

# **Investa Property Trust**

ARSN 088 705 882

## **Annual Concise Report**

30 June 2002

**Annual Concise Report – 30 June 2002**

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

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

### 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 2002.

#### Directors

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

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

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

#### Principal activities

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

#### Distributions

Distributions totalling \$78,375,902 (13.69 cents per unit) were paid or payable by the Trust for the year ended 30 June 2002 (2001: \$64,522,453 equivalent to 13.62 cents per unit). The 30 June 2002 distribution will be paid on 23 August 2002.

#### Matters subsequent to the end of the financial year

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

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

It is intended that Investa Property Trust will wholly own three of the properties and have a share in two further properties the total value of which is approximately \$500 million, with the balance being owned by Investa Properties Limited in its own right. The acquisitions will be funded by a portion of the funding referred to above.

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

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

#### Likely developments and expected results of operations

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

## Directors' Report (continued)

### Units on issue

	<b>June 2002</b>	June 2001
	<b>No.'000</b>	No.'000
Opening units on issue	<b>515,490</b>	456,999
Units issued via placements	<b>70,358</b>	46,321
Units issue through the distribution reinvestment plan	<b>14,974</b>	12,170
Closing units on issue	<b>600,822</b>	515,490

### Environmental regulation

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

### Review of Operations

Distributions from the Trust increased from 13.62 cents per unit in 2001 to 13.69 cents in 2002, with underlying profit attributable to unitholders before asset revaluations increasing from \$60,038,000 in 2001 to \$73,043,000 in 2002, an increase of 21.66%. This increase reflects growth in rental revenue and the effect of a full year of distributions from investments in associates.

Trust assets increased from \$1,152,384,000 in 2001 to \$1,384,155,000 a net increase of \$231,771,000, driven by the increase in loans to related entities and the revaluation of 11 properties.

### Information on Directors

Director	Experience	Special responsibilities
I K Payne M.Ec	Ian has been Chairman since 1999. Previously he was Deputy Chief Executive and Executive Director of Commonwealth Bank of Australia from 1992 to 1997 and Chairman of Commonwealth Financial Services Limited. Ian is currently Chairman of Export Finance and Insurance Corporation and a Director of SFE Corporation Limited and Legalco Limited.	Non Executive Chairman
C J O'Donnell Dip.Bus. NZCB, FAICD, AIQS (Affil)	Chris has been Managing Director of Investa Property Group since December 2000. Prior to the formation of Investa, Chris was Executive Director of Westpac Investment Property Limited, Lend Lease Property Investment Services Limited and Managing Director of Capital Property Limited.	Managing Director
S A Mays B.Sc (Hons), M.Sc, MBA, FAICD	Shaun is the Managing Director of Westpac Financial Services. Prior to joining Westpac he was Chief Investment Officer of Commonwealth Financial Services and Managing Director & Chief Investment Officer of Mercury Asset Management.	Non Executive Director
J L Arthur LLB (Hons)	John has been a partner of Freehills since 1981, except for the period of 1992-1995, when he was General Counsel for the Lend Lease Group. John was a Director of the Manager of General Property Trust from 1989 to 1995 and is currently a Director of CSR Limited.	Non Executive Director  Chairman Nominations and Remuneration Committee

**Directors' Report (continued)**

**Information on Directors (continued)**

<b>Director</b>	<b>Experience</b>	<b>Special responsibilities</b>
P J Carney LLB	Peter had a long experience and understanding of the commercial property and banking industry. Previously a partner of 21 years in Freehills and Deputy Chairman of the Advance Bank Group from 1987 to 1997.	Non Executive Director  Chairman Due Diligence Committee
D R Page B.Ec, FCA MAICD	Deborah was a partner in Touche Ross/KPMG Peat Marwick from 1989 to 1992. Subsequently she held senior executive positions with the Lend Lease Group and the Commonwealth Bank. She is currently Chair of the NSW Cancer Council and a Director of Macquarie Generation and the Internal Audit Bureau of NSW. She is also a member of the Audit Committee of the Department of Community Services of NSW and the Sydney Harbour Federation Trust.	Non Executive Director  Chairman Audit and Risk Management Committee

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

**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 2002, and the numbers of meetings attended by each director at the time the director held office or was a member of the committee during the year were:

