INVESTA
Property Group

Investa Properties Limited
ABN 54 084 407 241
Level 17, 135 King Street
Sydney NSW 2000
GPO Box 4180
Sydney NSW 2001
Tel: 02 8226 9300

August 4th, 2005

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

Dear Madam,

INVESTA PROPERTY GROUP 30 JUNE 2005 FULL YEAR RESULTS

Attached are the Financial Statements for Investa Property Trust and Investa Properties Limited.

For further information, please contact Chris O'Donnell on (02) 8226 9301, Graham Monk on (02) 8226 9304 or Elizabeth Hattersley on 02 8226 9339.

Yours faithfully

Brian McGarry
Company Secretary
Tel: (02) 8226 9300
Fax: (02) 8226 9499

Investa Property Trust

ARSN 088 705 882

Annual Report

30 June 2005

Annual Report – 30 June 2005

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Directors' Report

The directors of Investa Properties Limited, the Responsible Entity of Investa Property Trust, present their report together with the consolidated financial report of Investa Property Trust and its controlled entities (together the "Trust") for the year ended 30 June 2005.

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 D Campbell
J I Messenger
J S Murray
D R Page

J S Murray was appointed a director on 1 November 2004 and P D Campbell was appointed a director on 22 December 2004.

I K Payne has advised of his retirement as a director with effect from the conclusion of the 2005 Annual General Meeting.

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:

	2005 $'000
Final distribution for the year ended 30 June 2004 of 3.95 cents per unit paid on 20 August 2004	**56,678**
Interim distribution of 4.125 cents per unit paid on 19 November 2004	**59,522**
Interim distribution of 4.125 cents per unit paid on 21 February 2005	**61,121**
Interim distribution of 4.125 cents per unit paid on 20 May 2005	**61,575**
	238,896

In addition to the above distributions, the directors declared a final distribution on 21 June 2005 of 4.025 cents per unit, or $60,083,000 to be paid on 22 August 2005.

Distributions totalling $242,301,000 (16.40 cents per unit) were paid or payable by the Trust for the year ended 30 June 2005 (2004: $224,107,000 equivalent to 15.85 cents per unit).

Units on issue	**2005 No.'000**	2004 No.'000
Opening units on issue	**1,434,890**	885,529
Units issued in relation to the acquisition of DOF (Delta Office Fund, formerly Principal Office Fund)	**-**	498,308
Units issued via placements	**-**	26,042
Units issued via the distribution reinvestment plan	**28,722**	25,011
Units issued via placement in relation to the acquisition of CPG Australia Pty Limited	**29,126**	-
Closing units on issue	**1,492,738**	1,434,890

Directors' Report (continued)

Review of operations and significant changes in the state of affairs

A summary of the consolidated results is as follows:

	2005 $'000	2004 $'000
Total revenue from ordinary activities	**789,329**	449,235
Net profit attributable to unitholders	**240,060**	206,708
Amounts available for distribution brought forward from previous year	**5,698**	5,039
Transfer (to) from contributed equity to distributable income	**10,537**	18,058
Distributions paid and payable	**(242,301)**	(224,107)
Amounts available for distribution carried forward	**13,994**	5,698
Total Assets of the Trust at 30 June	**4,600,640**	4,258,198

On 8 September 2004, the Trust sold a 25% beneficial interest in the property at 400 George Street to Prudential Properties Trusty Pty Limited for $98,750,000 and realised a profit on sale of $1,281,000.

On 21 December 2004, Investa Residential Developments Pty Limited (formerly Investa Developments Pty Limited), a related entity, acquired a 40% interest in CPG Australia Pty Limited for $100,000,000 plus acquisition costs, comprising $40,000,000 cash and $60,000,000 of Investa Property Group securities, with put and call options on the remaining 60% of the business exercisable between July and September 2005 (at the date of this report, the options had not been exercised). The total consideration, which is subject to final working capital adjustments, is expected to be $250,000,000 plus the assumption of $325,000,000 of debt, which translates to a total acquisition value of $575,000,000. The purchase agreement includes a potential performance based payment up to a maximum of an additional $60,000,000 which is subject to the financial performance of CPG Australia Pty Limited over the 3 years ending 30 September 2007 and would be payable in 2007. For its part, the Trust for the 2005 financial year, issued units to the value of $56,760,000 and secured external debt of $40,000,000 both offset by a corresponding related party loan to Investa Residential Developments Pty Limited (formerly Investa Developments Pty Limited).

Sale of Assets to Investa Commercial Property Fund

On 23 May 2005, the following assets were sold to Investa Commercial Property Fund, an associated entity:

- 39.8% interest in Maritime Trade Towers Trust for $46,901,000, representing 19.9% of 201 Kent Street
- 19.9% interest in Beta Trust for $81,789,000, representing 19.9% of 400 George Street

Consideration for the sale of these assets was based on independent external valuations and the assets were sold on normal arms-length commercial terms and conditions. The sale of these assets generated an accounting profit of $5,949,000 for the Trust.

Sale of Assets to Investa Diversified Office Fund

On 1 June 2005 the following assets were sold by the Trust to Investa Diversified Office Fund, an associated entity in which the Trust has a 20% interest:

- 50% interest in 310 Pitt St Trust for $66,375,000
- 19.99% interest in Centennial Trust (formerly known as Cairns Trust) for $47,200,000
- 64 Northbourne Avenue, Canberra for $20,750,000
- 20% interest in Investa Brisbane Commercial Trust for $4,868,000
- 19.94% interest in Investa Sixth Commercial Trust for $9,500,000

Consideration for the sale of these assets was based on independent external valuations and the assets were sold on normal arms-length commercial terms and conditions. The sale of these assets generated an accounting profit of $6,499,000 for the Trust.

Directors' Report (continued)

Information on Directors

I K Payne M.Ec. Chairman – Non-Executive. Age 63.

Experience and expertise
Ian Payne was appointed Chairman of the Board on 1 June 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. During this period he was a director of a number of subsidiaries and associated companies including Chairman of CBFC Limited. From 1996 until August 2002 he was Chairman of Export Finance and Insurance Corporation. Ian is also a Director of Zurich Financial Services.

Other current listed company directorships
SFE Corporation Limited – Non-Executive Director (since 31 October 1999)
Espreon Limited (formerly Legalco Limited) – Non-Executive Director (since 7 April 2000)

Former listed company directorships in last 3 years
Nil

Special responsibilities
Non-Executive Chairman of the Board
Member of the Nominations Committee

Interests in securities
38,278 stapled securities in Investa Property Group

C J O'Donnell Dip.Bus., NZCB, FAICD, AIQS (Affil), FAPI. Managing Director. Age 48.

Experience and expertise
Chris O'Donnell has been Managing Director of Investa Property Group since December 2000. 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 Limited. Chris is also a Non-Executive Director of Green Building Council of Australia and a Non-Executive Director of Property Council of Australia.

Other current listed company directorships
Nil

Former listed company directorships in last 3 years
Nil

Special responsibilities
Managing Director
Director of Investa Residential Developments Pty Limited
Director of Investa Commercial Developments Pty Limited
Director of Investa Asset Management Companies
Director of IPG Finance Pty Limited
Member of Nominations Committee
Member of Remuneration Committee
Member of Sustainability, Safety, Health and Environment Committee

Interests in securities
2,066,347 stapled securities in Investa Property Group.

Directors' Report (continued)

J L Arthur LLB (Hons). Age 50.

Experience and expertise
John Arthur 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.

Other current listed company directorships
Rinker Group Limited – Non Executive Director (since 3 February 2003)

Former listed company directorships in last 3 years
CSR Limited – Non Executive Director (March 2001 to April 2003)

Special responsibilities
Non Executive Director
Chairman of Investa Residential Developments Pty Limited
Chairman of Investa Asset Management Companies
Director of Investa Commercial Developments Pty Limited
Chairman of Nominations Committee
Chairman of Remuneration Committee
Member of Sustainability, Safety, Health and Environment Committee

Interests in securities
59,440 stapled securities in Investa Property Group

P D Campbell Age 56.

Experience and expertise
Peter Campbell was appointed to the Board on 22 December 2004 following the acquisition of 40% of CPG Australia Pty Limited (formerly Clarendon Property Group). As founder of CPG Australia, Peter has been closely involved in the residential land and building industry for over 27 years. His business experience in building the CPG business has been extensive and includes business development, marketing, financial and general management. Peter is also the Group Managing Director of CPG Australia Pty Limited.

Other current listed company directorships
Nil

Former listed company directorships in last 3 years
Nil

Special responsibilities
Non Executive Director
Director of Investa Residential Developments Pty Limited
Member of Nominations Committee

Interests in securities
20,763,804 stapled securities in Investa Property Group

Directors' Report (continued)

J I Messenger ANZIF Snr. Assoc. Age 59.

Experience and expertise

John Messenger has extensive international insurance broking and risk management experience. Between 1986 and 1995, John was the Managing Director of MLC Insurance Limited. From 1997 to 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 (NSW) Limited and related companies and of Territory Insurance Office, Darwin.

Other current listed company directorships

Nil

Former listed company directorships in last 3 years

Nil

Special responsibilities

Non Executive Director
Director of Investa Commercial Developments Pty Limited
Chairman of Due Diligence Committee
Member of Audit and Risk Management Committee
Member of Nominations Committee

Interests in securities

35,486 stapled securities in Investa Property Group.

