense and line facility fees and have increased from the previous corresponding period by \$41,636,000 to \$79,519,000, due to the increase in borrowings required to partly fund the acquisition of Delta with debt plus the existing debt within Delta.
- Amortisation of intangibles and depreciation is up by \$3,831,000 due to the goodwill created on the acquisition of Delta. This goodwill will be written off in the period over which the benefits are expected to extend, which is estimated to be 20 years.

Annual Concise Report

Investa Property Group

Discussion and Analysis of the Combined Financial Statements (continued)

Statement of Financial Position

Total assets within the Group increased 73% from \$2,581,770,000 at 30 June 2003 to \$4,459,351,000 at 30 June 2004, due to the acquisition of Delta and 441 St Kilda Road, Melbourne. In implementing its strategy to replenish its development inventory as current developments are completed and sold, the Group also increased its property development inventory from \$133,486,000 at 30 June 2003 to \$169,435,000 at 30 June 2004.

The total debt outstanding as at 30 June 2004 was \$1,618,500,000 (2003: \$849,600,000). The gearing for the Group has increased to 36.3%, up from 32.9% at 30 June 2003.

Interest bearing liabilities have increased due to the acquisition of Delta and the assumption of the debt on its balance sheet at the time of acquisition.

During the year to 30 June 2004, the Group raised \$1,048,196,000 from the issue of new equity securities. This was comprised of equity issued as part consideration for the Delta acquisition (\$968,849,000), the reinvestment of distributions (\$49,077,000) under the Distribution Reinvestment Plan and an institutional placement (\$50,000,000) offset by transfers from contributed equity to distributable income (\$18,058,000) and cost of issue of new securities (\$1,672,000).

The net tangible asset backing as at 30 June 2004 was \$1.78 (2003: \$1.81).

Statement of Cash Flows

Cash flow for the Group was significantly enhanced this year due to the acquisition of Delta and a growing contribution from the development business.

Net cash flow from operating activities has increased by \$90,964,000 on the prior year to \$204,600,000 reflecting the growth of the business on the larger asset base post the Delta acquisition.

Net cash flow from investing activities for the period was a significant outflow of \$432,975,000 reflecting:

- the current year cash component of the acquisition of Delta amounting to \$414,593,000;
- capital expenditure on investment properties of \$101,560,000 (the majority of which was incurred on the 126 Phillip Street development);
- payment to acquire 441 St. Kilda Road, Melbourne for \$47,535,000; and
- payment to acquire an interest in Investa Sixth Commercial Trust for \$13,949,000

which was partially offset by proceeds received on disposal of investment properties and other short term investments of \$147,993,000.

Net cash flow from financing activities for the period was a net inflow of \$227,452,000. The acquisitions and capital expenditure noted above were funded by increased net debt of \$340,288,000 and an equity raising of \$50,000,000. This cash inflow was partially offset by payment of distributions of \$161,164,000 during the financial period.

Annual Concise Report

Investa Property Group

Combined Statement of Financial Performance

For the year ended 30 June 2004

	Notes	2004 \$'000	2003 \$'000
Revenue from ordinary activities			
Revenue from operating activities		450,723	245,788
Distributions from associates		20,196	16,411
Other revenue from ordinary activities		168,456	151,631
Total revenue from ordinary activities	2	639,375	413,830
Cost of development inventory sold		(58,222)	(36,784)
Employee expenses		(24,640)	(16,708)
Property outgoing		(64,544)	(32,424)
Repairs and maintenance		(9,094)	(4,436)
Borrowing costs		(79,519)	(37,883)
Depreciation of property, plant and equipment		(536)	(339)
Amortisation of intangibles		(7,451)	(3,620)
Other expenses from ordinary activities		(172,757)	(145,828)
Profit from ordinary activities before income tax expense		222,612	135,808
Company income tax expense		(3,020)	(7,213)
Profit from ordinary activities after income tax expense		219,592	128,595
Net profit attributable to outside equity interest		(4,214)	(368)
Net profit after company tax attributable to stapled securityholders of Investa Property Group		215,378	128,227
Net increment/(decrement) in asset revaluations		(15,098)	3,397
Total revenues, expenses and valuation adjustments attributable to stapled securityholders of Investa Property Group recognised directly in equity		(15,098)	3,397
Total changes in equity other than those resulting from transactions with stapled securityholders as owners		200,280	131,624
Distributions and dividends paid and payable	4	233,274	131,895
		Cents	Cents
Distributions and dividends paid and payable (cents per stapled security)	4	16.50	15.60
Basic and diluted earnings (cents per stapled security)	6	15.99	15.83
Basic and diluted earnings per stapled security (before revaluation)	6	15.99	15.83
Basic and diluted earnings per stapled security (before revaluation and before amortisation)	6	16.55	16.28

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

Annual Concise Report

Investa Property Group

Combined Statement of Financial Position

As at 30 June 2004

	Notes	2004 \$'000	2003 \$'000
Current assets			
Cash assets		9,016	9,939
Receivables		54,021	37,470
Property development inventories		34,519	20,056
Other investments		111,654	156,404
Investment properties	3	24,132	-
Total current assets		233,342	223,869
Non-current assets			
Deferred tax asset		5,358	2,574
Intangibles		125,153	39,870
Property, plant and equipment		1,029	1,032
Loans to employees		12,012	9,232
Other investments		248,513	374,186
Property development inventories		134,916	113,430
Investment properties	3	3,699,028	1,817,577
Total non-current assets		4,226,009	2,357,901
Total assets	2	4,459,351	2,581,770
Current liabilities			
Payables		50,637	23,021
Interest bearing liabilities		120,000	-
Provisions		66,058	39,025
Current tax liabilities		1,269	4,661
Total current liabilities		237,964	66,707
Non-current liabilities			
Interest bearing liabilities		1,498,500	849,600
Deferred tax liabilities		6,077	6,041
Total non-current liabilities		1,504,577	855,641
Total liabilities	2	1,742,541	922,348
Net assets		2,716,810	1,659,422
Equity			
Contributed equity		2,628,237	1,580,041
Outside equity interest in controlled entities		44,128	20,000
Reserves		35,776	50,874
Amounts available for distribution	5	8,669	8,507
Total equity		2,716,810	1,659,422

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

Annual Concise Report

Investa Property Group

Combined Statement of Cash Flows

For the year ended 30 June 2004

	2004 \$'000	2003 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	517,937	287,046
Cash payments in the course of operations	(250,870)	(137,916)
Interest received	1,080	2,630
Distributions and dividends received	14,509	6,283
Borrowing costs paid	(68,916)	(37,074)
Income taxes paid	(9,140)	(7,333)
Net cash inflow from operating activities	204,600	113,636
Cash flows from investing activities		
Payments for investments in property	(47,535)	(563,352)
Payment for purchase of controlled entity, net of cash acquired	(414,593)	(147,466)
Capital expenditure on investment properties	(101,560)	(9,432)
Payments for investment in unlisted unit trust	(13,949)	-
Refund of due diligence costs	-	689
Payments for investment in listed property trust	-	(127,159)
Proceeds from sale of investments	147,993	156,853
Payments for investments	-	(322,801)
Proceeds from sale of for property, plant and equipment	31	-
Payments for property, plant and equipment	(582)	(230)
Loans to employees	(2,780)	(3,671)
Net cash (outflow) from investing activities	(432,975)	(1,016,569)
Cash flows from financing activities		
Proceeds from issues of securities	50,000	506,208
Proceeds from borrowings	1,515,722	747,300
Repayment of borrowings	(1,175,434)	(496,200)
Proceeds from issues of commercial notes	-	213,000
Payments for costs associated with issue of securities	(1,672)	(9,789)
Payments for costs associated with issue of commercial notes	-	(1,040)
Distributions paid	(161,164)	(69,480)
Net cash inflow from financing activities	227,452	889,999
Net decrease in cash held	(923)	(12,934)
Cash at the beginning of the financial year	9,939	22,873
Cash at the end of the financial year	9,016	9,939

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

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements

For the year ended 30 June 2004

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 combined 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 combined financial report.

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

Note 2. Segment information

The Group operates solely in Australia 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 8 Syndicate and 2 Wholesale 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 2004

Note 2. Segment information (continued)

	Investment Portfolio \$'000	Services \$'000	Property Development \$'000	Short Term Investments \$'000	Elimination/ Unallocated \$'000	Consolidated \$'000
30 June 2004						
Revenue from ordinary activities	422,031	25,541	85,308	106,495	-	639,375
Segment ordinary profit ¹	258,047	4,832	17,999	22,895	(889)	302,884
Net profit after tax	199,251	3,830	10,554	2,632	(889)	215,378
Segment ordinary profit contribution (%)	87%	1%	6%	8%	(2%)	100%
Segment assets	3,699,028	2,190	169,435	384,299	204,399	4,459,351
Segment liabilities	1,555,500	-	-	63,000	124,041	1,742,541
Depreciation and amortisation expense	5,794	1,038	1,155	-	-	7,987
Acquisition of property, plant and equipment	5,260	497	84	-	-	5,841
	Investment Portfolio \$'000	Services \$'000	Property Development \$'000	Short Term Investments \$'000	Elimination/ Unallocated \$'000	Consolidated \$'000
30 June 2003						
Revenue from ordinary activities	175,276	21,980	52,808	163,766	-	413,830
Segment ordinary profit ¹	137,834	5,835	12,116	16,060	(1,776)	170,069
Net profit after tax	114,430	5,005	8,455	2,113	(1,776)	128,227
Segment ordinary profit contribution (%)	82%	4%	7%	10%	(3%)	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 and depreciation and after tax. Segment ordinary profit for the short term investment segment is after accounting for proceeds of 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 Combined Statement of Financial Performance.

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2004

Note 3. Investment properties

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions \$'000
Current assets				
Investa Sixth Commercial Trust ³		13%	19/12/03	6,949
73 Northbourne Avenue, Canberra, ACT*	Offices/99 yr leasehold	100%	06/05/94	23,413
Total current investment properties				30,362
Non-current assets				
Properties held by Investa Property Trust				
55 Market Street, Sydney, NSW*	Offices/Freehold	100%	31/07/98	124,128
485 Latrobe Street, Melbourne, VIC*	Offices/Freehold	100%	10/09/98	91,268
73 Miller Street, North Sydney, NSW*	Offices/Freehold	100%	12/06/97	76,075
Cathedral Square, 410 Ann Street, Brisbane, QLD*	Offices/Freehold 120 yr leasehold	100%	23/11/87	60,313
469 Latrobe Street, Melbourne, VIC*	Offices/Freehold	100%	01/07/88	82,308
50-60 Talavera Road, North Ryde, NSW*	Offices/Freehold	100%	01/11/99	32,768
62 Northbourne Avenue, Canberra, ACT	Offices/96 yr leasehold	100%	26/02/88	28,812
420 St Kilda Road, Melbourne, VIC	Offices/Freehold	100%	12/12/86	25,029
109 St Georges Terrace, Perth, WA	Offices/Freehold	100%	01/11/99	27,689
32 Phillip Street, Parramatta, NSW ²	Offices/Freehold	100%	01/11/99, (19/12/04)	-
73 Northbourne Avenue, Canberra, ACT*	Offices/99 yr leasehold	100%	06/05/94	-
241 Adelaide Street, Brisbane, QLD ²	Offices/ 75 yr Leasehold	100%	10/09/98, (19/12/04)	-
64 Northbourne Avenue, Canberra, ACT	Offices/96 yr leasehold	100%	01/07/94	24,127
Total Properties held by Investa Property Trust				572,517
Properties held by controlled entities				
Investa Real Property Growth Trust				
BT Tower, 1 Market Street, Sydney, NSW* ¹	Offices/Freehold	50%	31/01/96	110,279
State Law Building, 50 Ann Street, Brisbane, QLD ¹	Offices/Freehold	100%	31/12/02	85,783
The Octagon, 110 George Street, Parramatta, NSW*	Offices/Freehold	50%, 50%	02/10/97, 15/12/98	68,729
Kings Row, Brisbane, QLD ¹	Offices/Freehold	50%	31/12/02	33,482
KPMG House, 115 Grenfell Street, Adelaide, SA ²	Offices/Freehold	100%	04/05/89, (19/12/04)	-
Total - Investa Real Property Growth Trust				298,273
Connect Property Trust				
242 Exhibition Street, Melbourne, Vic* ¹	Offices/Freehold	100%	19/08/02	275,252
310 Pitt Street, Sydney, NSW* ¹	Offices/Freehold	100%	30/11/02	125,664
231 Elizabeth Street, Sydney, NSW* ¹	Offices/Freehold	50%	19/08/02	58,457
Total - Connect Property Trust				459,373