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

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

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

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

### Directors' Report (continued)

#### Management expense ratio (MER)

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

	2002 %	2001 %	2000 %	1999 %	1998 %
MER	0.29	0.44	0.72	0.90	1.00

#### Indemnification and insurance of officers and auditors

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

#### Rounding of amounts

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

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

Director  
I K Payne  
15 August 2002

### **Discussion and Analysis of the Concise Consolidated Financial Statements**

#### **Consolidated Statement of Financial Performance**

The distribution per unit from the Trust has increased from 13.62 cents to 13.69 cents for the year to 30 June 2002. The decrease in net profit from \$116,103,000 to \$79,919,000 is attributable to prior year revaluation increments of \$56,065,000 being recorded in the Statement of Financial Performance reflecting the reversal of previous revaluation decrements. Revaluation increments of \$6,876,000 have been recorded in the Statement of Financial Performance for the year to 30 June 2002 thereby reversing all previous revaluation decrements. The balance of revaluation increments (\$46,565,000) in the year to 30 June 2002 have been taken directly to the Asset Revaluation Reserve.

Net profit before revaluation increments increased 21.6% to \$73,043,000 for the year to 30 June 2002. This increase was driven by rental income increasing 7.5% to \$97,562,000, reflecting positive market rental reviews during the year particularly in 55 Market Street, Sydney, 109 St Georges Terrace, Perth and 469 Latrobe Street, Melbourne.

Distributions from associates have increased 23.3% to \$17,685,000 reflecting a full years income from both Investa Brisbane Commercial Trust and 80 Pacific Highway Trust, and rental increases in 60 Martin Place, Sydney.

Interest income has increased on the previous year due to an increase in related entity loans to assist the funding of Investa Properties Limited's acquisition of Silverton, the acquisition of 209 Kingsway and to purchase units in Investa Commercial Property Fund (formerly Suncorp Metway Balanced Property Fund).

Operating expenses including rates and taxes, property outgoings and repairs and maintenance are comparable to the previous year.

Included in expenses is the management fee paid to Investa Properties Limited, which has decreased by 32.4% to \$2,667,000, reflecting the savings through internalisation of the fund management function.

Amortisation of intangibles has increased to \$1,930,000 due to the full year effect of holding the intangibles.

#### **Consolidated Statement of Financial Position**

Trust assets increased by 20.1% to \$1,384,155,000, mainly driven by the increase in related entity loans of \$171,633,000 to facilitate the funding of Investa Properties Limited's acquisition of Silverton, the acquisition of 209 Kingsway and to purchase units in Investa Commercial Property Fund, and by the increase in investment property valuations of \$53,411,000. Contributing to this increase were significant increases in the value of 469 Latrobe Street, 73 Miller Street and 55 Market Street.

The Trust restructured its financing arrangements during the year through the issue of a commercial mortgage backed security for \$250,000,000. Two new cash advance facilities were also negotiated during the year totaling \$100,000,000.

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

The Trust's borrowings increasing by 10.7% to \$269,000,000. Contributed equity increased in the year due to the issue of units, raising \$160,441,000 to facilitate the Group's acquisitions.

Gearing has decreased from 21% at 30 June 2001 to 19% at 30 June 2002.

### **Consolidated Statement of Cash Flows**

The increase in cash flows provided by operating activities is consistent with the increase in the Trust's revenue from market rent reviews and the impact of a full years investment in Investa Brisbane Commercial Trust and 80 Pacific Highway Trust.

The net cash outflow from investing activities reflects the loans to related entities made during the year.

The increase in cash flows from financing activities is due to the placement of units during the year to facilitate Investa Properties Limited's acquisitions offsetting the increase in distributions paid reflecting the increase of units in issue and the increased distribution per unit.



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

	Notes	<b>2002</b>	2001
		<b>\$'000</b>	\$'000
<b>Revenue from ordinary activities</b>			
Rent		<b>97,562</b>	90,742
Distributions from associates		<b>17,685</b>	14,344
Other revenues from ordinary activities		<b>4,493</b>	26,445
<b>Total revenue from ordinary activities</b>		<b>119,740</b>	131,531
Property outgoings		<b>(21,216)</b>	(19,891)
Repairs and maintenance		<b>(2,388)</b>	(2,655)
Borrowing costs		<b>(17,090)</b>	(17,244)
Increment on revaluations of investment properties		<b>6,876</b>	56,065
Amortisation of intangibles		<b>(1,930)</b>	(1,117)
Other expenses from ordinary activities		<b>(4,073)</b>	(30,586)
<b>Net profit</b>		<b>79,919</b>	116,103
Net increase in asset revaluation reserve		<b>46,565</b>	-
<b>Total revenues, expenses and valuation adjustments attributable to unitholders of Investa Property Trust recognised directly in equity</b>		<b>46,565</b>	-
<b>Total changes in equity other than those resulting from transactions with unitholders as owners</b>		<b>126,484</b>	116,103
Distribution paid and payable	3	<b>78,377</b>	64,522
		<b>Cents</b>	Cents
Distribution paid and payable per unit (CPU)	3	<b>13.69</b>	13.62
Basic and diluted earnings per unit (CPU)		<b>14.01</b>	24.14
Basic and diluted earnings per unit (before revaluation)		<b>12.81</b>	12.48
Basic and diluted earnings per unit (before revaluation and amortisation)		<b>13.14</b>	12.72