J S Murray BA, FCIT, FAICD. Age 56.

Experience and expertise

Jock Murray was appointed to the Board on 1 November 2004. Jock is a former Director General of the New South Wales Department of Transport, where he initiated a number of major infrastructure and technology projects, and was Executive Director Transport for the Sydney 2000 Olympic Games, with responsibility for infrastructure, strategic and operational planning. Jock has significant strategic, organisational and operational experience in the areas of transport and major infrastructure. He is also a Non-executive Chairman of Central Ranges Pipelines Pty Limited and a Director of Terminals Australia Pty Limited.

Other current listed company directorships

Nil

Former listed company directorships in last 3 years

The Hills Motorway Limited – Non Executive Chairman and Non-Executive Director (November 2002 to June 2005)

Special responsibilities

Non Executive Director
Chairman of Investa Commercial Developments Pty Limited
Chairman of Sustainability, Safety, Health and Environment Committee
Member of Audit and Risk Management Committee
Member of Nominations Committee

Interests in securities

10,184 stapled securities in Investa Property Group

Directors' Report (continued)

D R Page B.Ec, FCA, MAICD. Age 46.

Experience and expertise
Deborah Page was appointed to the Board on 17 April 2002. Deborah 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. Deborah is the current Chair of the NSW Cancer Council and a Member of the Board of Management of the Internal Audit Bureau of NSW. She has also been on the Board of Macquarie Generation since March 2000.

Other current listed company directorships
Nil

Former listed company directorships in last 3 years
Nil

Special responsibilities
Non Executive Director
Director of Investa Residential Developments Pty Limited
Chairman of Audit and Risk Management Committee
Member of Nominations Committee
Member of Remuneration Committee

Interests in securities
31,615 stapled securities in Investa Property Group.

Company Secretary
The company secretary is B M McGarry FCPA, FCIS. Brian is responsible for all company secretarial, compliance and human resource management. Brian has extensive experience in senior finance and accounting roles and has over 30 years experience in development, construction and property management. Prior to working at Investa, Brian assisted with the property funds management operations of the Lend Lease Group, including the role of company secretary of the responsible entity of General Property Trust from 1990 to 1996.

Additional Secretaries
Simone Lander B.Ec is an additional company secretary and joined Investa in August 2001. Simone is responsible for the Commercial Development and Asset Management Groups of Investa. Prior to working at Investa, Simone held the positions of company secretary of Quadtel Limited, assistant company secretary at the Mirvac Group and assistant company secretary of Emperor Mines Limited.

Brian Lang CA MBA is an additional company secretary. Brian joined Investa in August 2004 and is responsible for the Unlisted Funds and Corporate Property Services business units. Prior to working at Investa, Brian held senior finance roles with the Australian Financial Markets Association and Jacon Industries Limited. He has had extensive experience in finance, accounting and secretarial roles over the past 20 years ranging from small to medium sized private companies up to listed companies.

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 2005, 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[1]	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended
I K Payne	17	17	6	6	-	-	-	-	-	-
C J O'Donnell	17	17	-	-	17	11	9	9	4	4
J L Arthur	17	17	-	-	-	-	9	9	4	4
P D Campbell	7	7	-	-	-	-	-	-	-	-
J I Messenger	17	16	11	11	17	14	-	-	-	-
J S Murray	11	11	5	5	-	-	-	-	2	2
D R Page	17	17	11	11	4	4	9	9	-	-

[1] "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 monitoring compliance with laws and regulations.

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

During the year, the Nominations and Remuneration Committee was chaired by J L Arthur. It makes specific recommendations on remuneration packages and other terms of employment for executive and non-executive directors, other senior executives and salary structures for other staff. In July 2005, the responsibility for nominating the directors was given to the newly created Nominations Committee of which each director is a member and is chaired by J L Arthur.

The Sustainability Committee was chaired by J S Murray from November 2004. It 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. In July 2005, the role of this Committee was enhanced to include the responsibility for health and safety.

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 17 occasions and the asset management companies' board met on 6 occasions during the year.

Directors' Report (continued)

Remuneration Report

Principles used to determine the nature and amount of remuneration

(a) Remuneration of directors
The maximum aggregate annual fees for non-executive directors are set by resolution of the security holders. The present limit of $1,000,000 was approved at the 2003 Annual General Meeting. Within that limit, fees for individual directors are set by the Board.

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Details of each director's attendances at Board and Board Committee meetings are set out in the Directors' Report. Non-executive directors' fees are reviewed annually by the Board after consideration of recommendations from the Nominations and Remuneration Committee. The Board also seeks advice from an independent remuneration consultant to ensure that non-executive directors' fees and payments are appropriate. The fee arrangements for various activities undertaken by board members were as follows:

Chairman	$190,000
Non-executive directors' base fee	$95,000
Chairman of Audit & Risk Management Committee	$20,000
Chairman of Due Diligence Committee	$25,000
Chairman of Nominations and Remuneration Committee	$15,000
Chairman of Sustainability Committee	$15,000
Committee Member Fees	
Audit & Risk Management Committee	$5,000
Subsidiary Board Fees	
Development Group Companies Chairman	$15,000
Development Group Companies Director	$10,000
Asset Management Companies Chairman	$10,000

Payments amounting to $711,273 (including superannuation) were made to non-executive directors during the year.

Retirement allowance for directors
The retirement benefits scheme for directors was discontinued from 30 June 2003. The sum of $105,864, then accrued in respect of I K Payne, has been increased to $110,898 (in order to preserve its real value) and will be preserved until payment becomes due.

Directors' Report (continued)

Details of remuneration

Details of the remuneration of each specified director of the Group are set out in the following tables.

Non-executive directors

2005	Primary [4]							Post - employment	Total $
	Base Fee	Audit & Risk Mngmt Committee	Due Diligence Committee	Nom. & Rem. Committee	Sustainability Committee [3]	Development Group Board	Asset Mngmt Board	Superannuation Contribution	
I K Payne [1]	190,000	-	-	-	-	-	-	11,584	**201,584**
J L Arthur	95,000	-	-	15,000	7,038	15,000	10,000	11,584	**153,622**
P D Campbell [2]	-	-	-	-	-	-	-	-	**-**
J I Messenger	95,000	5,000	25,000	-	-	-	-	11,250	**136,250**
J S Murray (*from 1/11/04*)	63,333	3,334	-	-	10,000	-	-	6,900	**83,567**
D R Page	95,000	20,000	-	-	-	10,000	-	11,250	**136,250**
Total Non-executive directors	**538,333**	**28,334**	**25,000**	**15,000**	**17,038**	**25,000**	**10,000**	**52,568**	**711,273**

2004	Primary [4]							Post - employment	Total $
	Base Fee	Audit & Risk Mngmt Committee	Due Diligence Committee	Nom. & Rem. Committee	Sustainability Committee	Development Group Board	Asset Mngmt Board	Superannuation 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 $110,898 has been accrued in respect of I K Payne and will be preserved in real value terms until payment becomes due.

[2] P D Campbell is an executive director of CPG Australia Pty Limited in which the Group held a 40% interest from 22 December 2004. His appointment as a non-executive director of Investa Properties Limited was from 22 December 2004. No fees have been paid or are payable for P D Campbell for the period to 30 June 2005.

[3] The total remuneration for the Chairman of the Sustainability Committee reflects the period of J L Arthur's tenure as Chairman from 12 May 2004 up to the appointment of J S Murray as Chairman on 1 November 2004.

[4] Limit of $1,000,000 per annum approved in October 2003.

Executive Director

For details of the principles and components of executive pay, refer to page 12.

2005	Primary			Post-employment		Total $
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
C J O'Donnell	653,812	381,667	225,732	21,064	-	**1,282,275**

Directors' Report (continued)

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**

Short Term Incentives (STI)
For the short term incentive included in the above 2005 table and described on page 12, the percentage of the STI potential paid to C J O'Donnell is 85%. The achievement of 100% of STI potential requires "exceeds expectations" performance and achievement of all agreed KPI's as well as above target financial performance of the Group. On this basis, 15% of the STI potential was not paid or, to use the language contemplated by the *Corporations Regulations 2001*, was "forfeited".

Stapled security holding of specified directors
The number of securities held directly or indirectly during the financial year by each specified director is set out below:

	Balance at the start of the year	**Purchases/ (sales)**	**Balance at the end of the year**
Specified non-executive directors **Stapled Securities in Investa Property Group**			
I K Payne	28,278	10,000	38,278
J L Arthur	31,957	27,483	59,440
P D Campbell [1]	-	20,763,804	20,763,804
J I Messenger	33,413	2,073	35,486
J S Murray	-	10,184	10,184
D R Page	26,394	5,221	31,615

[1] On 21 December 2004, prior to P D Campbell becoming a director of Investa Properties Limited, he received 20,388,349 securities in Investa Property Group, from the Group's initial acquisition of a 40% interest in CPG Australia Pty Limited, of which he is a shareholder.

	Balance at the start of the year	**Purchases/ (sales)** [2]	**Balance at the end of the year**
Specified executive director **Stapled Securities in Investa Property Group**			
C J O'Donnell	1,816,347	250,000	2,066,347

[2] The amount purchased in the current year was pursuant to an allocation under the Employee Share Acquisition Plan.

Loans to specified executive directors
Loans are made in relation to the Employee Share Acquisition Plan. For additional details of these loans refer to page 13, Long-Term Incentives. No loans have been made to non-executive directors.