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/04 \$'000	Consolidated book value 30/06/03 \$'000
-	-	-	6,949	-
30/06/03	17,100	R Ford, AAPI, FPDSavills	17,183	-
			24,132	-
30/06/02	138,000	D M Castles, AAPI, Landmark White	140,084	138,516
30/06/02	111,000	G Longden, FAPI, JLL Advisory	111,210	111,046
30/06/02	90,000	A Richard, FAPI, CB Richard Ellis	90,592	90,319
31/12/03	62,500	S Boyd, AAPI, Jones Lang LaSalle	62,604	64,173
31/12/03	48,000	J Perillo, AAPI, Knight Frank	48,439	53,289
30/06/03	32,000	D McGrath, AAPI, FPDSavills	32,025	32,000
30/06/02	27,500	P Harding, FAPI, Knight Frank	27,568	27,507
30/06/03	27,500	D Magree, AAPI, m3 Property	27,842	27,500
31/12/03	17,500	M Crowe, AAPI, Knight Frank	19,963	25,726
30/09/03	23,000	W Retallick, Knight Frank	-	23,000
30/06/03	17,100	R Ford, AAPI, FPDSavills	-	17,100
30/09/03	17,500	P Willington, FAPI, Knight Frank	-	17,026
31/03/02	16,100	P Harding, FAPI, Knight Frank	16,266	16,130
			576,593	643,332
31/12/03	102,500	S Kearney, FPDSavills	110,334	106,172
31/12/02	83,000	I Gregory, AAPI, Knight Frank	83,000	85,973
30/06/02	66,500	M Caruana, FAPI, Knight Frank	67,885	67,071
31/12/02	31,700	J Apted, FAPI, Jones Lang LaSalle	33,481	33,108
30/09/03	30,500	A Smithson & N Bell, Knight Frank	-	28,600
			294,700	320,924
30/06/02	261,000	A Pannifex, AAPI, FPDSavills	275,251	274,523
30/06/02	120,000	A Pannifex, AAPI, FPDSavills	125,664	125,486
30/06/02	57,500	A Pannifex, AAPI, FPDSavills	58,362	58,362
			459,277	458,371

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2004

Note 3. Investment properties (continued)

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions \$'000
Properties held by controlled entities (continued)				
Lizbeth Trust				
255 Elizabeth Street, Sydney, NSW*	Offices/Freehold	50%, 10%, 40%	21/09/94 11/12/98 01/11/99	172,805
Total - Lizbeth Trust				172,805
Delta				
400 George Street, Sydney ¹	Offices/Freehold	100%	31/10/99	261,094
120 Collins Street, Melbourne ¹	Offices/Freehold	100%	31/01/94	314,915
30% interest (as tenants-in-common)				
Grosvenor Place, 225-235 George Street, Sydney	Offices/Leasehold	30%	31/05/88	306,178
126 Phillip Street, Sydney – Development property ¹	Offices/Freehold			
50% interest (as tenants-in-common)	(Develop)	100%	31/12/96	253,120
QV1, 250 St George's, Terrace, Perth	Offices/Freehold	50%	31/12/98	142,697
St Martins Tower, 31 Market Street, Sydney ¹	Offices/Freehold	100%	30/09/00	105,395
50% interest (as tenants-in-common)				
Maritime Trade Towers, 201 Kent Street, Sydney ¹	Offices/Leasehold	50%	31/12/00	96,964
Centennial Plaza, Tower C				
300 Elizabeth Street, Sydney ¹	Offices/Freehold	100%	30/09/00	83,028
Centennial Plaza, Tower B				
270-280 Elizabeth, Street, Sydney ¹	Offices/Freehold	100%	30/09/00	74,400
Centennial Plaza, Tower A				
260 Elizabeth Street, Sydney ¹	Offices/Freehold	100%	30/09/00	53,648
Kindersley House, 33 Bligh & 20-26 O'Connell Streets, Sydney ¹	Offices/Freehold	100%	31/12/01	76,371
Customs House, 414 Latrobe Street, Melbourne ¹	Offices/Freehold	100%	31/07/97	44,800
Sydney CBD Floor Space ¹	Heritage Floor Space	100%	30/06/00	332
Total – Delta				1,812,942

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/04 \$'000	Consolidated book value 30/06/03 \$'000
30/06/03	152,000	D Castles, AAPI, Landmark White	152,195	152,000
			152,195	152,000
30/06/03	387,500	M S Smallhorn, FAPI, & C R Carver, GAPI	386,697	-
		Jones Lang LaSalle		
31/12/03	320,000	D Gowing, FAPI, CBRE	320,020	-
30/06/03	230,250	W Doherty, AAPI, Colliers International	233,344	-
-	-	Not Applicable	251,477	-
30/06/04	159,000	S Nuttall, AAPI, & J Fenner, AAPI, CBRE	159,000	-
31/12/03	125,000	S Fairfax, AAPI, & L Tredwell, GAPI, CBRE	126,440	-
30/06/03	110,000	D Castles, AAPI, Landmark White	111,615	-
30/06/03	87,000	D Hillier, AAPI, & W Doherty, AAPI, Colliers International	88,743	-
30/06/03	74,500	D Hillier, AAPI, & W Doherty, AAPI, Colliers International	75,427	-
30/06/03	60,000	D Hillier, AAPI, & W Doherty, AAPI, Colliers International	60,000	-
31/12/03	60,000	S Fairfax, AAPI, & L Tredwell, GAPI, CBRE	60,519	-
30/06/03	44,800	R J Scrivener, FAPI, FRICS, Urbis	44,800	-
30/06/03	1,000	S Fairfax, AAPI, & L Tredwell, GAPI, CBRE	622	-
			1,918,704	-

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Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2004

Note 3. Investment properties (continued)

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions \$'000
Properties held by controlled entities (continued)				
441 Trust				
441 St Kilda Road, Melbourne	Offices/Leasehold	100%	30/10/03	47,558
Total Properties held by Controlled Entities				3,363,468
Properties held by Associates				
60 Martin Place Unit Trust				
60 Martin Place, Sydney, NSW	Offices/Freehold	50%	01/11/99	80,848
Investa South Melbourne Trust				
209 Kingsway, Melbourne, VIC	Offices/Freehold	50%	31/01/02	51,401
80 Pacific Highway Trust				
80 Pacific Highway, North Sydney, NSW	Offices/Freehold	50%	04/05/01	45,461
589 Collins Trust				
589 Collins Street, Melbourne, VIC	Offices/Freehold	50%	28/02/03	28,613
Penrhyn House Trust				
Penrhyn House, Woden, ACT*	Offices/Freehold	50%	06/12/02	20,632
Total Properties held by Associates				226,955
Interests in unlisted property securities				
Investa Sixth Commercial Trust		15%	19/12/03	7,000
Investa Brisbane Commercial Trust		20%	08/05/01	4,820
Total interests in unlisted property securities				11,820
Total non-current investment properties				3,602,243

Note: Properties not independently valued during the last 12 months are carried at directors' valuation at 30 June 2004.

*These properties and units are used as security for the issue of a commercial note. (refer Note 18 to the full combined financial report)

¹ These properties are indirectly held through the ownership of units in unlisted property trusts.

² These properties were sold to Investa Sixth Commercial Trust In December 2003.

³ Investa Custodian II Pty Limited holds 13% of Investa Sixth Commercial Trust (I6CT) as a current asset with the intention of selling in the next 12 months, whilst IPT holds 15% of I6CT as a non-current investment.

Reconciliations

Reconciliations of the carrying amounts of investment property for the financial year are set out below:

	2004 \$'000	2003 \$'000
Carrying amount at start of year	1,817,577	1,150,319
Additions	1,982,962	847,312
Disposals	(86,413)	(183,451)
Revaluation (decrements)/increments	(15,098)	3,397
Carrying amount at end of year	3,699,028	1,817,577

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/04 \$'000	Consolidated book value 30/06/03 \$'000
30/10/03	45,000	B Smith, FAPI, Knight Frank	47,691	-
			3,449,160	1,574,627
30/09/03	93,500	P A Dempsey, FAPI, Ernst & Young	93,144	91,825
01/08/02	50,000	G Longden, FAPI, JLL Advisory	51,425	51,425
31/12/03	44,000	MS Smallhorn, FAPI, & D McGrath, Jones Lang LaSalle	44,304	45,745
01/12/02	28,000	JA Perillo, AAPI, Knight Frank	28,526	28,486
01/09/02	19,300	P Harding, FAPI, Knight Frank	20,649	20,649
			238,048	238,130
			7,000	-
			4,820	4,820
			11,820	4,820
			3,699,028	1,817,577

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Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2004

Note 4. Dividends and distributions

	2004 \$'000	2004 Cents per stapled security	2003 \$'000	2003 Cents per stapled security
Distributions and dividends				
30 September	56,421	4.05	29,629	3.80
31 December	57,304	4.10	32,610	3.90
31 March	59,284	4.15	34,678	3.95
30 June final payable ¹	60,265	4.20	34,978	3.95
	233,274	16.50	131,895	15.60

¹ To be paid on 20 August 2004.

Dividends and distributions actually paid or satisfied by the issue of securities under the Group's distribution reinvestment plan during the year ended 30 June 2004 were as follows:

	2004 \$'000	2003 \$'000
Paid in cash ¹	158,911	69,480
Satisfied by the issue of securities (refer note 33 to the full combined financial report)	49,076	49,818
	207,987	119,298

¹ Excludes payments of \$2,253,000 paid by Investa Commercial Property Fund to outside equity interests.

Franked dividends

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

	2004 \$'000	2003 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	9,381	3,574

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 2004

Note 5. Amounts available for distribution

	2004	2003
	\$'000	\$'000
Opening balance	8,507	3,141
Profit attributable to securityholders of Investa Property Group	215,378	128,227
Transfer from contributed equity ¹	18,058	9,034
Dividends/distributions paid and payable	(233,274)	(131,895)
Closing balance	8,669	8,507

¹ This transfer represents \$10,594,000 income support on unit placements and amortisation of intangibles of \$7,464,000.

Note 6. Earnings per stapled security

	2004	2003
Basic and diluted earnings (cents per stapled security)	15.99	15.83
Basic and diluted earnings per stapled security (before revaluation) (cents per stapled security)	15.99	15.83
Basic and diluted earnings per stapled security (before revaluation and before amortisation) (cents per stapled security)	16.55	16.28
Weighted average number of stapled securities outstanding during the year used in the calculation of earnings per stapled security	1,346,649,752	809,850,175

The calculation of basic earnings per stapled security includes the increments/(decrements) on revaluation of investment properties.

Annual Concise Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the year ended 30 June 2004

Note 7. Events occurring after reporting date

US Private Placement

The Group has agreed to issue AUD325,545,000 of bonds to investors in the United States Private Placement market with effect from 27 July 2004. The issue comprises a tranche of USD170,000,000 of fixed rate 6.03% notes maturing 27 July 2014 and a tranche of AUD79,560,000 floating rate notes yielding three month bank bills plus 0.88%, maturing 27 July 2016.

Coincident with agreeing to issue these bonds, the Group entered into a cross currency interest rate swap to convert the USD denominated ten year notes into a floating rate Australian dollar obligation. The USD cash flows under the bond and the swap offset to protect the Group from movements in US interest rates, and from movements in the rate of exchange of Australian and US dollars.

The proceeds of the bond issue will be used to retire short term bank debt, thereby lengthening the term to maturity of the Group's loan liabilities.

