



INVESTA
Property Group

AUSTRALIAN STOCK EXCHANGE



IPG000036

Investa Properties Limited
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14th August 2001

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Investa Property Group 2001 Financial Results

Investa Property Group is pleased to announce its results for the year ended 30 June 2001. The Financial Statements of the Group includes the performance of the Investa Property Trust for 12 months and 7 months for the Investa Properties Limited. This is the first set of final results for the new Group since it was established on 30 November 2001.

The targets set out in the Explanatory Memorandum (3 November 2000) have been met with the distribution in line with forecast and earnings 2.2% higher than forecast. The amount distributed was 70.5% tax advantaged.

Earnings from corporate activities were well above forecast with the syndicate, property management and corporate property services business' featuring in delivering this result. Carried forward income from the Group as at 30 June 2001 was \$0.7m higher than forecast at \$1.4 million.

| | Actual 2001 results | | | 2001 |
|--|---------------------|---------|----------|-----------|
| | Trust | Company | Group | Forecast* |
| Revenue (\$m) | \$106.0m | \$5.8m | \$111.8m | \$90.8m |
| Earnings (\$m) | \$60.0m | \$1.3m | \$61.3m | \$59.6m |
| Distribution per security (cents) | 13.62 | 0.18 | 13.80 | 13.80 |
| Earnings per security (cents) (after tax and before amortisation) | 12.72 | 0.26 | 12.98 | 12.74 |
| Earnings (cents) | 12.48 | 0.26 | 12.74 | 12.46 |
| NTA per security | | | \$1.64 | \$1.56 |

* Explanatory Memorandum dated 3 November 2000.

These results are described in the attached –

- Appendix 4B,
- Full Financial Statements for the Group (incl Trust and Company), and
- Comparison against Explanatory Memorandum.

(Please Note: It is a requirement of the Corporations Act that the Financial Statements of Investa Properties Limited covers the period from 1 October 2000 to 30 June 2001. Accordingly the Financial Statements for Investa Properties Limited reflects activities of the company predating the period in which securityholders held an economic interest. Readers are directed to the aggregated statements of Investa Property Group as it comprises only that period and those transactions relevant to the economic interests of securityholders.)

Copies of the Full Financial Statements are available on the website. (www.investa.com.au)

Valuation increases of \$56.1 million during the year contributed to lifting the Net Tangible Asset Backing to \$1.64 / security, offsetting the impact of \$33.85 million in units issued to Westpac Banking Corporation for relinquishing its management rights over Investa Property Trust (formerly Westpac Property Trust). This amount is carried in the Statement of Financial Position as an Intangible Asset.

Having entered into a 5 year, \$50m interest rate swap on 10 August 2001, the Group now has 77% of its debt hedged for an average term of 3 years. The rate struck for the swap was 5.85% pa.

The gearing ratio has reduced from 26.5% to 21.4% of total assets, providing the Group with debt capacity to assist in funding future activities. The reduction is a result of the net effect of valuation increases, the application of the sale proceeds of 107 Mount Street, North Sydney (completed in January 2001), together with proceeds from the Distribution Reinvestment Plan (DRP).

Re-establishing the Group's investment in the North Sydney property market, a 50% interest in 80 Pacific Highway, North Sydney was acquired in May. The other 50% was acquired to establish Investa North Sydney Property Trust (INSPT).

In structuring the purchase in this way, the passing income derived from the Group's 50% interest was supplemented with revenue from property management fees and funds management fees from INSPT. This enabled the Group to deliver an 8.6% yield (based on the \$1.69 issue price) to investors from a quality property that on its own provides a 7.5% passing yield.

The availability of additional revenue streams through the structuring of transactions illustrates the potential of the Group to enhance its portfolio and its future earnings profile.

The Group established three syndicates during the year. External funds now represent 12% of total funds under management and contributed \$1.8 million in revenue to the company. The quality of these syndicates is reflected in the positive response received from the market, which provided great support and recognition for the Investa branding.

The corporate property services business contributed net revenues of \$0.8 million during the year, with the outsourced relationship with Westpac well established.

Property management revenues were higher than anticipated, contributing \$0.4 million.

The Investa Property Trust portfolio is 98.9% occupied with approximately 43,800m² having been leased or renewed during the year. The Trust now has a very secure lease profile with only 13% of the area subject to expiry over the next three years. Rental reviews are also being secured at levels reflecting the rental growth being experienced in most of the underlying markets. The benefits of these reviews will become apparent in the future earnings.

In the past seven months we have established a quality executive group and increased the momentum of the Group's broader corporate activities. This has been challenging and rewarding and the Group now has a strong infrastructure in place to capitalize on future opportunities.

Securityholders will be presented with an overview of the Group activities at its Annual General Meeting to be held on 19 September 2001. Details of this meeting will be provided in the next few weeks.

If you have further questions regarding this announcement, please contact either Chris O'Donnell, the Managing Director, or Andrew Junor, General Manager, Investment Funds, on (02) 8226 9300.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brian McGarry', with a long horizontal flourish extending to the right.

Brian McGarry
Company Secretary