Details of the loan made to the one specified executive director of the Group at the end of the year are set out below:

2005	Balance at the start of the year $	Imputed value of Interest not charged $	Balance at the end of the year $	Highest indebtedness during the year $
C J O'Donnell	**2,514,390**	**173,882**	**2,809,589**	**3,005,016**

2004	Balance at the start of the year $	Imputed value of Interest not charged $	Balance at the end of the year $	Highest indebtedness during the year $
C J O'Donnell	**2,188,916**	**153,819**	**2,514,390**	**2,684,015**

Service agreements

On 1 October 2002, the Group entered into a five year service agreement with the Managing Director, C J O'Donnell. The agreement stipulates the minimum base salary for each of the first three years; it provides a short-term incentive (which, if earned would be paid as a bonus, each year) and a long-term incentive/retention payment of $1.0 million over the five years, with half being payable in September 2006, and the second half being payable in September 2007, provided the agreed conditions have been satisfied. The reward provision of this agreement may be increased each year at the discretion of the Board.

There are no other executive service agreements.

(b) Executive pay

The objective of the Group's executive remuneration framework is to ensure that reward for performance is transparent, reasonable, competitive and appropriate for the results delivered. The framework aligns executive remuneration with achievement of strategic objectives and hence the creation of value for securityholders, and was designed consistently with advice received from independent remuneration consultants on market best practice for delivery of rewards to executives.

The remuneration framework provides a mix of fixed and at risk pay, with a blend of short and long-term incentives. As an executive undertakes more senior roles within the Group, the balance of his or her mix can shift to a higher proportion of 'at risk' rewards, depending upon the nature of the executive's new role.

The overall level of executive reward in any given year takes into account the performance of the stapled entity over a number of years, and, in particular, with greater emphasis given to the current and prior year. Over the past 5 years, the stapled entity's profit from ordinary activities after income tax has grown at an average rate of 18.8% per annum, and total securityholder return has averaged 11.2% per annum. This has been calculated assuming an initial investment of $1,000, full participation in the dividend reinvestment plan when in operation, inclusion of the franking credit available on the company portion of the distribution and no disposal of securities acquired. During the same period, average executive remuneration has grown by approximately 14.0% per annum.

The executive pay and reward framework has three components, the combination of which comprises the executive's total remuneration:

- base pay and benefits (fixed)
- short-term incentives (variable at risk)
- long-term incentives (variable at risk).

Base Pay

Executives are offered a competitive base pay that comprises the fixed component of their remuneration. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for comparable roles. Base pay is reviewed annually. An executive's pay is also reviewed on promotion. The base pay for the Chief Executive and his direct reports requires the specific approval of the Board, following review by the Nominations and Remuneration Committee.

Base pay reviews are undertaken annually within a target total base pay allocation for the Group set in consultation with the Nominations and Remuneration Committee, and approved by the Board.

Short-Term Incentives (STI)

The short term incentive arrangements at Investa have been designed to link annual STI bonus awards to executive performance against agreed key performance indicators and the financial performance of the Group during the year in question. The principles of the scheme include the determination of amounts payable having regard to:

1. The performance by the executive measured against agreed personal objectives (KPI's);
2. The financial performance of the executive's Business Unit against target; and
3. The Group financial performance against target.

At the commencement of each year the Board, on the recommendation of the Nominations and Remuneration Committee, establishes the total amount or "pool", to be available for STI payments within the Group, the guiding principles for the setting of STI potential, the KPI's for Group executives generally and the Group financial performance targets to be achieved in order for the total available incentive pool to become payable.

Directors' Report (continued)

Each executive has a nominated "STI potential" which will only be received in full in the event of "exceeds expectations" performance and achievement of all agreed KPI's as well as above target financial performance of the executive's Business Unit and the Group. As a general rule, the STI potential set for an executive depends upon his or her accountabilities and the potential impact of his or her role on the financial performance of the relevant business unit and the Group itself. The Board retains the discretion to approve higher than potential STI bonus payments to some or all executives to reward significant over achievement against agreed performance criteria.

Each year the Board, on the recommendation of the Nominations and Remuneration Committee, approves the individual STI targets and KPI's for the Chief Executive and his direct reports.

Long-Term Incentives (LTI)
(i) ESAP
The Employee Share Acquisition Plan (ESAP) at Investa has been designed to enable employees to share in the long term growth of the Group by being awarded securities under the Plan, potentially on an annual basis. The intention is to align employee wealth creation interests with those of the Group's securityholders over the longer term, and also to encourage executives to remain with the Group and continue to add value for the benefit of all stakeholders.

Annual ESAP allocations are made within a total ESAP award framework approved by the Board after review by the Nominations and Remuneration Committee.

Individual awards to the Chief Executive and his direct reports require specific Board approval.

The Nominations and Remuneration Committee approves the principles and criteria governing ESAP awards to other employees within the total award framework referred to above.

Unless the Board in its absolute discretion permits otherwise, employees cannot access securities allocated to them under ESAP until after the third anniversary of the allocation being made.

ESAP functions through Investa making non-interest bearing non-recourse loans to employees to enable the acquisition on market of Investa securities under ESAP for the employees in question. Distributions and dividends paid on the securities represent assessable income to employees. A cash component of distributions and dividends is paid to each employee to fund his or her tax liability arising from the distributions and dividends. The balance of the distributions and dividends is directed towards repayment of the employees' loans on an individual account basis.

Under the terms of ESAP any shortfall between the market value of an employee's ESAP securities at the date he or she leaves the Group, and that employee's outstanding loan balance at the same date, is borne by the Group. For the year to 30 June 2005, no loss was sustained by the Group. The non-monetary benefit to an employee attributable to ESAP is equivalent to the net interest that would otherwise have been borne on the loan, determined using the Group's average weighted interest rate.

(ii) Potential Retention Payments
Linked to the ESAP scheme is an enhanced retention scheme which is restricted in application and which began operation in the 2005 financial year.

An amount of money is allocated to a Retention Pool each year. The Managing Director will make recommendations to the Board Nominations and Remuneration Committee for the allocation of this money to key employees on a three year vesting basis. An employee will only be entitled to receive his or her allocation if he or she is still employed by Investa at the vesting date (three years from date of allocation). Payment will generally be made by way of a reduction of the employee's outstanding ESAP loan balance. The first payments will be made under the scheme in 2008 financial year.

Retirement benefits for employees
No benefits are payable, except through Superannuation arrangements.

Directors' Report (continued)

Details of remuneration
Details of the remuneration of each of the five specified executives of the Group is set out below:

2005	Primary			Post-employment		Total $
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
D F Bromell	334,944	200,000	30,030	29,219	-	**594,193**
WW Grounds	243,748	72,000	22,452	21,937	-	**360,137**
A S Junor	286,715	67,500	58,821	25,804	-	**438,840**
B V McGarry	247,556	36,000	44,264	21,997	-	**349,817**
G B Monk	397,374	128,000	90,028	35,205	-	**650,607**
Total	**1,510,337**	**503,500**	**245,595**	**134,162**	**-**	**2,393,594**

2004	Primary			Post-employment		Total $
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
DF 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**

Short Term Incentives
For each short term incentive included in the above 2005 table, the percentage of the STI potential paid to D F Bromell was 91%, W W Grounds 60%, A S Junor 45%, B V McGarry 60% and G B Monk 85%. The achievement of 100% of STI potential requires "exceeds expectations" performance and achievement of all agreed KPI's as well as above target financial performance of both the executive's Business Unit and the Group. On this basis, the percentage of STI potential that was not paid or, to use the language contemplated by the *Corporations Regulations 2001*, was "forfeited" by D F Bromell was 9%, W W Grounds 40%, A S Junor 55%, B V McGarry 40% and G B Monk 15%.

Stapled Security holding of specified executives
The number of securities held during the financial year by each of the five specified executives is set out below:

	Balance at the start of the year	Purchases/ (sales) [1]	Balance at the end of the year
Stapled Securities in Investa Property Group			
D F Bromell	150,000	120,000	270,000
W W Grounds	110,000	100,000	210,000
A S Junor	425,500	100,000	525,500
B V McGarry	353,600	100,000	453,600
G B Monk	652,475	120,000	772,475

[1] The amounts purchased in the current year by each of the specified executives were pursuant to allocations under the Employee Share Acquisition Plan.

Directors' Report (continued)

Loans to specified executives
Details of loans made to the five specified executives of the Group are set out below:

Specified individuals with loans above $100,000 during the financial year

2005	Balance at the start of the year $	Imputed value of Interest not charged $	Balance at the end of the year $	Highest indebtedness during the year $
D F Bromell	**286,814**	**29,217**	**494,703**	**517,635**
W W Grounds	**195,320**	**21,712**	**370,303**	**388,139**
A S Junor	**709,622**	**52,050**	**847,966**	**892,597**
B V McGarry	**547,443**	**42,534**	**698,561**	**743,693**
G B Monk	**1,155,739**	**80,634**	**1,305,562**	**1,370,961**
Total	**2,894,938**	**226,117**	**3,717,095**	**3,913,025**

No write-down or allowance for doubtful receivables has been recognised in relation to any loan made to specified executives.