Since the end of the financial year, the directors of the Group have not become aware of any other matter or circumstance that has significantly affected or may significantly affect the operations of the Group, the results of these operations, or the state of affairs in future financial years.

Note 8. Full financial report

Further financial information can be obtained from the full financial report which is available, free of charge, upon request. Please call 1 800 635 323 (freecall) and for international 612 8280 7182, and a copy 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 2004, as set out on pages 69 to 82, 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 2004.

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 upon request.

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



I K Payne
Chairman
Sydney
12 August 2004

Annual Concise Report

Investa Property Group

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Independent audit report to the securityholders of Investa Property Group

Audit opinion

In our opinion, the concise financial report of Investa Property Group for the year ended 30 June 2004 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The concise financial report and directors' responsibility

The concise financial report comprises the consolidated statement of financial position, consolidated statement of financial performance, consolidated statement of cash flows, discussion and analysis of and notes to the financial statements, and the directors' declaration for Investa Property Group (the Group) for the year ended 30 June 2004.

The directors of the Investa Properties Limited are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

Audit approach

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 audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We also performed an independent audit of the full financial report of the Group for the financial year ended 30 June 2004. Our audit report on the full financial report was signed on 29 July 2004, and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed 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*.

We formed our audit opinion on the basis of these procedures, which included:

- testing that the information included in the concise financial report is consistent with the information in the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

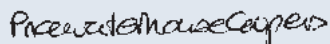
Annual Concise Report

Investa Property Group

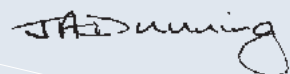
Independent audit report to the securityholders of Investa Property Group (continued)

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers



J A Dunning
Partner
Sydney
12 August 2004

Annual Concise Report 30 June 2004

Investa Property Trust
ARSN 088 705 882

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This concise report has been derived from the full financial report for the year ended 30 June 2004 for Investa Property Trust. The full financial report and auditors report will be sent to unitholders upon 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 2004.

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

S A Mays

J I Messenger

D R Page

S A Mays was a director from the beginning of the financial year until his resignation on 12 May 2004.

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:

	2004 \$'000
Final distribution for the year ended 30 June 2003 of 3.70 cents per unit paid on 22 August 2003	32,765
Interim distribution of 3.80 cents per unit paid on 21 November 2003	52,938
Interim distribution of 3.95 cents per unit paid on 20 February 2004	55,207
Interim distribution of 4.15 cents per unit paid on 21 May 2004	59,284
	200,194

In addition to the above distributions, the directors declared a final distribution on 25 June 2004 of 3.95 cents per unit, or \$56,678,000, to be paid on 20 August 2004.

Distributions totalling \$224,107,000 (15.85 cents per unit) were paid or payable by the Trust for the year ended 30 June 2004 (2003: \$118,509,000 equivalent to 14.00 cents per unit).

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

Units on issue

	2004 No.'000	2003 No.'000
Opening units on issue	885,529	600,822
Units issued in relation to the acquisition of Delta (formerly Principal Office Fund)	498,308	-
Units issued via placements	26,042	255,047
Units issued via the distribution reinvestment plan	25,011	24,276
Units issued via the security purchase plan	-	5,384
Closing units on issue	1,434,890	885,529

Review of operations and significant changes in the state of affairs

A summary of the consolidated results is as follows:

	2004 \$'000	2003 \$'000
Net profit attributable to unitholders	206,708	114,314
Income brought forward	5,039	199
Transfer from contributed equity	18,058	9,035
Distributions paid and payable	(224,107)	(118,509)
Amounts available for distribution carried forward	5,698	5,039
Value of Trust assets at 30 June	4,258,478	2,393,011

Distributions from the Trust increased from 14.00 cents per unit in 2003 to 15.85 cents per unit in 2004, with underlying profit attributable to unitholders before asset revaluations increasing from \$114,314,000 in 2003 to \$206,708,000 in 2004, an increase of 81%. This increase reflects growth in rental revenue driven by the acquisition of Delta (formerly Principal Office Fund) and also increased interest income on loans to related parties.

Trust assets increased from \$2,393,011,000 in 2003 to \$4,258,478,000, a net increase of \$1,865,467,000 or 78%, which is largely attributable to the acquisition of Delta during the year.

For a more detailed explanation of the results for the year refer to the discussion and analysis of 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 Director of Investa Development Group Director of Investa Asset Management Companies
J L Arthur LLB (Hons)	John is a commercial lawyer with extensive experience in property development and construction, information technology, e-commerce and the financial sector. He is a partner at law firm Gilbert and Tobin and was previously a partner at Freehills. Prior to that, John was general counsel at the Lend Lease Group and was a director of the Manager of General Property Trust. He is currently a non-executive director of Rinker Group Limited.	Non-Executive Director Chairman Nominations and Remuneration Committee Acting Chairman Sustainability Committee Chairman of Investa Development Group Chairman of Investa Asset Management Companies
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 Director of Investa Development Group

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

Meetings of directors

The numbers of meetings of the Responsible Entity's board of directors and of each board committee held during the year to 30 June 2004, and the numbers of meetings attended by each director at the time the director held office or was a member of the committee during the year were:

	Board meeting		Audit & Risk Management Committee meeting		Due Diligence Committee meeting		Nominations & Remuneration Committee meeting		Sustainability Committee meeting	
	Held ²	Attended	Held ²	Attended	Held ²	Attended	Held ²	Attended	Held ²	Attended
I K Payne	20	20	1	1	-	-	-	-	-	-
C J O'Donnell	20	20	-	-	3	3	7	7	4	4
J L Arthur	20	20	-	-	-	-	7	7	4	4
S A Mays (resigned 12 May 2004) ¹	17	12 ¹	8	7	-	-	-	-	2	2
J I Messenger	20	20	10	10	6	6	-	-	-	-
D R Page	20	20	10	10	-	-	7	7	-	-

¹ Shaun Mays was granted leave of absence for 4 meetings held to discuss the Invest Property Group's take over bid for Delta to avoid a conflict of interest. His spouse was a director of the Responsible Entity of Delta at that time.

² "Held" reflects the number of meetings which the director was eligible to attend.

The Audit and Risk Management Committee is chaired by D R Page. It reviews and makes recommendations on the financial reporting process, the system of internal control and management of financial and operational risks, the audit process and the Trust's process for compliance with laws and regulations and its own code of conduct.

The Due Diligence Committee is chaired by J I Messenger. It reviews and makes recommendations in respect of new acquisitions, new syndications, the preparation of associated prospectuses, post acquisition performance reviews and amendments to constitutions.

The Nominations and Remuneration Committee is chaired by J L Arthur and makes specific recommendations on remuneration packages and other terms of employment for executive and non-executive directors and other senior executives.

The Sustainability Committee is chaired by J L Arthur and was established to reflect the belief that shareholder value will be enhanced through formalising and integrating the management of the Responsible Entity's environmental, social and economic responsibilities.

Meetings of Subsidiary Boards

In addition to the abovementioned meetings, the development group and asset management companies convene separate board meetings to review and consider the operations, strategy and governance of these subsidiary businesses. The development group board met on 11 occasions and the asset management companies' board met on 6 occasions during the year.

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

Specified directors' and specified executives' emoluments

Details of the nature and amount of each element of the emoluments of each specified director of Investa Properties Limited and each specified executive of the Responsible Entity are set out in the following tables. This section should be read in conjunction with the director and executive disclosures Note 28 to the full financial report.

Specified directors

(i) Non-executive directors

2004	Primary							Post-employment		Total \$
	Base Fee	Audit & Risk Mngmt Committee	Due Diligence Committee	Nom. & Rem. Committee	Sustainability Committee	Development Group Board	Asset Mngmt Board	Super- annuation Contribution		
I K Payne ¹	170,000	-	-	-	-	-	-	15,300	185,300	
J L Arthur	85,000	-	-	10,000	-	15,000	10,000	10,800	130,800	
S A Mays (From 1/7/2003 - 12/5/2004)	73,575	-	-	-	8,656	-	-	7,401	89,632	
J I Messenger	85,000	-	25,000	-	-	-	-	9,900	119,900	
D R Page	85,000	15,000	-	-	-	10,000	-	9,900	119,900	
Total Non-executive directors	498,575	15,000	25,000	10,000	8,656	25,000	10,000	53,301	645,532	

¹ A retirement allowance of \$105,864 was accrued in 2003 in respect of I K Payne and will be preserved in real value terms until payment becomes due.

The Chairman's base fee includes allowance for attendance at board committee meetings while non-executive directors receive a base fee and additional fees for chairmanship of board committees and membership of subsidiary boards.

(ii) Executive Director

2004	Primary			Post-employment		Total \$
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
C J O'Donnell	543,200	300,000	203,780	48,888	-	1,095,868

Specified executives

2004	Primary			Post-employment		Total \$
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
D F Bromell	281,750	80,000	17,645	25,358	-	404,753
W W Grounds	222,500	50,000	12,131	20,025	-	304,656
A S Junor	276,860	85,000	49,784	24,917	-	436,561
B V McGarry	215,000	50,000	32,917	19,350	-	317,267
G B Monk	350,000	175,000	81,501	31,500	-	638,001
Total	1,346,110	440,000	193,978	121,150	-	2,101,238

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

Specified directors' and specified executives' interests in the securities of Investa Property Group

Specified directors' and specified executives' interests in the securities of Investa Property Group during 2004 were as follows:

	Balance at the start of the year	Purchases/ (sales)	Balance at the end of the year
Specified directors			
Stapled Securities in Investa Property Group			
I K Payne	22,278	6,000	28,278
C J O'Donnell	1,566,347	250,000	1,816,347
J L Arthur	10,215	21,742	31,957
S A Mays (resigned 12 May 2004)	30,375	-	Not Applicable
J I Messenger	30,769	2,644	33,413
D R Page	18,521	7,873	26,394
Specified executives of the Responsible Entity			
Stapled Securities in Investa Property Group			
D F Bromell	100,000	50,000	150,000
W W Grounds	70,000	40,000	110,000
A S Junor	325,500	100,000	425,500
B V McGarry	253,600	100,000	353,600
G B Monk	552,475	100,000	652,475

Responsible Entity interests

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in Note 27 to the full financial report.

No fees were paid out of Trust property to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 20 to the full financial report.

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 management expenses incurred directly and indirectly by the Trust:

	2004	2003	2002	2001	2000
	%	%	%	%	%
MER	0.17	0.20	0.29	0.44	0.72

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

Matters subsequent to the end of the financial year

US Private Placement

The Trust has agreed to issue AUD325,545,000 of bonds to investors in the United States Private Placement market with effect from 27 July 2004. The issue comprises a tranche of USD170,000,000 of fixed rate 6.03% notes maturing 27 July 2014 and a tranche of AUD79,560,000 floating rate notes yielding three month bank bills plus 0.88%, maturing 27 July 2016.

Coincident with agreeing to issue these bonds, the Trust entered into a cross currency interest rate swap to convert the USD denominated ten year notes into a floating rate Australian dollar obligation. The USD cash flows under the bond and the swap offset to protect the Trust from movements in US interest rates and from movements in the rate of exchange of Australian and US dollars.

The proceeds of the bond issue will be used to retire short term bank debt, thereby lengthening the term to maturity of the Trust's loan liabilities.

Since the end of the financial year, the directors of the Responsible Entity have not become aware of any other matter or circumstance that has significantly affected or may significantly affect the operations of the Trust, the results of these operations, or the state of affairs in future financial years.

Likely developments and expected results of operations

The Trust is required to adopt International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board for reporting periods beginning on or after 1 January 2005. A summary of how the Responsible Entity is managing this transition and what the likely impact will be, is contained in the Note 29 to the full financial report.

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 of these requirements and to the best of their knowledge all activities have been undertaken in compliance with environmental requirements.

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.

Annual Concise Report

Investa Property Trust

Directors' Report (continued)

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.

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
12 August 2004

Annual Concise Report

Investa Property Trust

Discussion and Analysis of the Consolidated Financial Statements

Consolidated Statement of Financial Performance

Net profit before revaluation decrements for the year to 30 June 2004 almost doubled on the previous corresponding period to \$206,708,000 from \$114,314,000, reflecting the significant increase in the property investment portfolio of the Trust due mainly to the acquisition of Delta (formerly Principal Office Fund) in August 2003.