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

## Investa Property Trust

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### Consolidated Statement of Financial Position As at 30 June 2002

	Notes	2002 \$'000	2001 \$'000
<b>Current assets</b>			
Cash assets		11,670	11,454
Receivables		14,946	11,564
Loans to related entities		29,577	-
Total current assets		<u>56,193</u>	<u>23,018</u>
<b>Non-current assets</b>			
Intangibles		35,557	37,481
Loans to related entities		142,086	-
Investment properties	6	<u>1,150,319</u>	<u>1,091,885</u>
Total non-current assets		<u>1,327,962</u>	<u>1,129,366</u>
<b>Total assets</b>		<u>1,384,155</u>	<u>1,152,384</u>
<b>Current liabilities</b>			
Payables		7,079	5,063
Interest bearing liabilities		-	80,000
Provision for distribution	3	<u>18,121</u>	<u>17,266</u>
Total current liabilities		<u>25,200</u>	<u>102,329</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities		<u>269,000</u>	<u>163,000</u>
Total non-current liabilities		<u>269,000</u>	<u>163,000</u>
<b>Total liabilities</b>		<u>294,200</u>	<u>265,329</u>
<b>Net assets</b>		<u>1,089,955</u>	<u>887,055</u>
<b>Equity</b>			
Contributed equity		1,043,191	892,971
Reserves		46,565	(6,876)
Amounts available for distribution	4	<u>199</u>	<u>960</u>
<b>Total equity</b>		<u>1,089,955</u>	<u>887,055</u>

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

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

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	<b>101,495</b>	95,407
Cash payments in the course of operations	<b>(34,175)</b>	(36,307)
Interest received	<b>2,376</b>	943
Distributions from associates	<b>18,284</b>	13,447
Borrowing costs paid	<b>(14,857)</b>	(16,457)
<b>Net cash inflow from operating activities</b>	<b>73,123</b>	57,033
<b>Cash flows from investing activities</b>		
Proceeds from sale of property	-	25,500
Loans to related entity	<b>(244,233)</b>	-
Repayment from loans to related entities	<b>74,103</b>	-
Payments for investment properties	<b>(4,996)</b>	(4,726)
Payments for investments in associates	-	(50,285)
Payment for intangible assets	-	(38,598)
<b>Net cash (outflow) from investing activities</b>	<b>(175,126)</b>	(68,109)
<b>Cash flows from financing activities</b>		
Proceeds from issues of units	<b>161,002</b>	80,268
Proceeds from borrowings	<b>81,800</b>	7,500
Repayment of borrowings	<b>(305,800)</b>	(38,000)
Distributions paid	<b>(77,521)</b>	(42,082)
Proceeds from issue of commercial notes	<b>249,405</b>	-
Payments for costs associated with issue of units	<b>(1,018)</b>	-
Payment of costs associated with issue of commercial notes	<b>(5,649)</b>	-
<b>Net cash inflow from financing activities</b>	<b>102,219</b>	7,686
<b>Net (decrease)/increase in cash held</b>	<b>216</b>	(3,390)
Cash at the beginning of the financial year	<b>11,454</b>	14,844
<b>Cash at the end of the financial year</b>	<b>11,670</b>	11,454

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

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

### Note 1. Basis of preparation of concise financial report

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

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

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

### Note 2. Segment information

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

### Note 3. Distributions paid and payable

	<b>2002</b>	<b>2002</b>	2001	2001
	<b>\$'000</b>	<b>CPU</b>	\$'000	CPU
<b>Timing of distributions</b>				
The distributions were paid/payable as follows:				
30 September	<b>18,670</b>	<b>3.575</b>	15,171	3.288
31 December	<b>20,523</b>	<b>3.575</b>	15,436	3.310
31 March	<b>21,063</b>	<b>3.525</b>	16,649	3.550
30 June final payable*	<b>18,121</b>	<b>3.016</b>	17,266	3.476
	<b><u>78,377</u></b>	<b><u>13.691</u></b>	<b><u>64,522</u></b>	<b><u>13.624</u></b>

\*The 30 June 2002 distribution will be paid on 23 August 2002.