2004	Balance at the start of the year $	Imputed value of Interest not charged $	Balance at the end of the year $	Highest indebtedness during the year $
D F Bromell	204,073	16,831	286,814	303,073
W W Grounds	127,949	11,317	195,320	207,149
A S Junor	558,919	42,551	709,622	756,920
B V McGarry	383,786	32,103	547,443	581,786
G B Monk	1,031,477	70,992	1,155,739	1,229,476
Total	2,306,204	173,794	2,894,938	3,078,404

No write-down or allowance for doubtful receivables was recognised in relation to any loan made to specified executives in the previous year.

Potential retention payments
On 5 May 2005, the company entered into retention agreements in respect of the three years ending on 30 September 2007 with each of D F Bromell, W W Grounds, and G B Monk involving potential retention payments to them of $150,000, $50,000 and $150,000 respectively. The payment to each person is dependent upon that person being employed within the Investa Property Group at 30 September 2007. The after-tax value of any such payment will be applied to reduce the ESAP loan to that person.

Responsible Entity interests
Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in Note 29 to the Consolidated Financial Statements.

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

The percentage of equity in the Trust held by the Responsible Entity or its associates as at the end of the financial year is disclosed in Note 22 to the Consolidated Financial Statements.

Matters subsequent to the end of the financial year
Unless otherwise disclosed, 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.

Directors' Report (continued)

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. The adoption of IFRS is not expected to have an impact on the Trust's distribution capacity.

A summary of how the Responsible Entity is managing this transition and what the likely impact will be, is contained in Note 31 to the Consolidated Financial Statements.

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.

Non-Audit Services
The Board of the Responsible Entity has adopted a policy governing Auditor Independence which specifies that the auditing firm should not provide services that are or could be perceived to be in conflict with the role of auditor. Each non-audit service is considered in the context of this policy.

The directors of the Responsible Entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Trust are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out below.

The board of directors of the Responsible Entity has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

During the year the following fees were paid or payable for services provided by the auditor of the Trust, and its related practices:

	2005	2004
	$	$
Remuneration for audit of the financial reports of the parent entity or any entity in the consolidated entity:		
Auditor of the Trust – PricewaterhouseCoopers	**351,210**	376,957
Remuneration for other services		
Auditor of the Trust – PricewaterhouseCoopers:		
Tax compliance services – review of DOF tax returns[1]	**-**	54,580
Taxation advice in relation to the acquisition of DOF[1]	**-**	56,820
Advice in relation to the accounting for the acquisition of DOF[1]	**-**	35,000
Total non audit services	**-**	146,400
Total auditor's remuneration	**351,210**	523,357

[1] PricewaterhouseCoopers Tax services were not used in 2005 year.

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
3 August 2005

Directors' Report (continued)

PricewaterhouseCoopers
ABN 52 780 433 757

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

PRICEWATERHOUSECOOPERS

Auditor's Independence Declaration

As lead auditor for the audit of Investa Property Trust for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Investa Property Trust and the entities it controlled during the period.

JA Dunning
Partner
Sydney
3 August 2005

Discussion and Analysis of the Consolidated Financial Statements for the year ended 30 June 2005

The following commentary will assist security holders when reviewing and interpreting the results of the Trust for the year ended 30 June 2005.

Consolidated Statements of Financial Performance

Profit for the Trust after tax and outside equity interests increased by 16.1% from $206,708,000 to $240,060,000. This earnings improvement reflects both the inclusion of a full twelve month contribution from last year's acquisition of Delta (Delta Office Fund, formerly Principal Office Fund) and a higher contribution from the sale of investments.

These items, when combined with the increase in the average number of units from 1,346,649,752 to 1,467,014,499, or 8.9%, resulted in an increase in the earnings per security before amortisation of 6.5% to 16.81 cents per security (15.78 cents per security in the prior year). The distribution for the year was 16.40 cents per security, an increase of 3.5% from 15.85 cents per security in the prior year.

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

	2005	2004
	$'000	$'000
Investment contribution	**280,350**	259,074
Interest income	**39,901**	28,392
Borrowing Costs	**(73,579)**	(74,964)
Earnings before amortisation	**246,672**	212,502
Amortisation	**(6,612)**	(5,794)
Net profit attributable to unitholders	**240,060**	206,708

As noted above, the investment contribution increased $21,276,000, or 8.2%, to $280,350,000. This reflects the full year effect of the Delta properties purchased in September 2003, partly offset by the sale of properties as part of the Group's capital management program, and higher profits from the sale of investments. In addition, interest income also increased from $28,392,000 to $39,901,000 due to additional loans to Investa Properties Limited, a related party.

Borrowing costs, which include interest expenses, line and facility fees, decreased slightly to $73,579,000, primarily due to the reduction in non-development debt following the sale of investments described above. Expenditure on qualifying assets, being the development project at 126 Phillip Street in Sydney, has increased total borrowings without any associated increase in borrowing cost expenses, as these borrowing costs are capitalised to the carrying value of the qualifying asset.

Amortisation of intangibles of $6,612,000 is up by $818,000 due to the full year effect of the goodwill recognised on acquisition of Delta.

Consolidated Statements of Financial Position

Total Trust's assets increased by 8% from $4,258,198,000 at 30 June 2004 to $4,600,640,000 at 30 June 2005 following an increase in investment properties and loans to related entities. The increase in investment properties reflects the ongoing construction work at 126 Phillip Street, the carrying value of which increased from $251,477,000 to $394,353,000, capital expenditure on the investment portfolio and a net revaluation increment of $31,098,000 from the revaluation of 24 investment properties. Slightly offsetting these were the sales of 64 and 73 Northbourne Avenue, Canberra for $38,250,000 reducing assets accordingly. In addition, the Trust sold down part of its interest in 400 George Street, Sydney, Maritime Trade Towers, Sydney, 310-322 Pitt Street, Sydney and Centennial Plaza, Sydney. However, as the Trust still controls these interests for accounting purposes, they continue to be consolidated.

The total debt outstanding at 30 June 2005 was $1,444,545,000, compared to $1,555,500,000 at 30 June 2004. The gearing for the Trust decreased to 31.4%, down from 36.5% at 30 June 2004.

Discussion and Analysis of the Consolidated Financial Statements for the year ended 30 June 2005 (continued)

Contributed equity increased $124,112,000 to $2,698,258,000 due to the issuance of new units less transfers from contributed equity to distributable income. Funds raised from unitholders were used to repay debt and lend money to Investa Properties Limited.

Outside equity interests of $322,641,000 are recorded on the balance sheet at 30 June 2005 reflecting the external interests in 400 George Street, Maritime Trade Towers, Centennial Plaza and 310 Pitt Street.

Consolidated Statements of Cash Flows

Cash flow from operating activities increased 2% to $242,696,000 reflecting the inclusion of a full twelve month contribution from the acquisition of Delta (Delta Office Fund, formerly Principal Office Fund) in September 2003 and higher income received from loans to related entities.

Net cash flow from investing activities was a net inflow of $164,833,000 reflecting an increase in proceeds from the sale of investments from $75,196,000 to $398,129,000 partly offset by capital expenditure on investment properties of $219,906,000, the majority of which was incurred on the 126 Phillip Street development, and the acquisition of an interest in Investa Diversified Office Fund for $13,390,000.

Net cash flow from financing activities for the year was an outflow of $405,223,000. The disposals noted above along with the cash flow from operating activities enabled net borrowings to be reduced by $109,345,000, distribution payments of $185,689,000 and net funding to related entities of $110,189,000 during the financial period.

Consolidated Statements of Financial Performance
For the year ended 30 June 2005

	Notes	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent entity 2005 $'000	Parent entity 2004 $'000
Revenue from ordinary activities					
Rent		**316,614**	295,386	**64,620**	66,729
Distributions from associates		**33,367**	33,818	**21,466**	24,635
Proceeds on sale of investment property		**398,129**	88,300	**50,118**	40,500
Other revenue from ordinary activities	2	**41,219**	31,731	**266,947**	205,040
Total revenue from ordinary activities		**789,329**	449,235	**403,151**	336,904
Property outgoings		**(60,276)**	(59,302)	**(11,877)**	(14,264)
Repairs and maintenance		**(9,477)**	(8,029)	**(1,950)**	(2,010)
Borrowing costs	4	**(73,579)**	(74,964)	**(87,156)**	(63,721)
Increment / (decrement) on revaluations of investment properties	18(a)	**-**	-	**15,098**	(15,098)
Amortisation of intangibles		**(6,612)**	(5,794)	**(1,930)**	(1,930)
Book value of investment properties sold		**(384,215)**	(86,253)	**(49,290)**	(41,356)
Other expenses from ordinary activities	3	**(7,435)**	(6,943)	**(7,078)**	(3,691)
Net profit	4	**247,735**	207,950	**258,968**	194,834
Net profit attributable to outside equity interests		**(7,675)**	(1,242)	**-**	-
Net profit attributable to unitholders of the Trust		**240,060**	206,708	**258,968**	194,834
Net increase/(decrease) in asset revaluation reserve		**10,192**	(15,098)	**2,212**	-
Total revenues, expenses and valuation adjustments attributable to unitholders of Investa Property Trust recognised directly in equity	18(a)	**10,192**	(15,098)	**2,212**	-
Total changes in equity other than those resulting from transactions with unitholders as owners		**250,252**	191,610	**261,180**	194,834
Distributions paid and payable	15	**242,301**	224,107		
		Cents	Cents		
Distributions paid and payable (cents per unit)	15	**16.40**	15.85		
Basic and diluted earnings (cents per unit)	28	**16.36**	15.35		
Basic and diluted earnings per unit (before revaluation)	28	**16.36**	15.35		
Basic and diluted earnings per unit (before revaluation and before amortisation)	28	**16.81**	15.78		