The distribution per unit has increased 13% to 15.85 cents per unit from 14.00 cents per unit in the corresponding period. Earnings per unit before amortisation and revaluations has increased 10% to 15.78 cents per unit over the same period. The amount available for distribution carried forward as at 30 June 2004 is \$5,698,000, or 0.4 cents per unit.

Rental income has increased 109% to \$295,386,000 due to the growth in the property portfolio driven by the acquisition of Delta and 441 St. Kilda Road, Melbourne during the period as well as the full year effect of properties purchased during the corresponding period. The Consolidated Statement of Financial Performance includes 100% of the results of Delta from 31 August 2003, the date full control was gained.

Distributions from associates have increased 24% to \$33,818,000 principally due to the net impact of including a full twelve month distribution from associates purchased in prior periods.

The Trust sold 4 investment properties during the period:

	Gross Proceeds on Sale \$'000	Book Value of asset sold \$'000	Profit/(Loss) on Sale \$'000
115 Grenfell Street, Adelaide	30,500	29,389	1,111
241 Adelaide Street, Brisbane	17,500	17,713	(213)
32 Phillip Street, Parramatta, Sydney	23,000	23,643	(643)
185 Macquarie Street, Sydney	17,300	15,508	1,792
Total	88,300	86,253	2,047

Included in other revenue from ordinary activities is \$28,392,000 of interest income of which \$27,320,000 was earned on loans to Investa Properties Limited and its subsidiaries to facilitate the expansion of the Company's activities.

Operating expenses including rates and taxes, property outgoings and repairs and maintenance have increased on the corresponding period by \$33,781,000 to \$67,331,000 reflecting the increase in the property portfolio due to the acquisition of Delta and other assets referred to above.

Borrowing costs include interest expense and line facility fees and have increased on the corresponding period by \$39,002,000 to \$74,964,000. This increase is primarily due to funding the cash component of the acquisition of Delta with debt plus the addition of existing Delta debt.

Included in other expenses is the management fee paid to Investa Properties Limited and other general operating expenses of the Trust.

The consolidated entity, in accordance with its investment revaluation policy, recognised directly in its Asset Revaluation Reserve a net revaluation decrement for the current financial period of \$15,098,000, which is 0.35% of the Trust's total assets as at 30 June 2004.

Annual Concise Report

Investa Property Trust

Discussion and Analysis of the Consolidated Financial Statements (continued)

Consolidated Statement of Financial Position

Trust assets increased by 78% to \$4,258,478,000 primarily driven by the increase in the size of the property portfolio following the acquisition of the Delta properties mentioned above.

Increased loans to Investa Properties Limited and its controlled entities, to facilitate the growth of its activities, have also contributed to the growth of Trust assets.

Interest bearing liabilities have increased from \$730,000,000 as at 30 June 2003 to \$1,555,500,000. In order to assist in the funding of the Delta transaction a new \$550,000,000 facility was arranged with a syndicate of banks led by the Commonwealth Bank of Australia. This facility along with the other secured debt was subsequently refinanced during the year. The remaining increase is primarily due to the debt within Delta of \$270,000,000 which is added to the Trust's debt on consolidation.

As a result of the above, gearing has increased from 30.5% at 30 June 2003 to 36.5% at 30 June 2004.

Contributed equity increased during the period by \$990,973,000. This is the result of issuing units to partly fund the Delta acquisition (\$915,156,000), the issue of units in respect of the Trust's Distribution Reinvestment Plan (\$47,047,000) and an institutional placement (\$48,350,000) offset by transfers from contributed equity to distributable income (\$18,058,000) and the cost of issue of new securities (\$1,522,000).

Consolidated Statement of Cash Flows

Cash flow from operating activities has increased 130% to \$237,905,000 in the period consistent with the increase in net profit before revaluation adjustments. The increase is driven by an increase in rental receipts by 109% (matching the increase in rental income) due to the acquisition of Delta and the increase in interest income received from loans to related entities.

Net cash flow from investing activities for the period was an outflow of \$491,910,000 reflecting:

- the current year cash component of the acquisition of Delta amounting to \$414,593,000;
- capital expenditure on investment properties of \$91,029,000 (the majority of which was incurred on the 126 Phillip Street development);
- payment to acquire 441 St. Kilda Road, Melbourne for \$47,535,000; and
- payment to acquire an interest in Investa Sixth Commercial Trust for \$13,949,000

which was partially offset by proceeds received on disposal of 4 investment properties of \$75,196,000.

Net cash flow from financing activities for the year was an inflow of \$255,108,000. The acquisitions noted above were funded by increased net debt of \$396,888,000. This cash inflow was partially offset by payment of distributions of \$153,147,000 during the financial period.

Annual Concise Report

Investa Property Trust

Statements of Financial Performance

For the year ended 30 June 2004

	Notes	Consolidated		Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Revenue from ordinary activities					
Rent		295,386	141,053	66,729	71,704
Distributions from associates		33,818	27,297	24,635	20,584
Other revenue from ordinary activities		120,031	204,280	245,540	204,546
Total revenue from ordinary activities		449,235	372,630	336,904	296,834
Property outgoings					
Repairs and maintenance		(8,029)	(3,749)	(2,010)	(1,899)
Borrowing costs		(74,964)	(35,962)	(63,721)	(34,421)
(Decrement) on revaluations of investment properties		-	-	(15,098)	(7,526)
Amortisation of intangibles		(5,794)	(1,930)	(1,930)	(1,930)
Other expenses from ordinary activities		(93,196)	(186,874)	(45,047)	(127,255)
Net profit		207,950	114,314	194,834	106,788
Net profit attributable to outside equity interests		(1,242)	-	-	-
Net profit attributable to unitholders of the Trust		206,708	114,314	194,834	106,788
Net (decrease)/increase in asset revaluation reserve		(15,098)	3,139	-	3,139
Total revenues, expenses and valuation adjustments attributable to unitholders of Investa Property Trust recognised directly in equity		(15,098)	3,139	-	3,139
Total changes in equity other than those resulting from transactions with unitholders as owners		191,610	117,453	194,834	109,927
Distributions paid and payable	3	224,107	118,509		
		Cents	Cents		
Distributions paid and payable (cents per unit)	3	15.85	14.00		
Basic and diluted earnings (cents per unit)	5	15.35	14.12		
Basic and diluted earnings per unit (before revaluation)	5	15.35	14.12		
Basic and diluted earnings per unit (before revaluation and before amortisation)	5	15.78	14.35		

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

Annual Concise Report

Investa Property Trust

Statements of Financial Position

As at 30 June 2004

	Notes	Consolidated		Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Current assets					
Cash assets		3,884	2,781	852	442
Receivables		29,434	29,142	60,399	24,871
Loans to related entities		103,811	205,864	510,675	385,916
Investment properties	6	24,132	4,196	17,183	-
Total current assets		161,261	241,983	589,109	411,229
Non-current assets					
Intangibles		120,566	33,627	31,696	33,627
Loans to related entities		277,623	172,665	277,623	172,665
Other investments		-	127,159	-	127,159
Investment properties	6	3,699,028	1,817,577	3,063,895	1,593,050
Total non-current assets		4,097,217	2,151,028	3,373,214	1,926,501
Total assets		4,258,478	2,393,011	3,962,323	2,337,730
Current liabilities					
Payables		40,907	14,683	11,528	9,402
Interest bearing liabilities		120,000	-	-	-
Provision for distribution	3	56,678	32,765	56,678	32,765
Total current liabilities		217,585	47,448	68,206	42,167
Non-current liabilities					
Loans from related entities		13,296	-	835,796	-
Interest bearing liabilities		1,435,500	730,000	463,000	680,000
Total non-current liabilities		1,448,796	730,000	1,298,796	680,000
Total liabilities		1,666,381	777,448	1,367,002	722,167
Net assets		2,592,097	1,615,563	2,595,321	1,615,563
Equity					
Contributed equity		2,574,146	1,583,173	2,590,262	1,610,524
Reserves		12,253	27,351	-	-
Amounts available for distribution	4	5,698	5,039	5,059	5,039
Total equity		2,592,097	1,615,563	2,595,321	1,615,563

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Annual Concise Report

Investa Property Trust

Statements of Cash Flows

For the year ended 30 June 2004

	Notes	Consolidated		Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Cash flows from operating activities					
Cash receipts in the course of operations		358,185	142,793	73,612	74,306
Cash payments in the course of operations		(109,766)	(32,126)	(34,833)	(16,635)
Interest received		24,809	2,770	45,621	3,628
Trust distribution income from controlled entities		-	-	116,947	56,971
Distributions from associates		31,023	24,254	28,458	17,541
Borrowing costs paid		(66,346)	(34,243)	(59,344)	(32,702)
Net cash inflow from operating activities		237,905	103,448	170,461	103,109
Cash flows from investing activities					
Proceeds from sale of property and investments		75,196	176,591	52,817	117,098
Payments for additional investment in controlled entity		-	-	-	(555,118)
Capital expenditure payments		(91,029)	(7,537)	(8,372)	(2,996)
Payment for investment in listed trust		-	(127,159)	-	(127,159)
Redemption of units in controlled entity		-	-	29,797	92,558
Payment for investments in property		(47,535)	(516,726)	(49,544)	-
Payments for investments in associates		(13,949)	(106,402)	(7,000)	(100,860)
Purchase of controlled entity, net of cash acquired		(414,593)	(147,466)	(414,593)	-
Net cash (outflow) from investing activities		(491,910)	(728,699)	(396,895)	(576,477)
Cash flows from financing activities					
Proceeds from issues of units		48,350	488,038	48,350	488,038
Proceeds from borrowings		1,504,722	655,700	1,504,724	655,700
Repayment of borrowings		(1,107,834)	(472,700)	(899,224)	(457,700)
Loans to related entities		(115,028)	(457,738)	(380,382)	(624,785)
Proceeds from repayment of loans from related entities		79,567	256,342	108,045	255,732
Distributions paid		(153,147)	(55,887)	(153,147)	(55,887)
Proceeds from issue of commercial notes		-	213,000	-	213,000
Payments for costs associated with issue of commercial notes		-	(1,040)	-	(1,040)
Payments for costs associated with issue of units		(1,522)	(9,353)	(1,522)	(9,353)
Net cash inflow from financing activities		255,108	616,362	226,844	463,705
Net (decrease)/increase in cash held		1,103	(8,889)	410	(9,663)
Cash at the beginning of the financial year		2,781	11,670	442	10,105
Cash at the end of the financial year		3,884	2,781	852	442

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Annual Concise Report

Investa Property Trust

Notes to the Financial Statements

For the year ended 30 June 2004

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 period unless otherwise specified.

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

	2004 \$'000	2004 Cents per unit	2003 \$'000	2003 Cents per unit
Distributions				
30 September	52,938	3.80	25,730	3.30
31 December	55,207	3.95	28,847	3.45
31 March	59,284	4.15	31,167	3.55
30 June final payable ¹	56,678	3.95	32,765	3.70
	224,107	15.85	118,509	14.00

¹ The 30 June 2004 distribution will be paid on 20 August 2004.

Distributions actually paid or satisfied by the issue of units under the distribution reinvestment plan during the year were:

	2004 \$'000	2003 \$'000
Paid in cash	153,147	55,887
Satisfied by the issue of units (refer Note 25 to the full financial report)	47,047	47,978
	200,194	103,865

Movements in the provision for distributions during the year are as follows:

	2004 \$'000	2003 \$'000
Carrying amount at the start of the year	32,765	18,121
Payments made during the year	(200,194)	(103,865)
Additional provisions recognised	224,107	118,509
Carrying value at the end of the year	56,678	32,765

Annual Concise Report

Investa Property Trust

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Note 4. Amounts available for distribution

	Consolidated		Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Amounts available for distribution at the beginning of the financial year	5,039	199	5,039	199
Net profit	206,708	114,314	194,834	106,788
Transfer from contributed equity ¹	18,058	9,035	29,293	16,561
Distributions paid and payable	(224,107)	(118,509)	(224,107)	(118,509)
Amounts available for distribution at the end of the financial year	5,698	5,039	5,059	5,039

¹This transfer represents \$10,594,000 income support on unit placements and amortisation of intangibles of \$7,464,000.