**Notes to the Consolidated Financial Statements (continued)  
For the year ended 30 June 2002****Note 4. Amounts available for distribution**

	<b>2002</b>	2001
	<b>\$'000</b>	\$'000
Amounts available for distribution at the beginning of the financial year	<b>960</b>	2,843
Net profit	<b>79,919</b>	116,103
Transfer to asset revaluation reserve	<b>(6,876)</b>	(56,065)
Transfer of loss on sale of investment property to contributed equity	-	82
Transfer from contributed equity	<b>4,573</b>	2,519
Distributions provided for or paid	<b>(78,377)</b>	(64,522)
Amounts available for distribution at the end of the financial year	<b>199</b>	960

**Note 5. Earnings per unit**

	<b>2002</b>	2001
Basic earnings per unit (cents)	<b>14.01 c</b>	24.14 c
Basic earnings per unit (cents) before revaluation, after amortisation	<b>12.81 c</b>	12.48 c
Basic earnings per unit (cents) before revaluation, before amortisation	<b>13.14 c</b>	12.72 c
Weighted average number of units outstanding during the year used in the calculation of basic earnings per unit	<b>570,361,749</b>	480,910,124

Basic earnings per unit is significantly higher for 30 June 2001 due to the increases in the revaluations of investments being recorded in basic earnings to the extent they reverse previous decrements. In the current year, the majority of the revaluations are recorded 'below' basic earnings. Diluted earnings per unit is the same as basic earnings per unit in each of the above cases.

**Notes to the Consolidated Financial Statements (continued)**
**For the year ended 30 June 2002**
**Note 6. Investment properties**

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/02 \$'000	Consolidated book value 30/06/01 \$'000
<b>Non current assets</b>									
<b>Investa Property Trust</b>									
62 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	26/02/88	28,744	30/06/02	27,500	P Harding, Knight Frank	27,500	25,800
64 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	01/07/94	23,961	31/03/02	16,100	A Martin, AAPI JLL Advisory	16,100	12,000
73 Northbourne Avenue, Canberra, ACT*	Offices 99 yr leasehold	100%	06/05/94	23,324	31/12/00	17,000	P Dempsey, FAPI Arthur Andersen	17,134	17,115
73 Miller Street, North Sydney, NSW *	Offices/ Freehold	100%	12/06/97	75,483	30/06/02	90,000	A Richard, FAPI CB Richard Ellis	90,000	76,758
50-60 Talavera Road, North Ryde, NSW *	Offices/ Freehold	100%	01/11/99	32,739	30/09/00	31,400	R Lawrie, AAPI JLL Advisory	31,400	31,400
32 Philip Street, Parramatta, NSW	Offices/ Freehold	100%	01/11/99	21,784	30/09/00	21,100	A Martin, AAPI JLL Advisory	21,100	21,100
55 Market Street, Sydney, NSW *	Offices/ Freehold	100%	31/07/98	122,044	30/06/02	138,000	D Castles, AAPI Landmark White	138,000	130,000
241 Adelaide Street, Brisbane, QLD	Offices/ 75 yrs Leasehold	100%	10/09/98	21,121	30/06/02	18,100	W Wirmann, AAPI JLL Advisory	18,100	18,952
410 Ann Street, Brisbane, QLD *	Offices/ Freehold	100%	23/11/87	57,730	30/06/01	62,500	C Chatwood AAPI	62,610	62,500
260 Queen Street, Brisbane, QLD	Offices/ Freehold	100%	01/11/99	23,983	31/03/01	23,000	JLL Advisory W Wiermann, AAPI	23,070	23,005
469 Latrobe Street, Melbourne, VIC *	Offices/ Freehold	100%	01/07/88	81,101	30/06/02	53,100	JLL Advisory J Perillo, AAPI	53,100	42,158
485 Latrobe Street, Melbourne, VIC *	Offices/ Freehold	100%	10/09/98	91,058	30/06/02	111,000	Knight Frank G Longden, FAPI	111,000	101,074
420 St Kilda Road, Melbourne, VIC	Offices/ Freehold	100%	12/12/86	24,686	30/06/01	27,000	JLL Advisory C Plant	27,159	27,000
109 St Georges Terrace, Perth, WA	Offices/ Freehold	100%	01/11/99	24,774	30/06/02	25,500	JLL Advisory S Nuttall, AAPI ASIA CB Richard Ellis	25,500	23,812
<b>Total Parent</b>				<u>652,532</u>				<u>661,773</u>	<u>612,674</u>
<b>Investment in controlled entities</b>									
<b>Investa Real Property Growth Trust</b>									
115 Grenfell Street, Adelaide, SA *	Offices/ Freehold	100%	04/05/89	48,853	31/03/01	26,500	James Pledge AAPI, Knight Frank	26,680	26,675
110 George Street, Parramatta, NSW *	Offices/ Freehold	50% 50%	02/10/97 15/12/98	67,345	30/06/02	66,500	M Caruana, FAPI Knight Frank	66,500	66,527
<b>Total - Investa Real Property Growth Trust</b>				<u>116,198</u>				<u>93,180</u>	<u>93,202</u>
<b>Lizabeth Trust</b>									
255 Elizabeth Street, Sydney, NSW*	Offices/ Freehold	50% 10% 40%	21/09/94 11/12/98 01/11/99	172,172	31/03/01	153,500	A Pannifex, AAPI Knight Frank	154,447	153,594
<b>Total - Lizabeth Trust</b>				<u>172,172</u>				<u>154,447</u>	<u>153,594</u>
<b>Total investment in controlled entities</b>									
<b>Investments in associates</b>									
<b>60 Martin Place Unit Trust</b>									
60 Martin Place, Sydney, NSW	Offices/ Freehold	50%	01/11/99	79,925	30/06/02	88,750	M S Smallhorn, FAPI JLL Advisory	88,325	87,130
<b>SUNPAC Property Fund*</b>									
1 Market Street, Sydney, NSW	Offices/ Freehold	50%	09/01/96	81,534	30/06/02	102,500	A Pannifex, FAPI FPDSavills	102,029	95,000
<b>80 Pacific Highway Trust</b>									
80 Pacific Highway, North Sydney, NSW	Offices/ Freehold	50%	04/05/01	45,745	31/03/01	45,375	M S Smallhorn, FAPI JLL Advisory	45,745	45,465
<b>Investa Brisbane Commercial Trust**</b>		20%	08/05/01	4,820	-	-	-	4,820	4,820
<b>Total investment in associates</b>				<u>212,024</u>				<u>240,919</u>	<u>232,415</u>
<b>Total</b>				<u>1,152,926</u>				<u>1,150,319</u>	<u>1,091,885</u>