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

Consolidated Statements of Financial Position
As at 30 June 2005

	Notes	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent entity 2005 $'000	Parent entity 2004 $'000
Current assets					
Cash assets	7	**6,190**	3,884	**901**	852
Receivables	8	**6,372**	10,651	**6,561**	50,705
Loans to related entities	9	**91,794**	103,811	**661,728**	510,675
Investment properties	10	**-**	24,132	**-**	17,183
Other Assets	11	**27,985**	18,503	**4,494**	9,694
Total current assets		**132,341**	160,981	**673,684**	589,109
Non-current assets					
Intangibles	12	**114,290**	120,566	**29,766**	31,696
Loans to related entities	9	**443,173**	277,623	**443,173**	277,623
Investment properties	10	**3,910,836**	3,699,028	**3,076,334**	3,063,895
Total non-current assets		**4,468,299**	4,097,217	**3,549,273**	3,373,214
Total assets		**4,600,640**	4,258,198	**4,222,957**	3,962,323
Current liabilities					
Payables	13	**36,785**	40,627	**8,160**	11,528
Loans from related entities	9	**-**	-	**132,827**	-
Interest bearing liabilities	14	**-**	120,000	**-**	-
Provision for distribution	15	**61,972**	56,678	**60,083**	56,678
Total current liabilities		**98,757**	217,305	**201,070**	68,206
Non-current liabilities					
Loans from related entities	9	**-**	13,296	**831,545**	835,796
Interest bearing liabilities	14	**1,444,545**	1,435,500	**463,000**	463,000
Total non-current liabilities		**1,444,545**	1,448,796	**1,294,545**	1,298,796
Total liabilities		**1,543,302**	1,666,101	**1,495,615**	1,367,002
Net assets		**3,057,338**	2,592,097	**2,727,342**	2,595,321
Equity					
Contributed equity	16(a)	**2,698,258**	2,574,146	**2,701,157**	2,590,262
Outside equity interest	17	**322,641**	-	**-**	-
Reserves	18(a)	**22,445**	12,253	**2,212**	-
Amounts available for distribution	18(b)	**13,994**	5,698	**23,973**	5,059
Total equity		**3,057,338**	2,592,097	**2,727,342**	2,595,321

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

Consolidated Statements of Cash Flows
For the year ended 30 June 2005

	Notes	Consolidated 2005 $'000	Consolidated 2004 $'000	Parent entity 2005 $'000	Parent entity 2004 $'000
Cash flows from operating activities					
Cash receipts in the course of operations		**365,725**	358,185	**79,098**	73,612
Cash payments in the course of operations		**(113,483)**	(109,766)	**(28,756)**	(34,833)
Interest received		**36,522**	24,809	**70,198**	45,621
Trust distribution income from controlled entities		**-**	-	**99,613**	116,947
Distributions from associates		**32,009**	31,023	**19,956**	28,458
Borrowing costs paid		**(78,077)**	(66,346)	**(91,867)**	(59,344)
Net cash inflow from operating activities	25	**242,696**	237,905	**148,242**	170,461
Cash flows from investing activities					
Proceeds from sale of property and investments		**398,129**	75,196	**50,118**	52,817
Capital expenditure payments	26	**(219,906)**	(91,029)	**(27,354)**	(8,372)
Redemption of units in controlled entity		**-**	-	-	29,797
Payment for investments in property		**-**	(47,535)	**-**	(49,544)
Payments for investments in associates		**(13,390)**	(13,949)	**-**	(7,000)
Purchase of controlled entity, net of cash acquired		**-**	(414,593)	**-**	(414,593)
Net cash inflow / (outflow) from investing activities		**164,833**	(491,910)	**22,764**	(396,895)
Cash flows from financing activities					
Proceeds from issues of units		**-**	48,350	**-**	48,350
Proceeds from borrowings		**2,301,235**	1,504,722	**-**	1,504,724
Repayment of borrowings		**(2,410,580)**	(1,107,834)	**-**	(899,224)
Loans to related entities		**(287,020)**	(115,028)	**(916,389)**	(380,382)
Proceeds from repayment of loans from related entities		**176,831**	79,567	**925,335**	108,045
Distributions paid		**(185,689)**	(153,147)	**(179,903)**	(153,147)
Payments for costs associated with issue of units		**-**	(1,522)	**-**	(1,522)
Net cash (outflow) / inflow from financing activities		**(405,223)**	255,108	**(170,957)**	226,844
Net increase in cash held		**2,306**	1,103	**49**	410
Cash at the beginning of the financial year		**3,884**	2,781	**852**	442
Cash at the end of the financial year		**6,190**	3,884	**901**	852
Non-cash financing and investing activities	27				
Financing arrangements	14				

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

Notes to the Consolidated Financial Statements
For the year ended 30 June 2005

Note 1. Summary of significant accounting policies

Investa Property Trust (the "Trust") was constituted on 15 July 1977.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the Trust Constitution, Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. It is prepared on a going concern basis and historical cost conventions and has not been adjusted to take account of either changes in the general purchasing power of the dollar or changes in the values of specific assets, except to the extent that the Trust investments have been revalued. It is recommended that this report be read in conjunction with any public pronouncements made by the Trust during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The units in Investa Property Trust are 'stapled' to the shares in Investa Properties Limited. All transactions in either security can only be in the form of transactions in Investa Property Group stapled securities.

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

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(b) Principles of aggregation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Investa Property Trust as at 30 June 2005 and their results for the year ended 30 June 2005. The effects of all transactions between controlled entities in the Trust are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statement of financial performance and statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

Certain property investments are held via joint ownership arrangements (refer Note 23). These joint ownership arrangements include the ownership of units in unlisted trusts over which the Trust exercises significant influence but does not control ("Associates"). Investments in Associates are recorded at cost in the year of acquisition and at the net asset value of the Associate thereafter.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses of associates is recognised in the consolidated statement of financial performance, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

(c) Revenue recognition

Rent

Rent is brought to account on an accruals basis and, if not received at the balance date, is reflected in the consolidated statement of financial position as a receivable.

Distribution

Distribution revenue is brought to account on an accruals basis and, if not received at the balance date, is reflected in the consolidated statement of financial position as a receivable. Recoverability of receivables is reviewed on an ongoing basis. Debts, which are known to be not collectable, are written off.

Note 1. Summary of significant accounting policies (continued)

Interest
Interest is brought to account on an accruals basis and, if not received at the balance date, is reflected in the consolidated statement of financial position as a receivable.

Disposal of assets
The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of the disposal and the proceeds on disposal and is included in the consolidated statement of financial performance in the year of disposal. Any related revaluation increment remaining in the asset revaluation reserve at the time of the disposal is transferred to contributed equity.

(d) Expenses
Property expenses
Property expenses include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of the Trust and are brought to account on an accruals basis.

Borrowing costs
Borrowing costs include interest expense and the amortisation of other costs incurred in respect of obtaining finance except where they are included in the costs of qualifying assets in accordance with Note 1(j). Other costs incurred including loan establishment fees in respect of obtaining finance are deferred and written off over the term of the respective agreement.

Responsible Entity fee
In accordance with the provisions of the Trust Constitution, the Responsible Entity is entitled to payment of a fee. The fee represents the total expenses recoverable by the Responsible Entity in managing the Trust plus 5% of these expenses.

(e) Maintenance and repairs
Plant of the Trust is maintained on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised in accordance with note 1(j). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

(f) Amortisation of Intangible assets
Amortisation is calculated on a straight line basis to write off the net cost of each intangible asset over its expected useful life to the Trust. An annual assessment of the appropriateness of the carrying value and remaining useful life is made for each intangible asset. The expected useful lives are as follows:

Corporate property services establishment costs	5 years
Payment for management rights	20 years
Goodwill on Acquisition	20 years (see Note 1 (l))

1. Earnings per unit
i) Basic Earnings per Unit
Basic earnings per unit is determined by dividing the net profit attributable to unitholders of the Trust by the weighted average number of units outstanding during the year.

ii) Diluted Earnings per Unit
Diluted earnings per unit adjusts the figures used in the determination of basic earnings per unit by taking into account amounts unpaid on units and any reduction in earnings per unit that will probably arise from the exercise of options outstanding during the year. Where there is no difference between basic earnings per unit and diluted earnings per unit, the term basic and diluted earnings per unit is used.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 1. Summary of significant accounting policies (continued)

(h) Cash
For the purposes of the consolidated statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(i) Receivables
Receivables to be settled within 30 days are carried at amounts due. The collectability of debts is reviewed on a regular basis and a specific provision is made for any doubtful debts.

(j) Investment properties
The Trust's Constitution requires that all Trust property investments are valued at intervals of not more than three years and that such valuations be reflected in the financial statements of the Trust. It is the policy of the Responsible Entity to formally review the carrying value of each property within the Trust through external valuers every three years, or earlier where the Responsible Entity believes there may be a material change in the carrying value of the property.

The basis of valuation of investment properties is fair value being the amount for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each investment property does not differ materially from its fair value at the reporting date.

A revaluation increment is credited directly to the asset revaluation reserve, unless it is reversing a previous decrement charged as an expense in the consolidated statement of financial performance in respect of that same class of assets, in which case the increment is credited directly to the consolidated statement of financial performance.