Note 5. Earnings per unit

	Consolidated	
	2004	2003
Basic and diluted earnings (cents per unit)	15.35	14.12
Basic and diluted earnings per unit (before revaluation) (cents per unit)	15.35	14.12
Basic earnings per unit (before revaluation and before amortisation) (cents per unit)	15.78	14.35
Weighted average number of units outstanding during the year used in the calculation of earnings per unit	1,346,649,752	809,850,175

Note 6. Investment properties

Reconciliations

Reconciliations of the carrying amounts of non-current investment property for the year are set out below:

	Consolidated		Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Carrying amount at start of year	1,817,577	1,150,319	1,593,050	1,148,594
Additions attributable to Delta acquisition	1,834,536	-	1,514,046	-
Other Additions	148,426	847,570	63,703	566,406
Disposals	(86,413)	(183,451)	(91,806)	(125,089)
Net revaluation increments/(decrements)	(15,098)	3,139	(15,098)	3,139
Carrying amount at end of year	3,699,028	1,817,577	3,063,895	1,593,050

Annual Concise Report

Investa Property Trust

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions \$'000
Current assets				
Investa Sixth Commercial Trust ³		13%	19/12/03	6,949
Townsville Trust		45%	11/11/02, (01/07/03)	-
73 Northbourne Avenue, Canberra, ACT*	Offices/99 yr leasehold	100%	06/05/94	23,413
Total current investment properties				30,362
Non-current assets				
Properties held by Investa Property Trust				
55 Market Street, Sydney, NSW*	Offices/Freehold	100%	31/07/98	124,128
485 Latrobe Street, Melbourne, VIC*	Offices/Freehold	100%	10/09/98	91,268
73 Miller Street, North Sydney, NSW*	Offices/Freehold	100%	12/06/97	76,075
Cathedral Square, 410 Ann Street, Brisbane, QLD*	Offices/Freehold/120 yr leasehold	100%	23/11/87	60,313
469 Latrobe Street, Melbourne, VIC*	Offices/Freehold	100%	01/07/88	82,308
50-60 Talavera Road, North Ryde, NSW*	Offices/Freehold	100%	01/11/99	32,768
62 Northbourne Avenue, Canberra, ACT	Offices/96 yr leasehold	100%	26/02/88	28,812
420 St Kilda Road, Melbourne, VIC	Offices/Freehold	100%	12/12/86	25,029
109 St Georges Terrace, Perth, WA	Offices/Freehold	100%	01/11/99	27,689
32 Phillip Street, Parramatta, NSW ²	Offices/Freehold	100%	01/11/99, (19/12/03)	-
73 Northbourne Avenue, Canberra, ACT*	Offices/99 yr leasehold	100%	06/05/94	-
241 Adelaide Street, Brisbane, QLD ²	Offices/ 75 yr Leasehold	100%	10/09/98, (19/12/03)	-
64 Northbourne Avenue, Canberra, ACT	Offices/96 yr leasehold	100%	01/07/94	24,127
Total Properties held by Investa Property Trust				572,517
Properties held by controlled entities				
Investa Real Property Growth Trust				
BT Tower, 1 Market Street, Sydney, NSW* ¹	Offices/Freehold	50%	31/01/96	110,279
State Law Building, 50 Ann Street, Brisbane, QLD ¹	Offices/Freehold	100%	31/12/02	85,783
The Octagon, 110 George Street, Parramatta, NSW*	Offices/Freehold	50%, 50%	02/10/97, 15/12/98	68,729
Kings Row, Brisbane, QLD ¹	Offices/Freehold	50%	31/12/02	33,482
KPMG House, 115 Grenfell Street, Adelaide, SA ²	Offices/Freehold	100%	04/05/89, (19/12/03)	-
Total - Investa Real Property Growth Trust				298,273

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/04 \$'000	Consolidated book value 30/06/03 \$'000
-	-	-	6,949	-
-	-	-	-	4,196
30/06/03	17,100	R Ford, AAPI, FPDSavills	17,183	-
			24,132	4,196
30/06/02	138,000	D M Castles, AAPI, Landmark White	140,084	138,516
30/06/02	111,000	G Longden, FAPI, JLL Advisory	111,210	111,046
30/06/02	90,000	A Richard, FAPI, CB Richard Ellis	90,592	90,319
31/12/03	62,500	S Boyd, AAPI, Jones Lang LaSalle	62,604	64,173
31/12/03	48,000	J Perillo, AAPI, Knight Frank	48,439	53,289
30/06/03	32,000	D McGrath, AAPI, FPDSavills	32,025	32,000
30/06/02	27,500	P Harding, FAPI, Knight Frank	27,568	27,507
30/06/03	27,500	D Magree, AAPI, m3 Property	27,842	27,500
31/12/03	17,500	M Crowe, AAPI, Knight Frank	19,963	25,726
30/09/03	23,000	W Retallick, FAPI, Knight Frank	-	23,000
30/06/03	17,100	R Ford, AAPI, FPDSavills	-	17,100
30/09/03	17,500	P Willington, FAPI, Knight Frank	-	17,026
30/06/02	16,100	P Harding, FAPI, Knight Frank	16,266	16,130
			576,593	643,332
31/12/03	102,500	S Kearney, FPDSavills	110,334	106,172
31/12/02	83,000	I Gregory, AAPI, Knight Frank	83,000	85,973
30/06/02	66,500	M Caruana, FAPI, Knight Frank	67,885	67,071
31/12/02	31,700	J Apted, AAPI, Jones Lang LaSalle	33,481	33,108
30/09/03	30,500	A Smithson & N Bell, Knight Frank	-	28,600
			294,700	320,924

Annual Concise Report

Investa Property Trust

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions \$'000
Properties held by controlled entities (continued)				
Connect Property Trust				
242 Exhibition Street, Melbourne, Vic* ¹	Offices/Freehold	100%	19/08/02	275,252
310 Pitt Street, Sydney, NSW* ¹	Offices/Freehold	100%	30/11/02	125,664
231 Elizabeth Street, Sydney, NSW* ¹	Offices/Freehold	50%	19/08/02	58,457
Total - Connect Property Trust				459,373
Lizabeth Trust				
255 Elizabeth Street, Sydney, NSW*	Offices/Freehold	50%	21/09/94	172,805
		10%	11/12/98	
		40%	01/11/99	
Total - Lizabeth Trust				172,805
Delta				
400 George Street, Sydney ¹	Offices/Freehold	100%	31/10/99	261,094
120 Collins Street, Melbourne ¹	Offices/Freehold	100%	31/01/94	314,915
30% interest (as tenants-in-common) Grosvenor Place, 225-235 George Street, Sydney	Offices/Leasehold	30%	31/05/88	306,178
126 Phillip Street, Sydney – Development property ¹	Offices/Freehold/(Develop)	100%	31/12/96	253,120
50% interest (as tenants-in-common) QV1, 250 St George's Terrace, Perth	Offices/Freehold	50%	31/12/98	142,697
St Martins Tower, 31 Market Street, Sydney ¹	Offices/Freehold	100%	30/09/00	105,395
50% interest (as tenants-in-common) Maritime Trade Towers, 201 Kent Street, Sydney ¹	Offices/Leasehold	50%	31/12/00	96,964
Centennial Plaza, Tower C, 300 Elizabeth Street, Sydney ¹	Offices/Freehold	100%	30/09/00	83,028
Centennial Plaza, Tower B, 270-280 Elizabeth Street, Sydney ¹	Offices/Freehold	100%	30/09/00	74,400
Centennial Plaza, Tower A, 260 Elizabeth Street, Sydney ¹	Offices/Freehold	100%	30/09/00	53,648

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/04 \$'000	Consolidated book value 30/06/03 \$'000
30/06/02	261,000	A Pannifex, AAPI, FPDSavills	275,251	274,523
30/06/02	120,000	A Pannifex, AAPI, FPDSavills	125,664	125,486
30/06/02	57,500	A Pannifex, AAPI, FPDSavills	58,362	58,362
			459,277	458,371
30/06/03	152,000	D Castles, AAPI, Landmark White	152,195	152,000
			152,195	152,000
30/06/03	387,500	M S Smallhorn, FAPI, & C R Carver, GAPI, Jones Lang LaSalle	386,697	-
31/12/03	320,000	D Gowing, FAPI, CBRE	320,020	-
30/06/03	230,250	W Doherty, AAPI, Colliers International	233,344	-
-	-	Not Applicable	251,477	-
30/06/04	159,000	S Nuttall, AAPI, & J Fenner, AAPI, CBRE	159,000	-
31/12/03	125,000	S Fairfax, AAPI, & L Tredwell, GAPI, CBRE	126,440	-
30/06/03	110,000	D Castles, AAPI, Landmark White	111,615	-
30/06/03	87,000	D Hillier, AAPI, & W Doherty, AAPI, Colliers International	88,743	-
30/06/03	74,500	D Hillier, AAPI, & W Doherty, AAPI, Colliers International	75,427	-
30/06/03	60,000	D Hillier, AAPI, & W Doherty, AAPI, Colliers International	60,000	-

Annual Concise Report

Investa Property Trust

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions \$'000
Properties held by controlled entities (continued)				
Delta (continued)				
Kindersley House, 33 Bligh & 20-26, O'Connell Streets, Sydney ¹	Offices/Freehold	100%	31/12/01	76,371
Customs House, 414 Latrobe Street, Melbourne ¹	Offices/Freehold	100%	31/07/97	44,800
Sydney CBD Floor Space ¹	Heritage Floor Space	100%	30/06/00	332
Total – Delta				1,812,942
441 Trust				
441 St Kilda Road, Melbourne	Offices/Leasehold	100%	30/10/03	47,558
Total Properties held by Controlled Entities				3,363,468
Properties held by Associates				
60 Martin Place Unit Trust				
60 Martin Place, Sydney, NSW	Offices/Freehold	50%	01/11/99	80,848
Investa South Melbourne Trust				
209 Kingsway, Melbourne, VIC	Offices/Freehold	50%	31/01/02	51,401
80 Pacific Highway Trust				
80 Pacific Highway, North Sydney, NSW	Offices/Freehold	50%	04/05/01	45,461
589 Collins Trust				
589 Collins Street, Melbourne, VIC	Offices/Freehold	50%	28/02/03	28,613
Penrhyn House Trust				
Penrhyn House, Woden, ACT*	Offices/Freehold	50%	06/12/02	20,632
Total Properties held by Associates				226,955
Interests in unlisted property securities				
Investa Sixth Commercial Trust ³		15%	19/12/03	7,000
Investa Brisbane Commercial Trust		20%	08/05/01	4,820
Total interests in unlisted property securities				11,820
Total non-current investment properties				3,602,243

Note: Properties not independently valued during the last 12 months are carried at directors' valuation at 30 June 2004.

*These properties and units are used as security for the issue of a commercial note (refer Note 13 to the full financial report).

¹ These properties are indirectly held through the ownership of units in unlisted property trusts.

² These properties were sold to Investa Sixth Commercial Trust.

³ Investa Custodian II holds 13% of Investa Sixth Commercial Trust (I6CT) as a current asset with the intention of selling in the next 12 months, whilst IPT holds 15% of I6CT as a non-current investment.

Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/04 \$'000	Consolidated book value 30/06/03 \$'000
31/12/03	60,000	S Fairfax, AAPI, & L Tredwell, GAPI, CBRE	60,519	-
30/06/03	44,800	R J Scrivener, FAPI, FRICS, Urbis	44,800	-
30/06/03	1,000	S Fairfax, AAPI, & L Tredwell, GAPI, CBRE	622	-
			1,918,704	-
30/10/03	45,000	B Smith, FAPI, Knight Frank	47,691	-
			3,449,160	1,574,627
30/09/03	93,500	P A Dempsey, FAPI, Ernst & Young	93,144	91,825
01/08/02	50,000	G Longden, FAPI, JLL Advisory	51,425	51,425
31/12/03	44,000	MS Smallhorn, FAPI, & D McGrath, Jones Lang LaSalle	44,304	45,745
01/12/02	28,000	JA Perillo, AAPI, Knight Frank	28,526	28,486
01/09/02	19,300	P Harding, FAPI, Knight Frank	20,649	20,649
			238,048	238,130
			7,000	-
			4,820	4,820
			11,820	4,820
			3,699,028	1,817,577

Annual Concise Report

Investa Property Trust

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Note 7. Events occurring after reporting date

US Private Placement

The Trust has agreed to issue AUD325,545,000 of bonds to investors in the United States Private Placement market with effect from 27 July 2004. The issue comprises a tranche of USD170,000,000 of fixed rate 6.03% notes maturing 27 July 2014 and a tranche of AUD79,560,000 floating rate notes yielding three month bank bills plus 0.88%, maturing 27 July 2016.

Coincident with agreeing to issue these bonds, the Trust entered into a cross currency interest rate swap to convert the USD denominated ten year notes into a floating rate Australian dollar obligation. The USD cash flows under the bond and the swap offset to protect the Trust from movements in US interest rates and from movements in the rate of exchange of Australian and US dollars.

The proceeds of the bond issue will be used to retire short term bank debt, thereby lengthening the term to maturity of the Trust's loan liabilities.

Since the end of the year, the directors of the Responsible Entity have not become aware of any other matter or circumstance that has significantly affected or may significantly affect, the operations of the Trust, the results of those operations, or state of the Trust's affairs in future financial years.

Note 8. Full financial report

Further financial information can be obtained from the full financial report which is available, free of charge, upon request. Please call 1 800 635 323 (freecall) and for international 612 8280 7182, and a copy 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 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 2004 as set out on pages 97 to 108 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 2004.

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 upon request.

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



I K Payne
Chairman
Sydney
12 August 2004

Annual Concise Report

Investa Property Trust

Independent audit report to the unitholders of Investa Property Trust

Audit opinion

In our opinion, the concise financial report of Investa Property Trust for the year ended 30 June 2004 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The concise financial report and directors' responsibility

The concise financial report comprises the consolidated statement of financial position, consolidated statement of financial performance, consolidated statement of cash flows, discussion and analysis of and notes to the financial statements, and the directors' declaration for Investa Property Trust (the trust) for the year ended 30 June 2004.

The directors of the Investa Properties Limited, the Responsible Entity, are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

Audit approach

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 audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We also performed an independent audit of the full financial report of the trust for the financial year ended 30 June 2004. Our audit report on the full financial report was signed on 29 July 2004, and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed 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*.

We formed our audit opinion on the basis of these procedures, which included:

- testing that the information included in the concise financial report is consistent with the information in the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

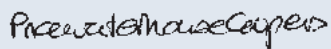
Annual Concise Report

Investa Property Trust

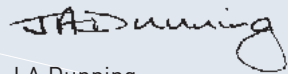
Independent audit report to the unitholders of Investa Property Trust (continued)

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers



J A Dunning
Partner
Sydney
12 August 2004

Annual Concise Report 30 June 2004

Investa Properties Limited
ABN 54 084 407 241

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This concise report has been derived from the full financial report for the year ended 30 June 2004 for Investa Properties Limited. The full financial report and auditors report will be sent to members upon 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 2004.

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

S A Mays

J I Messenger

D R Page

S A Mays was a director from the beginning of the financial year until his resignation on 12 May 2004.

Principal activities

During the year the principal activities of the consolidated entity continued to consist of property and funds management, property development and holding short term investments prior to syndication or disposal. All business segments operate in one geographical area, Australia. The Company had 190 employees at 30 June 2004 (2003: 132).

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Dividends

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

	2004 \$'000
Final dividend for the year ended 30 June 2003 of 0.25 cents per share paid on 22 August 2003	2,213
Interim dividend of 0.25 cents per share paid on 21 November 2003	3,483
Interim dividend of 0.15 cents per share paid on 20 February 2004	2,096
	7,792

In addition to the above dividends, the directors declared a final dividend on 25 June 2004 of 0.25 cents per share, or \$3,587,000, to be paid on 20 August 2004.

Dividends paid and payable for the year ended 30 June 2004 were \$9,166,000, representing 0.65 cents per share, decreasing 59.4% from 1.60 cents per share in 2003, or \$13,387,000. All dividends were fully franked.

Shares on issue

	2004 No.'000	2003 No.'000
Opening shares on issue	885,529	600,822
Shares issued in relation to the acquisition of Delta	498,308	-
Shares issued via placements	26,042	255,047
Shares issued via the distribution reinvestment plan	25,011	24,276
Shares issued via the security purchase plan	-	5,384
Closing shares on issue	1,434,890	885,529

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:

	2004 \$'000	2003 \$'000
Total revenue from ordinary activities	217,344	237,741
Net profit after tax	11,643	15,352
Profit attributable to outside equity interests ¹	(2,973)	(1,182)
Profit attributable to members of Investa Properties Limited	8,670	14,170
Retained profits brought forward	3,726	2,943
Dividends paid and payable	(9,166)	(13,387)
Retained profits at 30 June	3,230	3,726
Total assets at 30 June	593,788	569,987

¹ This represents the profit attributable to the outside equity interests in Investa Commercial Property Fund.

The net profit after tax for the Company was down \$5,500,000 at \$8,670,000 compared to \$14,170,000 in the previous year. As a result, earnings per share before amortisation and depreciation have decreased from 2.00 cents per share in 2003 to 0.77 cents per share in the current year. The decrease in earnings has resulted in the dividend per share decreasing by 0.95 cents per share from 1.60 cents per share in 2003, to 0.65 cents per share in the current year.

Total assets have increased from \$569,987,000 in 2003 to \$593,788,000 in 2004, primarily due to the increase in property inventories. The Company continues to hold investments prior to syndication or disposal to third parties. Assets held as investments at 30 June 2004 include:

- a 76% interest in Investa Commercial Property Fund \$141,962,456
- a 100% interest in Macarthur Central Shopping Centre, Brisbane \$101,154,997

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

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 Director of Investa Development Group Director of Investa Asset Management Companies
J L Arthur LLB (Hons)	John is a commercial lawyer with extensive experience in property development and construction, information technology, e-commerce and the financial sector. He is a partner at law firm Gilbert and Tobin and was previously a partner at Freehills. Prior to that, John was general counsel at the Lend Lease Group and was a director of the Manager of General Property Trust. He is currently a non-executive director of Rinker Group Limited.	Non-Executive Director Chairman Nominations and Remuneration Committee Acting Chairman Sustainability Committee Chairman of Investa Developments Group Chairman of Investa Asset Management Companies
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 Director Investa Development Group

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year to 30 June 2004, and the numbers of meetings attended by each director at the time the director held office or was a member of the committee during the year were:

	Board meeting		Audit & Risk Management Committee meeting		Due Diligence Committee meeting		Nominations & Remuneration Committee meeting		Sustainability Committee meeting	
	Held ²	Attended	Held ²	Attended	Held ²	Attended	Held ²	Attended	Held ²	Attended
I K Payne	20	20	1	1	-	-	-	-	-	-
C J O'Donnell	20	20	-	-	3	3	7	7	4	4
J L Arthur	20	20	-	-	-	-	7	7	4	4
S A Mays (resigned 12 May 2004)	17	12 ¹	8	7	-	-	-	-	2	2
J I Messenger	20	20	10	10	6	6	-	-	-	-
D R Page	20	20	10	10	-	-	7	7	-	-

¹ Shaun Mays was granted leave of absence for 4 meetings held to discuss the Group's takeover bid for Delta (previously named Principal Office Fund)(POF) to avoid a conflict of interest. His spouse was a director of the Responsible Entity of Delta at that time.

² "Held" reflects the number of meetings which the relevant Director was eligible to attend.

The Audit and Risk Management Committee is chaired by D R Page. It reviews and makes recommendations on the financial reporting process, the system of internal control and management of financial and operational risks, the audit process and the Company's process for monitoring compliance with laws and regulations and its own code of conduct.

The Due Diligence Committee is chaired by J I Messenger. It reviews and makes recommendations in respect of new acquisitions, new syndications, the preparation of associated prospectuses, post acquisition performance reviews and amendments to constitutions.

The Nominations and Remuneration Committee is chaired by J L Arthur and makes specific recommendations on remuneration packages and other terms of employment for executive and non-executive directors and other senior executives (Refer to Note 26 to the full financial report).

The Sustainability Committee is chaired by J L Arthur and was established to reflect the belief that shareholder value will be enhanced through formalising and integrating the management of the Company's environmental, social and economic responsibilities.

Meetings of Subsidiary Boards

In addition to the abovementioned meetings, the development group and asset management companies convene separate board meetings to review and consider the operations, strategy and governance of these subsidiary businesses. The development group board met on 11 occasions and the asset management companies' board met on 6 occasions during the year.

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Specified directors' and specified executives' emoluments

Details of the nature and amount of each element of the emoluments of each specified director of Investa Properties Limited and each specified executive of the Company are set out in the following tables. This section should be read in conjunction with the director and executive disclosure note to the full financial report. (Note 26 to the full financial report).

Specified directors

(i) Non-executive directors

2004	Primary						Post-employment		Total \$
	Base Fee	Audit & Risk Mngmt Committee	Due Diligence Committee	Nom. & Rem. Committee	Sustainability Committee	Development Group Board	Asset Mngmt Board	Super- annuation Contribution	
I K Payne ¹	170,000	-	-	-	-	-	-	15,300	185,300
J L Arthur	85,000	-	-	10,000	-	15,000	10,000	10,800	130,800
S A Mays (From 1/7/2003 - 12/5/2004)	73,575	-	-	-	8,656	-	-	7,401	89,632
J I Messenger	85,000	-	25,000	-	-	-	-	9,900	119,900
D R Page	85,000	15,000	-	-	-	10,000	-	9,900	119,900
Total Non-executive directors	498,575	15,000	25,000	10,000	8,656	25,000	10,000	53,301	645,532

¹ A retirement allowance of \$105,864 was accrued in 2003 in respect of I K Payne and will be preserved in real value terms until payment becomes due.

The Chairman's base fee includes allowance for attendance at board committee meetings while non-executive directors receive a base fee and additional fees for chairmanship of board committees and membership of subsidiary boards.

(ii) Executive Director

2004	Primary			Post-employment		Total \$
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
C J O'Donnell	543,200	300,000	203,780	48,888	-	1,095,868

Specified executives

2004	Primary			Post-employment		Total \$
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
D F Bromell	281,750	80,000	17,645	25,358	-	404,753
W W Grounds	222,500	50,000	12,131	20,025	-	304,656
A S Junor	276,860	85,000	49,784	24,917	-	436,561
B V McGarry	215,000	50,000	32,917	19,350	-	317,267
G B Monk	350,000	175,000	81,501	31,500	-	638,001
Total	1,346,110	440,000	193,978	121,150	-	2,101,238

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Specified directors' and specified executives' interests in the securities of Investa Property Group

Specified directors' and specified executives' interests in the securities of Investa Property Group during 2004 were as follows:

	Balance at the start of the year	Purchases/ (sales)	Balance at the end of the year
Specified directors			
Stapled Securities in Investa Property Group			
I K Payne	22,278	6,000	28,278
C J O'Donnell	1,566,347	250,000	1,816,347
J L Arthur	10,215	21,742	31,957
S A Mays (resigned 12 May 2004)	30,375	-	Not Applicable
J I Messenger	30,769	2,644	33,413
D R Page	18,521	7,873	26,394
Specified executives			
Stapled Securities in Investa Property Group			
D F Bromell	100,000	50,000	150,000
W W Grounds	70,000	40,000	110,000
A S Junor	325,500	100,000	425,500
B V McGarry	253,600	100,000	353,600
G B Monk	552,475	100,000	652,475

Matters subsequent to the end of the financial year

Since the end of the financial year, the directors of the Company have not become aware of any matter or circumstance that has significantly affected or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs in future financial years.