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

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

Properties not independently valued during the last 12 months are carried at director's valuation at 30 June 2002.

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

#### Note 6. Investment properties (continued)

##### Reconciliations

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

	<b>2002</b>	2001
	<b>\$'000</b>	\$'000
Carrying amount at start of year	<b>1,091,885</b>	1,007,382
Additions	<b>4,993</b>	53,948
Disposals	-	(25,510)
Revaluation increments	<b>53,441</b>	56,065
Carrying amount at end of year	<b>1,150,319</b>	1,091,885

#### Note 7. Events occurring after reporting date

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

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

It is intended that Investa Property Trust will wholly own three of the properties and have a share in two further properties the total value of which is approximately \$500 million, with the balance being owned by Investa Properties Limited in it's own right. The acquisitions will be funded by a portion of the funding referred to above.

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

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

#### Note 8. Full financial report

Further financial information can be obtained from the full financial report which is available, free of charge, on request from the unit registry, Computershare Investor Services Pty Limited. A copy may be requested by calling 1800 635 323 (free call) and for international 612 8234 5222. Alternatively, both the full financial report and the concise financial report can be accessed via the internet at: [www.investa.com.au](http://www.investa.com.au).

**Investa Property Trust**

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**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 2002 as set out on pages 6 to 14 complies with Accounting Standard AASB 1039: Concise Financial Reports.

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

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

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



I K Payne  
Director

Sydney  
15 August 2002



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**Independent Audit Report to the unitholders of  
Investa Property Trust**

***Matters relating to the electronic presentation of the audited financial report***

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

***Scope***

We have audited the concise financial report of Investa Property Trust (the Trust), comprising Investa Property Trust and its controlled entities for the financial year ended 30 June 2002 as set out on pages 6 to 15 in order to express an opinion on it to the unitholders of the Trust. The directors of Investa Properties Limited (the responsible entity) are responsible for the concise financial report.

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

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

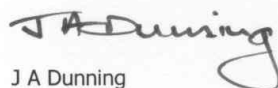
The audit opinion expressed in this report has been formed on the above basis.

***Audit opinion***

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

  
PricewaterhouseCoopers

Chartered Accountants



J A Dunning  
Partner

Sydney  
15 August 2002