A revaluation decrement is recognised directly as an expense in the consolidated statement of financial performance, unless it is reversing a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve in respect of that same class of assets, in which case it is debited directly to the asset revaluation reserve.

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the consolidated statement of financial performance in the year of disposal.

Interests held by Investa Property Trust in controlled trusts are brought to account at valuation based on the net tangible asset backing at the end of each period.

Land and buildings are an investment and are regarded as a composite asset. Accounting standards do not require investment properties to be depreciated. Accordingly, the buildings and any component thereof (including plant and equipment) are not depreciated. Expenses capitalised to properties may include the cost of acquisition, additions, refurbishment, redevelopment, and fees incurred. Properties under development are held in investment property and, as qualifying assets, all costs of development are capitalised against those properties.

(k) Investments
Interests in unlisted securities, other than controlled entities and associates in the consolidated financial statements, are brought to account at cost and distribution income is recognised in the consolidated statement of financial performance when receivable.

(l) Goodwill
Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, including any restructuring costs, is brought to account as goodwill. Goodwill is amortised over the lesser of estimated useful life and 20 years.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 1. Summary of significant accounting policies (continued)

(m) Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through net cash inflows arising from its continued use and subsequent disposal. Where the carrying amount of an individual non-current asset is greater than its recoverable amount the asset is written down to its recoverable amount. To the extent that the revaluation decrement reverses a revaluation increment previously credited to and still included in the balance of the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise, the decrement is recognised as an expense in the consolidated statement of financial performance.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market, risk-adjusted discount rate.

(n) Payables

These amounts represent liabilities for amounts owing by the Trust at year end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition and also include rent in advance and tenant security deposits.

(o) Interest bearing liabilities

Loans are carried at their principal amounts. Interest is accrued over the period as it becomes due and is recorded as part of other creditors.

(p) Derivatives

The Responsible Entity enters into interest rate and exchange rate hedging contracts in order to minimise exposure to fluctuations in interest rates and exchange rates. Derivative financial instruments are not held for speculative purposes.

Interest payments and receipts under interest rate swap contracts are recognised on an accruals basis in the statement of financial performance, as an adjustment to interest expense when the designated hedge transaction occurs.

(q) Distributions

Provision is made to distribute income to unitholders each year in accordance the Trust constitution.

(r) Taxation

Under current legislation, Trusts are not liable for income tax, provided that the taxable income and taxable realised gains are fully distributed to unitholders each year. To the extent that any entities controlled by the Trust are companies, the Trust adopts tax effect accounting procedures whereby income tax expense in the Consolidated Statement of Financial Performance is matched with the accounting profit after allowing for permanent differences. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates that are expected to apply when those timing differences reverse.

(s) 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 2. Other revenue from ordinary activities

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Revenue from operating activities:				
Distributions from controlled entities	**-**	-	**192,983**	161,167
Interest income	**39,901**	28,392	**73,756**	41,728
Other revenue	**1,318**	3,339	**208**	2,145
	41,219	31,731	**266,947**	205,040

Note 3. Other expenses from ordinary activities

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Disposal cost of investment property sold	**940**	21	**158**	21
Legal fees	**185**	465	**86**	189
Provision for doubtful debts	**(136)**	537	**(41)**	26
Responsible Entity fees	**1,274**	2,321	**1,274**	2,321
Other expenses	**5,172**	3,599	**5,601**	1,134
	7,435	6,943	**7,078**	3,691

Note 4. Net Profit

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Net Profit includes the following specific expenses:				
Borrowing Costs:				
Gross Borrowing costs paid/payable	**96,682**	81,305	**87,156**	63,721
Less: Borrowing costs capitalised [1]	**(23,103)**	(6,341)	**-**	-
Borrowing costs paid/payable	**73,579**	74,964	**87,156**	63,721

[1] The capitalisation rate applied during the year was 6.43% (2004: 6.01%) and relates to 126 Phillip Street.

Note 5. Remuneration of auditor

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$	$	**$**	$
Remuneration for audit of the financial reports of the parent entity or any entity in the consolidated entity:				
Auditor of the Trust – PricewaterhouseCoopers	**351,210**	376,957	**345,210**	251,489
Remuneration for other services:				
Auditor of the Trust – PricewaterhouseCoopers:				
Tax compliance services – review of tax returns of DOF [1]	-	54,580	**-**	-
Taxation advice in relation to the acquisition of DOF [1]	-	56,820	**-**	56,820
Advice in relation to the accounting for the acquisition of DOF [1]	-	35,000	**-**	35,000
Total non audit services	**-**	146,400	**-**	91,820
Total auditor's remuneration	**351,210**	523,357	**345,211**	343,309

[1] PricewaterhouseCoopers Tax services were not used in 2005 year.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 6. Segment information

The Trust operates solely in the business of investment in commercial property in Australia and also has indirect property holdings through investments in units in listed and unlisted property trusts.

Note 7. Cash assets

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Cash at bank[1]	**3,049**	2,684	**380**	352
Deposits at call [2]	**3,141**	1,200	**521**	500
	6,190	3,884	**901**	852

Deposit at call

[1] The weighted average interest rate earned on cash at bank was 4.92% during the 2005 year (2004 – 4.38%)

[2] The deposits are earning floating interest rates of 5.45%. (2004 – 5.15%)

Note 8. Receivables

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Rent receivable	**3,018**	6,182	**2,887**	1,418
Less: Provision for doubtful debts	**(47)**	(381)	**(15)**	(56)
	2,971	5,801	**2,872**	1,362
Distribution receivable from controlled entities	**-**	-	**3,401**	44,493
Distribution receivable from associates	**3,401**	2,850	**288**	2,850
Loans	**-**	2,000	**-**	2,000
	6,372	10,651	**6,561**	50,705

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 9. Loans to related entities

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Current assets				
Investa Real Property Growth Trust [1]	**-**	-	**185,574**	181,531
Investa Nominees Pty Limited [1]	**15,494**	26,401	**15,493**	26,401
441 Trust [2]	**-**	-	**2,166**	-
Collins Property Trust [2]	**-**	1,610	**-**	1,610
Connect Property Trust [1]	**-**	-	**13,510**	-
Phillip St Sub-Trust [1]	**-**	-	**-**	112,158
Investa Custodian II Pty Limited [2]	**-**	-	**13,325**	6,393
Sunlaw Trust [1]	**-**	-	**50,761**	50,009
Delta Office Fund [1]	**-**	-	**238,224**	56,773
Macarthur Central Trust [1]	**76,300**	75,800	**76,300**	75,800
Fawkner Trust [2]	**-**	-	**66,375**	-
Total current assets	**91,794**	103,811	**661,728**	510,675
Non-current assets				
Investa Properties Limited [1]	**4,359**	-	**4,359**	-
Investa Nominees Pty Limited [1]	**104,038**	151,432	**104,038**	151,432
Silverton Limited[1]	**-**	86,392	**-**	86,392
Investa Development Holdings Pty Limited [1]	**308,489**	39,799	**308,489**	39,799
Silverton Real Estate Pty Limited [1]	**26,287**	-	**26,287**	-
	443,173	277,623	**443,173**	277,623
Current liabilities				
IPG Finance Pty Limited [2]	**-**	-	**(3,781)**	-
Lizabeth Trust [2]	**-**	-	**(129,046)**	-
Total current liabilities	**-**	-	**(132,827)**	-
Non-current liabilities				
Investa Properties Limited [1]	**-**	(13,296)	**-**	(13,296)
IPG Finance Pty Limited [1]	**-**	-	**(831,545)**	(822,500)
Total non-current liabilities	**-**	(13,296)	**(831,545)**	(835,796)
Net loans to related entities	**534,967**	368,138	**140,529**	(47,498)

These loans arise as new capital is principally sourced by IPG Finance Pty Limited, a subsidiary of Investa Property Trust and loaned to Investa Properties Limited (or its subsidiaries) as required to support their investment activities.

[1] These loans accrue interest at market rates.