Likely developments and expected results of operations

The Company is required to adopt International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board for reporting periods beginning on or after 1 January 2005. A summary of how the Company is managing this transition and what the likely impact will be, is contained in the Note 33 to the full financial report.

Annual Concise Report

Investa Properties Limited

Directors' Report (continued)

Environmental regulation

Whilst the Company is not subject to significant environmental regulation in respect of its property development 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 of these requirements and to the best of their knowledge all activities have been undertaken in compliance with environmental requirements.

Indemnification and insurance of officers and auditors

During the financial year, the Company paid a premium of \$494,548 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
12 August 2004

Annual Concise Report

Investa Properties Limited

Discussion and Analysis of the Consolidated Financial Statements

The following commentary will help shareholders when reviewing and interpreting the results of the Company for the year ended 30 June 2004.

Consolidated Statement of Financial Performance

The Company achieved 15% growth in earnings before interest, tax, depreciation and amortisation ("EBITDA") in 2004 to \$45,191,000, up from \$39,369,000 in the previous year. However the net profit after tax for the Company was down \$5,500,000 at \$8,670,000 compared to \$14,170,000 in the previous corresponding year.

The growth in EBITDA, based on a higher level of activity (see below), was more than offset by increases in borrowing costs (particularly interest charges from Investa Property Trust (IPT)) and operating expenses. The interest charges from IPT result in increased revenue in IPT and are eliminated in the Investa Property Group (IPG) accounts reflecting the overall improved group performance.

Earnings per share before amortisation and after tax have decreased from 1.75 cents per share in the previous period to 0.64 cents per share in the current period. Reflecting the drop in earnings, the dividend per share has been reduced from 1.60 cents per share to 0.65 cents per share.

The difference in earnings per share and dividend per share is reflected in a reduction of retained profits, which are \$3,230,000 at the end of the period.

1. Analysis of Revenue by Segment

Excluding proceeds from the sale of investments, revenue from operating activities is up 49% to \$144,546,000 reflecting the increased activity of the Company. Key contributors to this growth are:

a. Services

The Services business continued to grow in 2004 due to the full year impact of syndications launched in prior years, the increased scale of the asset management business taking on the management of the properties acquired through the Delta (formerly named Principal Office Fund) acquisition and continued provision of corporate property services to Westpac Banking Corporation and other corporate clients.

Overall services revenue is higher than the prior year, however an increase in operating costs particularly in the asset management business has resulted in a reduction in segment profit from \$5,835,000 to \$4,832,000.

- **Fund management fees** from the Unlisted Funds business has increased from \$5,600,000 to \$6,500,000. These are comprised of fees earned from the retail syndicates and wholesale funds managed by the Group and are broken down as follows:
 - **Syndication fee income** has increased from \$3,600,000 to \$4,900,000 reflecting higher funds under management than the previous period and fees from the launch of the Investa Sixth Commercial Trust in December 2003. Investa continues to broaden its syndication fee base by earning equity placement fees on units directly placed with investors.
 - **Wholesale fee income** is \$400,000 below the prior period (down to \$1,600,000) as the prior period fee included non-recurring items. Wholesale fee income is derived from the two wholesale schemes managed by the Group, Martin Place Wholesale syndicate and Investa Commercial Property Fund.
- **CPS** has continued to provide services to Westpac and other corporate clients generating a net contribution of \$2,100,000 (up from \$1,700,000 in 2003).
- **Asset management fees** continue to grow, increasing by \$2,000,000 to \$7,500,000 due to the acquisition of Delta, other acquisitions made by the Group and growth in assets managed on behalf of the syndication business.

Annual Concise Report

Investa Properties Limited

Discussion and Analysis of the Consolidated Financial Statements (continued)

Consolidated Statement of Financial Performance (continued)

b. Property Development

Development income is up from \$52,808,000 to \$85,308,000. The result for the development business was underpinned by sales of 289 residential lots and the retail shopping centre at Manly, Queensland which was opened in late June 2004.

The following table summarises residential lots sales during the year:

Project

Mill Park, VIC	217 lots @ \$100,000/lot average
Quinns Beach, WA	24 lots @ \$230,000/lot average
Manly, QLD	48 lots @ \$155,000/lot average

Total **289 lots**

In addition, there have been sales of 15 units at Turner Street, Melbourne plus land at Eden Park, North Ryde, Sydney and Acacia Ridge, Brisbane. The land at Eden Park was sold to the Investa Fifth Commercial Trust and construction on the high tech office building is underway. Profit will be recognised progressively over the life of the project.

c. Investments

Short Term Investment Income

Investment income includes distribution and rental income derived from assets either held in preparation for syndication, sell down or assets for sale. This represents a key element of our strategy as we are able to draw on the strength of the Company's balance sheet as we hold assets either for future sale or syndication.

Investment earnings continued to grow in 2004 due to a number of acquisitions in 2003, resulting in an increase in investment income of \$4,800,000 to \$18,700,000.

Investment income was earned from the following investments:

Investment	\$
Investa Commercial Property Fund	10,100,000
Martin Place Wholesale Syndicate	1,400,000
Macarthur Central	7,200,000
Total	18,700,000

Short Term Investment disposals

Profit on sale of short term investments is down by \$2,987,000 to \$2,323,000. The main contributors to profits for the year included the sale of the Company's interest in Martin Place Wholesale Syndicate (\$1,200,000) and 7 – 13 Tomlins Street, Townsville (\$900,000).

Annual Concise Report

Investa Properties Limited

Discussion and Analysis of the Consolidated Financial Statements (continued)

Consolidated Statement of Financial Performance (continued)

2. Analysis of Expenses

During the year the Company considerably grew the scale of operations with the acquisition of the Delta portfolio and the full year impact of acquisitions made in 2003. As a consequence operating expenses and interest expenses have significantly increased.

- Operating expenses have increased by \$9,600,000 during the year reflecting the increased scale of operations. The bulk of these increases occurred as a result of the additional resources required to manage the Delta and other assets acquired during the past two years. A large portion of the increase is due to the growth in employee numbers from 132 at 30 June 2003 to 190 at 30 June 2004, reflected in an increase in personnel costs from \$16,708,000 to \$24,640,000.
- Borrowing costs include interest expense and line facility fees paid on external and internal borrowings. Internal borrowings are loans made available by IPT to provide funds to the Company to enable it to make its investments.

Borrowing costs have increased on the corresponding period (by \$15,351,000 to \$31,308,000) due to the increase in borrowings required to fund the acquisitions made by the Company, including Macarthur Central and the Company's investment in Investa Commercial Property Fund. Borrowing costs paid to IPT are also higher due to an increase in interest rates charged by IPT during the period. The interest rates charged by IPT are based on standard commercial terms that would be otherwise available to the Company outside of the Group.

Consolidated Statement of Financial Position

Total assets have increased by \$23,801,000 from \$569,987,000 to \$593,788,000 as at 30 June 2004 due to the continued landbanking activities of the development business partially offset by asset sales by the Company.

During the period, the Company sold several of its short term investments including:

- 13% interest in Investa Commercial Property Fund (\$23,701,000);
- 7 – 13 Tomlins Street, Townsville (\$11,847,000);
- 25% interest in MPWS (\$16,589,000);
- investment in Investa Fifth Commercial Trust (\$9,000,000); and
- 29 Lysaght Street, Brisbane (\$11,661,000)

The funds generated from the increase in contributed equity (\$57,223,000) have been utilised to reduce debt in the Company by \$55,306,000, from \$498,130,000 in June 2003 to \$442,824,000 at June 2004, with the predominant reduction being debt owed to a related entity, Investa Property Trust. The external debt relates to an Investa Commercial Property Fund loan of \$63,000,000.

Annual Concise Report

Investa Properties Limited

Discussion and Analysis of the Consolidated Financial Statements (continued)

Consolidated Statement of Cash Flows

The Company generated a higher EBITDA than the previous year however it was a net recipient of funds due to the funding requirements of the development business landbanking during the year. After funding from IPT and shareholders, the Company held cash reserves of \$4,491,000, down from \$5,460,000 at 30 June 2003.

Cash flows from operating activities decreased by \$45,981,000 from an inflow of \$8,460,000 in the previous financial period to an outflow of \$37,521,000, which is mainly attributable to:

- Additional borrowing costs paid of \$24,169,000;
- Higher taxation payments of \$1,807,000 relating primarily to the increased development activities; and
- Increased payments of \$27,888,000 mainly related to property inventories and property outgoings.

These reductions in cash flow have been partially offset by an increase in distributions received of \$7,879,000 reflecting the income derived from Macarthur Central and Investa Commercial Property Fund.

Investing activities resulted in a net inflow of \$64,208,000 which was mainly as a result of the proceeds from the sale of investments totalling \$72,797,000.

Financing activities resulted in a net outflow of \$27,656,000 mainly as a result of the net repayment of external loans amounting to \$56,600,000 upon the refinancing of debt facilities and dividend payments amounting to \$8,017,000 offset by net additional borrowings from Investa Property Trust, a related entity, of \$35,461,000.

Annual Concise Report

Investa Properties Limited

Statements of Financial Performance

For the year ended 30 June 2004

	Notes	Consolidated		Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Revenue from ordinary activities	2	217,344	237,741	42,702	110,851
Cost of development inventory sold		(58,222)	(36,784)	-	-
Property outgoing		(4,188)	(1,862)	-	-
Repairs and Maintenance		(322)	(320)	-	-
Employee expenses		(24,640)	(16,708)	(13,739)	(9,225)
Accommodation expenses		(1,480)	(1,338)	(728)	(654)
Purchased services		(3,127)	(1,630)	(2,726)	(1,198)
Depreciation and amortisation expenses		(2,193)	(2,029)	(931)	(809)
Borrowing costs		(31,308)	(15,957)	(1,180)	(4,401)
Other expenses from ordinary activities		(77,201)	(138,548)	(12,991)	(77,853)
Profit from ordinary activities before income tax expense		14,663	22,565	10,407	16,711
Income tax expense		(3,020)	(7,213)	-	(2,848)
Net Profit		11,643	15,352	10,407	13,863
Net profit attributable to outside equity interests		(2,973)	(1,182)	-	-
Net profit attributable to members of Investa Properties Limited	2	8,670	14,170	10,407	13,863
Total changes in equity other than those resulting from transactions with owners as owners		8,670	14,170	10,407	13,863
		Cents	Cents		
Basic and diluted earnings per share	4	0.64	1.75		

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

Annual Concise Report

Investa Properties Limited

Statements of Financial Position

As at 30 June 2004

	Notes	Consolidated		Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Current assets					
Cash assets		4,491	5,460	277	113
Receivables		22,072	10,174	24,571	9,064
Investments		111,654	156,404	12,558	21,161
Property development inventories		34,519	20,056	-	-
Total current assets		172,736	192,094	37,406	30,338
Non-current assets					
Investments in controlled entities		-	-	26,804	5,129
Loan to related entity		13,296	-	13,296	-
Deferred tax asset		5,358	2,575	1,047	802
Investments		249,854	245,381	-	-
Property, plant and equipment		1,029	1,032	672	540
Property development inventories		134,916	113,430	-	-
Loans to employees		12,012	9,232	7,386	9,232
Intangible assets		4,587	6,243	2,190	2,818
Total non-current assets		421,052	377,893	51,395	18,521
Total assets	2	593,788	569,987	88,801	48,859
Current liabilities					
Payables		9,524	6,766	2,618	2,789
Interest and non-interest bearing liabilities		102,201	205,864	-	19,232
Income tax liability		1,269	4,661	-	1,394
Provisions		9,380	6,335	6,746	4,471
Total current liabilities		122,374	223,626	9,364	27,886
Non-current liabilities					
Interest and non-interest bearing liabilities		340,623	292,266	-	-
Deferred tax liabilities		6,077	6,040	37	37
Total non-current liabilities		346,700	298,306	37	37
Total liabilities	2	469,074	521,932	9,401	27,923
Net assets		124,714	48,055	79,400	20,936
Equity					
Contributed equity		77,356	20,133	77,356	20,133
Outside equity interest		44,128	24,196	-	-
Retained profits		3,230	3,726	2,044	803
Total equity		124,714	48,055	79,400	20,936

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Annual Concise Report

Investa Properties Limited

Statements of Cash Flows

For the year ended 30 June 2004

	Notes	Consolidated		Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Cash flows from operating activities					
Cash receipts in the course of operations		131,894	109,936	20,646	22,373
Cash payments in the course of operations		(150,275)	(100,429)	(27,868)	(15,581)
Dividends/distributions received		16,418	8,539	4,372	20,445
Interest received		582	578	61	82
Borrowing costs paid		(27,000)	(2,831)	(40)	(165)
Income taxes paid		(9,140)	(7,333)	(1,505)	(1,476)
Net cash (outflow)/inflow from operating activities		(37,521)	8,460	(4,334)	25,678
Cash flows from investing activities					
Payments for property, plant and equipment		(581)	(230)	(437)	(159)
Proceeds from sales of assets		-	-	-	-
Due diligence costs recovered		-	689	-	-
Payments for investments		-	(455,560)	-	(77,433)
Payments for capital expenditure		(5,260)	-	-	-
Proceeds from sales of investments		72,797	140,653	14,129	78,823
Proceeds from sales of plant and equipment		32	-	-	-
Investments in controlled entities		-	-	-	(6,773)
Redemption of shares in controlled entities		-	-	-	1,645
Loans to employees		(2,780)	(3,671)	1,846	(3,671)
Net cash inflow/(outflow) from investing activities		64,208	(318,119)	15,538	(7,568)
Cash flows from financing activities					
Proceeds from issues of shares		1,650	18,170	1,650	18,170
Proceeds from borrowings from related entity		154,942	448,411	-	106,261
Proceeds from borrowings		11,000	91,600	-	-
Repayments of borrowings		(67,600)	(23,500)	-	(3,500)
Repayments of borrowings from related entity		(119,481)	(216,736)	(6,777)	(125,898)
Cost of issue of shares		(150)	(436)	(150)	(436)
Dividends paid		(8,017)	(13,593)	(5,763)	(13,593)
Net cash inflow/(outflow) from financing activities		(27,656)	303,916	(11,040)	(18,996)
Net (decrease)/increase in cash held		(969)	(5,743)	164	(886)
Cash at the beginning of the financial year		5,460	11,203	113	999
Cash at the end of the financial year		4,491	5,460	277	113

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Annual Concise Report

Investa Properties Limited

Notes to the Financial Statements

For the year ended 30 June 2004

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 unless otherwise stated.

Note 2. Segment information

The consolidated entity operates solely in Australia 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 owned 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 in unlisted property trusts prior to either syndication, disposal, or the sell down of units to external investors. Distribution income is earned from the investments and profits and losses are generated at the time of sale of the investments.

Annual Concise Report

Investa Properties Limited

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Note 2. Segment information (continued)

30 June 2004	Services	Property Development	Investments	Consolidated
	\$'000	\$'000	\$'000	\$'000
Revenue from ordinary activities	25,541	85,308	106,495	217,344
Segment ordinary profit ¹	4,832	17,999	22,895	45,726
Unallocated	-	-	-	(3,555)
Total Segment ordinary profit¹	4,832	17,999	22,895	42,171
Net profit after tax	3,830	10,554	2,632	17,016
Unallocated ²	-	-	-	(8,346)
Net profit after tax	3,830	10,554	2,632	8,670
Segment assets	2,190	169,435	361,508	533,133
Unallocated assets	-	-	-	60,655
Total assets	2,190	169,435	361,633	593,788
Segment liabilities	-	126,191	316,633	442,824
Unallocated liabilities	-	-	-	26,250
Total liabilities	-	126,191	316,633	469,074
Depreciation and amortisation expense	1,038	1,155	-	2,193
Acquisition of property, plant and equipment	497	84	-	581

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

² Includes corporate costs and intergroup interest charges not allocated.

Annual Concise Report

Investa Properties Limited

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Note 2. Segment information (continued)

30 June 2003	Services \$'000	Property Development \$'000	Investments \$'000	Consolidated \$'000
Revenue from ordinary activities	21,980	52,808	162,953	237,741
Segment ordinary profit ¹	5,835	12,116	16,060	34,011
Unallocated	-	-	-	(1,855)
Total Segment ordinary profit¹	5,835	12,116	16,060	32,156
Net profit after tax	5,005	8,455	2,113	15,573
Unallocated	-	-	-	(1,403)
Net profit after tax	5,005	8,455	2,113	14,170
Segment assets	2,818	133,486	401,785	538,089
Unallocated assets	-	-	-	31,898
Total assets	2,818	133,486	401,785	569,987
Segment liabilities	-	59,600	378,530	438,130
Unallocated liabilities	-	-	-	83,802
Total liabilities	-	59,600	378,530	521,932
Depreciation and amortisation expense	830	1,199	-	2,029
Acquisition of property, plant and equipment	181	49	-	230

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

Annual Concise Report

Investa Properties Limited

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Note 3. Dividends

	Consolidated	
	2004 \$'000	2003 \$'000
Ordinary shares		
Interim dividends		
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 franked @30% - 0.25 cents per share – 30 June 2003	-	2,213
Franked @30% - 0.25 cents per share – 30 September 2003	3,483	-
Franked @30% - 0.15 cents per share – 31 December 2003	2,096	-
Final dividend franked @30% - 0.25 cents per share – 30 June 2004 ¹	3,587	-
Total dividends paid and payable	9,166	13,387

¹ The 30 June 2004 dividend will be paid on 20 August 2004.

Franked dividends

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

	Consolidated		Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2003: 30%)	9,381	3,574	367	573

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 its controlled entities were paid as dividends.

Annual Concise Report

Investa Properties Limited

Notes to the Financial Statements (continued)

For the year ended 30 June 2004

Note 4. Earnings per share

	2004 Cents	2003 Cents
Basic and diluted earnings per share	0.64	1.75
	Number '000	Number '000
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating earnings per share	1,346,650	809,850

Note 5. Events occurring after reporting date

Since the end of the year, the directors of the Company have not become aware of any matter or circumstance that has significantly or may significantly affect the operations of the Company, the results of those operations, or state of the Company's affairs in future financial years.

Note 6. Full financial report

Further financial information can be obtained from the full financial report which is available, free of charge, upon request. Please call 1 800 635 323 (freecall) and for international 612 8280 7182, and a copy 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 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 2004 as set out on pages 125 to 132 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 2004.

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 upon request.

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



I K Payne
Chairman
Sydney
12 August 2004

Annual Concise Report

Investa Properties Limited

Independent audit report to the members of Investa Properties Limited

PricewaterhouseCoopers
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Darling Park Tower 2
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GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Audit opinion

In our opinion, the concise financial report of Investa Properties Limited for the year ended 30 June 2004 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The concise financial report and directors' responsibility

The concise financial report comprises the consolidated statement of financial position, consolidated statement of financial performance, consolidated statement of cash flows, discussion and analysis of and notes to the financial statements, and the directors' declaration for Investa Properties Limited (the company) for the year ended 30 June 2004.

The directors of the company are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

Audit approach

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 audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We also performed an independent audit of the full financial report of the company for the financial year ended 30 June 2004. Our audit report on the full financial report was signed on 29 July 2004, and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed 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*.

We formed our audit opinion on the basis of these procedures, which included:

- testing that the information included in the concise financial report is consistent with the information in the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

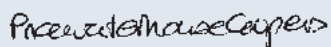
Annual Concise Report

Investa Properties Limited

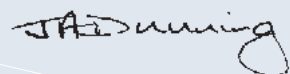
Independent audit report to the members of Investa Properties Limited (continued)

Independence

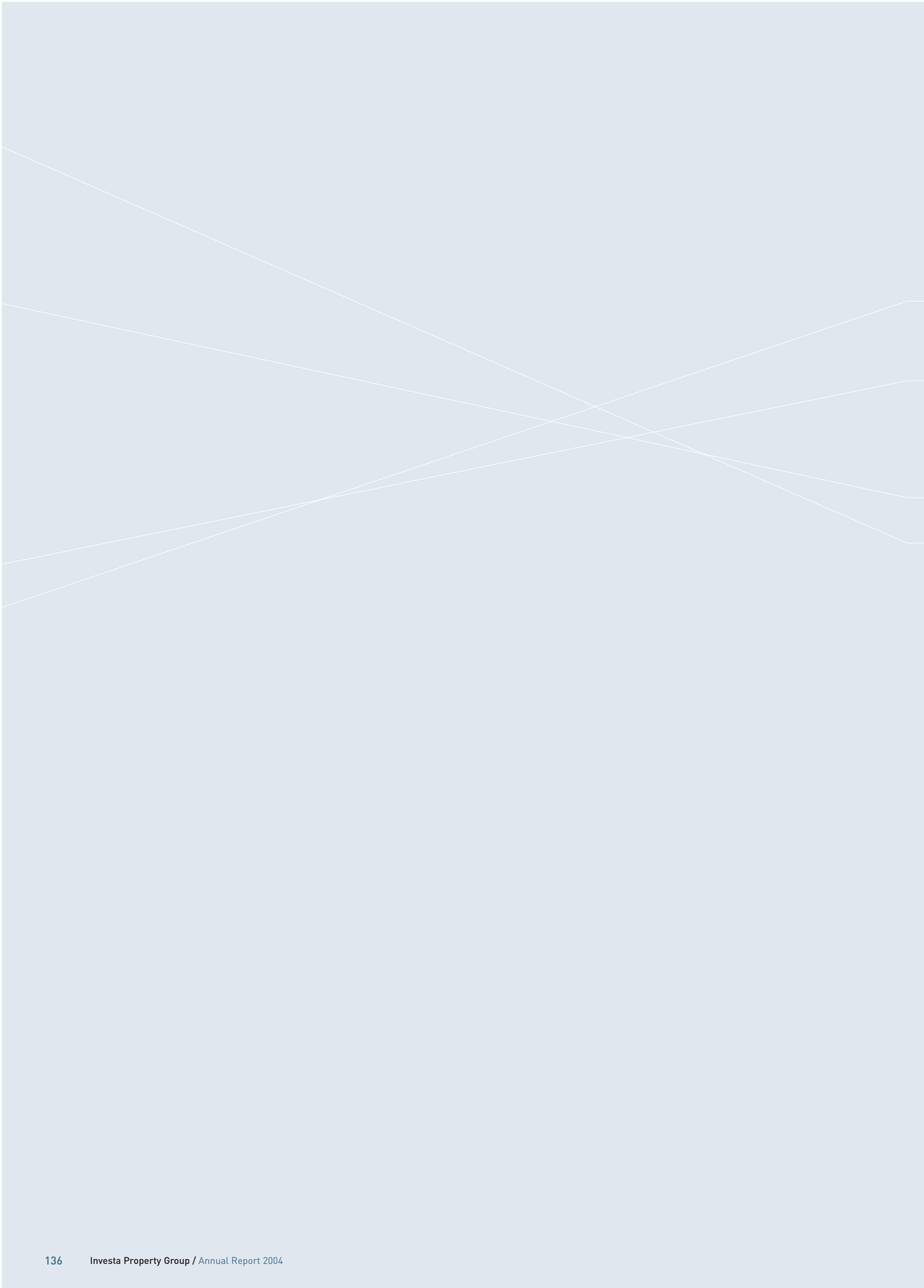
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers



J A Dunning
Partner
Sydney
12 August 2004



Directory

Investa Properties Limited

Registered Office

Level 17, 135 King Street
Sydney NSW 2000
Telephone (02) 8226 9300

Directors

Ian K Payne (Non Executive Chairman)
Christopher J O'Donnell (Managing Director)
John L Arthur (Non Executive Director)
John I Messenger (Non Executive Director)
Deborah R Page (Non Executive Director)

Company Secretary

Brian V McGarry

Auditors

PricewaterhouseCoopers
Chartered Accountants
201 Sussex Street
Sydney NSW 1171

Share Registry

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Locked Bag A14
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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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