[2] These loans do not accrue interest.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 10. Investment Properties

	2005 $'000	2004 $'000
Current		
Investment property	**-**	24,132
Non -current		
Investment property	**3,910,836**	3,699,028

Property details

Current assets

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30/06/05 $'000	Consolidated book value 30/06/04 $'000
Investa Sixth Commercial Trust		-	(21/7/04)	-	-	-	-	**-**	6,949
73 Northbourne Avenue, Canberra, ACT	Offices 99 yr leasehold	-	(12/7/04)	-	-	-	-	**-**	17,183
Total current assets				-				**-**	24,132

Non-current assets

Properties held by Investa Property Trust

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30/06/05 $'000	Consolidated book value 30/06/04 $'000
55 Market Street, Sydney, NSW [3]	Offices/ Freehold	100%	31/07/98	128,042	30/06/05	142,000	D M Castles, AAPI Knight Frank	**142,000**	140,084
485 Latrobe Street, Melbourne, VIC [3]	Offices/ Freehold	100%	10/09/98	92,433	30/06/05	110,000	A Duguid, AAPI m3 Property	**110,000**	111,210
73 Miller Street, North Sydney, NSW [3]	Offices/ Freehold	100%	12/06/97	76,296	31/12/04	87,000	S Young, FAPI FPD Savills	**87,087**	90,592
Cathedral Square 410 Ann Street, Brisbane, QLD [3]	Offices/ Freehold 120 yr leasehold	100%	23/11/87	61,348	31/12/03	62,500	S Boyd,AAPI Jones Lang LaSalle	**63,640**	62,604
469 Latrobe Street, Melbourne. VIC [3]	Offices/ Freehold	100%	01/07/88	86,823	30/6/05	54,500	R Bowman, FAPI FPD Savills(Vic)	**54,500**	48,439
50-60 Talavera Road, North Ryde, NSW [3]	Offices/ Freehold	100%	01/11/99	32,969	30/06/03	32,000	D McGrath, AAPI FPDSavills	**32,226**	32,025
62 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	26/02/88	28,908	30/06/05	26,200	P Harding, FAPI Knight Frank	**26,200**	27,568
420 St Kilda Road, Melbourne,VIC	Offices/ Freehold	100%	12/12/86	25,526	30/06/05	29,000	S Worth, AAPI Jones LaSalle	**29,000**	27,842
109 St Georges Terrace, Perth, WA	Offices/ Freehold	100%	01/11/99	38,922	30/06/05	31,100	M Foster-Key, AAPI FPD Savills	**31,100**	19,963
64 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	-	(1/6/05)	-	-	-		**-**	16,266
Total Properties held by Investa Property Trust				571,267				**575,753**	576,593

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 10. Investment properties (continued)

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30/06/05 $'000	Consolidated book value 30/06/04 $'000
Properties held by controlled entities									
Investa Real Property Growth Trust									
State Law Building, 50 Ann Street, Brisbane, QLD	Offices/ Freehold	100%	31/12/02	85,880	30/06/05	87,000	T Irving, AAPI & D Mohr AAPI CB Richard Ellis	**87,000**	83,000
The Octagon 110 George Street, Parramatta, NSW [3]	Offices/ Freehold	50% 50%	02/10/97 15/12/98	71,007	30/06/05	69,400	R Lawrie, AAPI JLL Advisory	**69,400**	67,885
Kings Row, Brisbane, QLD	Offices/ Freehold	50%	31/12/02	34,409	30/09/04	30,800	J Apted, AAPI, Colliers International	**31,774**	33,481
Total - Investa Real Property Growth Trust				191,296				**188,174**	184,366
Connect Property Trust									
242 Exhibition Street, Melbourne, Vic [1 & 3]	Offices/ Freehold	100%	19/08/02	277,516	31/12/04	282,500	R Bowman AAPI FPDSavills	**283,311**	275,251
Total - Connect Property Trust				277,516				**283,311**	275,251
Lizabeth Trust									
255 Elizabeth Street, Sydney, NSW [3 & 7]	Offices/ Freehold	50% 10% 40%	21/09/94 11/12/98 01/11/99	176,781	30/06/03	152,000	D Castles, AAPI Landmark White	**156,171**	152,195
Total – Lizabeth				176,781				**156,171**	152,195
Delta Office Fund									
400 George Street, Sydney [1 & 5]	Offices/ Freehold	55%	31/10/99	261,320	30/06/05	411,000	P Inglis, FAPI Knight Frank	**411,000**	386,697
120 Collins Street, Melbourne [1 & 7]	Offices/ Freehold	100%	31/1/94	318,095	31/12/03	320,000	D Gowing, FAPI CBRE	**323,200**	320,020
30% interest (as tenants-in-common) Grosvenor Place 225-235 George Street, Sydney	Offices/ Leasehold	30%	31/5/88	308,455	30/09/04	234,600	A Pannifex, FAPI, FPD Savills	**236,876**	233,344
126 Phillip Street, Sydney – Development property [1 & 2]	Offices/ Freehold (Develop)	100%	31/12/96	394,483	-	-	Not Applicable	**394,353**	251,477
50% interest (as tenants-in-common QV1 250 St George's Terrace, Perth	Offices/ Freehold	50%	31/12/98	143,457	30/06/04	159,000	S Nuttall, AAPI & J Fenner, AAPI CBRE	**159,760**	159,000
St Martins Tower 31 Market Street, Sydney [1 & 7]	Offices/ Freehold	100%	30/9/00	110,694	31/12/03	125,000	S Fairfax AAPI & L Tredwell GAPI CBRE	**131,739**	126,440
50% interest (as tenants-in-common) Maritime Trade Towers 201 Kent Street, Sydney [1]	Offices/ Leasehold	30%	31/12/00	97,727	30/06/05	115,000	D Hillier, AAPI Colliers International	**115,000**	111,615
Centennial Plaza Tower C 300 Elizabeth Street, Sydney [1]	Offices/ Freehold	84%	30/9/00	90,798	30/06/05	100,000	S Kearney, AAPI FPD Savills	**100,000**	88,743
Centennial Plaza Tower B 270-280 Elizabeth Street, Sydney [1]	Offices/ Freehold	84%	30/9/00	75,055	30/06/05	76,000	S Kearney, AAPI FPD Savills	**76,000**	75,427
Centennial Plaza Tower A 260 Elizabeth Street, Sydney [1]	Offices/ Freehold	84%	30/9/00	56,669	30/06/05	62,500	S Kearney, AAPI FPD Savills	**62,500**	60,000
Kindersley House 33 Bligh & 20-26 O'Connell Streets, Sydney [1 & 7]	Offices/ Freehold	100%	31/12/01	78,286	31/12/03	60,000	S Fairfax, AAPI & L Tredwell GAPI CBRE	**62,433**	60,519

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 10. Investment properties (continued)

Property	Type	Ownership	Acquisition Date (Sold Date)	Cost including all additions	Independent valuation date	Independent valuation amount	Independent valuer	Consolidated book value 30/06/05	Consolidated book value 30/06/04
Delta Office Fund (Continued)				$'000		$'000		$'000	$'000
Customs House 414 Latrobe Street, Melbourne [1]	Offices/ Freehold	100%	31/7/97	46,350	30/06/03	44,800	R J Scrivener, FAPI, FRICS Urbis	**44,974**	44,800
Sydney CBD Floor Space[1 & 4]	Heritage Floor Space	100%	30/6/00	332	30/06/03	1,000	S Fairfax, AAPI & L Tredwell, GAPI CBRE	**622**	622
Total – Delta Office Fund				1,981,721				**2,118,457**	1,918,704
Fawkner Trust									
441 St Kilda Road, Melbourne [3]	Offices/ Leasehold	100%	30/10/03	48,596	30/10/03	45,000	B Smith FAPI Knight Frank	**48,596**	47,691
310 Pitt Street, Sydney, NSW [1 & 8]	Offices/ Freehold	60%	30/11/02	131,986	31/03/05	132,800	R Higgins,FAPI & L Maroney, AAPI UrbisJHD	**138,892**	125,664
Total – Fawkner Trust				180,582				**187,488**	173,355
Total Properties held by Controlled Entities				2,807,896				**2,933,601**	2,703,871
Properties held by Associates									
60 Martin Place Unit Trust									
60 Martin Place, Sydney, NSW [6]	Offices/ Freehold	50%	01/11/99	93,144	30/09/04	95,000	A Pannifax, AAPI FPD Savills	**94,273**	93,144
Investa South Melbourne Trust									
209 Kingsway, Melbourne, VIC [6]	Offices/ Freehold	50%	31/01/02	52,525	31/12/04	52,500	G Longden, FAPI JLL Advisory	**52,525**	51,425
80 Pacific Highway Trust									
80 Pacific Highway, North Sydney, NSW [6]	Offices/ Freehold	50%	04/05/01	45,745	30/06/04	44,000	MS Smallhorn, FAPI & D McGrath, Jones Lang LaSalle	**44,304**	44,304
589 Collins Trust									
589 Collins Street, Melbourne, VIC [6]	Offices/ Freehold	50%	28/2/03	28,526	30/06/05	33,000	S Worth, AAPI Jones Lang LaSalle	**30,970**	28,526
Penrhyn House Trust									
Penrhyn House, Woden, ACT [3 & 6]	Offices/ Freehold	50%	06/12/02	20,649	01/09/02	19,300	P Harding, FAPI Knight Frank	**20,649**	20,649
Sunpac Property Fund									
BT Tower 1 Market Street, Sydney, NSW [3]	Offices/ Freehold	50%	31/01/96	105,259	31/12/04	106,750	S Kearney FPDSavills	**107,733**	110,334
231 Elizabeth Street Trust									
231 Elizabeth Street, Sydney, NSW [3 & 6]	Offices/ Freehold	50%	19/08/02	58,362	31/12/04	60,500	A Pannifex, AAPI FPDSavills	**60,314**	58,362
Total Properties held by Associates				404,210				**410,768**	406,744
Interests in unlisted property securities									
Investa Sixth Commercial Trust		-	(1/6/05)	-				**-**	7,000
Investa Brisbane Commercial Trust		-	(1/6/05)	-				**-**	4,820
Investa Diversified Office Fund		20%	1/6/05	3,518				**3,518**	-
Total interests in unlisted property securities				3,518				**3,518**	11,820
Share of Associate Liabilities				-				**(12,804)**	-
Total non-current investment				3,786,891				**3,910,836**	3,699,028

[1] These properties are indirectly held through the ownership of units in unlisted property trusts.
[2] The 126 Phillip Street property is under development and will only be independently valued on completion, which is expected to occur in September 2005.
[3] These properties and units are used as security for the issue of a commercial note.
[4] The carrying value of the Floor Space has been reduced since the last valuation due to a partial sale.
[5] The property is recorded at its full value as at 30 June 2005 due to the consolidation of Beta Trust on the basis that the Trust holds a 55.1% controlling interest.
[6] These properties are indirectly held through the ownership of a 50% interest in unlisted property trusts and the carrying value represents 50% of the net tangible assets of the relevant trust.
[7] Significant capital expenditure programmes are in progress on these properties which are expected to translate into corresponding increases in valuation when complete.
[8] The book value for this property includes a $6.1m accrual at 30 June 2005 of capital expenditure, which was not included in 31 March 2005 valuation.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 10. Investment properties (continued)

Valuations
Investment properties not independently valued during the last 12 months are carried at directors' valuation at 30 June 2005.

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

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Carrying amount at start of year	**3,699,028**	1,817,577	**3,063,895**	1,593,050
Additions attributable to DOF acquisition	**-**	1,834,536	**-**	1,514,046
Other additions	**212,334**	148,426	**27,355**	63,703
Disposals	**(31,624)**	(86,413)	**(31,624)**	(91,806)
Net revaluation increments / (decrements)	**31,098**	(15,098)	**16,708**	(15,098)
Carrying amount at end of year	**3,910,836**	3,699,028	**3,076,334**	3,063,895

Note 11. Other Assets

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Prepayments	**14,868**	11,926	**918**	8,234
Other	**13,117**	6,577	**3,576**	1,460
	27,985	18,503	**4,494**	9,694

Note 12. Intangibles

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Goodwill on acquisition of DOF	**92,734**	92,734	**-**	-
Restructure costs	**4,754**	4,754	**4,754**	4,754
Payment for relinquishment of management rights	**33,850**	33,850	**33,850**	33,850
	131,338	131,338	**38,604**	38,604
Less: accumulated amortisation	**(17,048)**	(10,772)	**(8,838)**	(6,908)
	114,290	120,566	**29,766**	31,696

Note 13. Payables

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Trade creditors	**34,350**	38,769	**7,977**	11,110
Rent paid in advance	**981**	793	**90**	305
Tenant deposits	**1,454**	1,065	**93**	113
	36,785	40,627	**8,160**	11,528

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 14. Interest bearing liabilities

Consolidated Financing Arrangements

	Facility Amount as at 30 June 2005 $'000	**Drawn Amount as at 30 June 2005 $'000**	Facility Amount as at 30 June 2004 $'000	Drawn Amount as at 30 June 2004 $'000
Medium Term Unsecured Notes	**-**	**-**	120,000	120,000
Total current	**-**	**-**	120,000	120,000
CMBS Programme [2]	**463,000**	**463,000**	463,000	463,000
Medium Term Unsecured Notes	**325,000**	**325,000**	150,000	150,000
US Private Placement	**325,545**	**325,545**	-	-
Unsecured Bank Debt [1]	**750,000**	**222,000**	950,000	822,500
Commercial Paper [1]	**-**	**109,000**	-	-
Total non-current	**1,863,545**	**1,444,545**	1,563,000	1,435,500
Total	**1,863,545**	**1,444,545**	1,683,000	1,555,500
Bank Guarantees	**-**	**4,383**	-	3,421
Available Facilities	**414,617**	**-**	124,079	-

[1] The Commercial Paper utilises part of the available unsecured bank debt facility as standby support.
[2] The CMBS Programme is held in the IPT parent entity.

Available facilities may be drawn upon immediately as required to meet working capital requirements and repay commercial paper.

	Consolidated 2005 $'000	Consolidated 2004 $'000
Secured loans		
Secured notes - Commercial Mortgage Backed Securities (CMBS)		
AAA rated 6.00% fixed rate notes	**195,000**	195,000
AAA rated floating rate notes with a coupon of three month bank bills plus 0.43%	**235,000**	235,000
AA+ rated floating rate notes with a coupon of three month bank bills plus 0.53%	**33,000**	33,000
Total Secured Notes	**463,000**	463,000
Cash advance facility	**-**	-
Total secured loans	**463,000**	463,000

The secured notes (CMBS) are issued by Investa Properties Limited in its capacity as Responsible Entity for the Investa Property Trust (IPT). The notes are secured over a pool of interests in fourteen properties (refer Note 10) owned by the Trust and have a scheduled maturity of 28 November 2006.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 14. Interest bearing liabilities (continued)

	Consolidated 2005 $'000	Consolidated 2004 $'000
Unsecured loans		
Bank Facilities	**222,000**	822,500
Commercial Paper	**109,000**	-
Medium Term Notes		
$120m 5.75% unsecured notes maturing September 2004	**-**	120,000
$150m 6.75% unsecured notes maturing November 2006	**150,000**	150,000
$175m 6.25% unsecured notes maturing September 2009 [1]	**175,000**	-
US$170m (A$246m) 6.03% unsecured notes maturing July 2014 [1]	**245,985**	-
$80m 6.61% unsecured notes maturing July 2016 [1]	**79,560**	-
Total Medium Term Notes	**650,545**	270,000
Total Unsecured loans	**981,545**	1,092,500

[1] The obligations of IPG Finance Pty Limited (IPGF) under its loan arrangements have been guaranteed by Investa Properties Limited in its own capacity, and in its capacity as responsible entity of the Investa Property Trust and as responsible entity of DOF (Delta Office Fund, formerly Principal Office Fund). Lenders to IPGF have the benefit of those guarantees, and the benefit of a Master Negative Pledge that contains the financial covenants and other commercial terms of the loans.

The bank facilities provided to IPGF are fully revolving cash advance facilities and have terms of 364 days, with automatic extensions every six months. The $150,000,000 of Medium Term Notes issued by DOF were issued prior to the acquisition of DOF by Investa in September 2003.

Note 15. Distributions paid and payable

	2005 $'000	2005 Cents per unit	2004 $'000	2004 Cents per unit
Distributions				
The distributions were paid/payable as follows:				
30 September	**59,522**	**4.125**	52,938	3.80
31 December	**61,121**	**4.125**	55,207	3.95
31 March	**61,575**	**4.125**	59,284	4.15
30 June final payable [1]	**60,083**	**4.025**	56,678	3.95
	242,301	**16.40**	224,107	15.85

[1] The 30 June 2005 distribution will be paid on 22 August 2005.

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

	2005 $'000	2004 $'000
Paid in cash	**181,912**	153,147
Satisfied by the issue of units (refer Note 27)	**56,984**	47,047
	238,896	200,194

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 15. Distributions paid and payable (continued)

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

	2005 $'000
Carrying amount at the start of the year	**56,678**
Payments made during the year	**(238,896)**
Payments made during the year to outside equity interest	**(5,786)**
Additional provisions recognised	**242,301**
Additional provisions recognised in respect of outside equity interests	**7,675**
Carrying value at the end of the year	**61,972**

Note 16. Contributed equity

	Consolidated		Parent entity	
	2005 $'000	2004 $'000	**2005 $'000**	2004 $'000
(a) Value of units				
Opening balance	**2,574,146**	1,583,173	**2,590,262**	1,610,524
Issue of units	**113,743**	1,010,553	**113,743**	1,010,553
Cost for issue of units and non deductible costs	**-**	(1,522)	**-**	(1,522)
Transfer from / (to) asset revaluation reserve	**20,906**	-	**(601)**	-
Transfer to distributable income	**(10,537)**	(18,058)	**(2,247)**	(29,293)
Closing balance	**2,698,258**	2,574,146	**2,701,157**	2,590,262

(b) Number of units	Consolidated		Parent entity	
	2005 No.'000	2004 No.'000	**2005 No.'000**	2004 No.'000
Opening balance	**1,434,890**	885,529	**1,434,890**	885,529
Unit issue DOF acquisition - 29/07/03 @ $1.92 per unit	**-**	83,614	**-**	83,614
Distributions reinvested - 22/08/03 @ $2.01 per unit	**-**	9,273	**-**	9,273
Unit issue DOF acquisition - 06/08/03 @ $1.92 per unit	**-**	8,228	**-**	8,228
Unit issue DOF acquisition - 14/08/03 @ $1.92 per unit	**-**	33,695	**-**	33,695
Unit issue DOF acquisition - 20/08/03 @ $1.92 per unit	**-**	106,170	**-**	106,170
Unit issue DOF acquisition - 27/08/03 @ $1.92 per unit	**-**	102,891	**-**	102,891
Unit issue DOF acquisition - 02/09/03 @ $1.92 per unit	**-**	102,573	**-**	102,573
Unit issue DOF acquisition - 09/09/03 @ $1.92 per unit	**-**	31,855	**-**	31,855
Unit issue DOF acquisition - 11/09/03 @ $1.92 per unit	**-**	3,316	**-**	3,316
Unit issue DOF acquisition - 14/10/03 @ $1.92 per unit	**-**	25,966	**-**	25,966
Distributions reinvested - 21/11/03 @ $1.94 per unit	**-**	4,534	**-**	4,534
Placement of Units - 20/02/04 @ $1.92 per unit	**-**	26,042	**-**	26,042
Distributions reinvested - 20/02/04 @ $1.92 per unit	**-**	4,853	**-**	4,853
Distributions reinvested - 21/05/04 @ $1.94 per unit	**-**	6,351	**-**	6,351
Distributions reinvested - 20/08/04 @ $1.92 per unit	**8,076**	-	**8,076**	-
Distributions reinvested - 19/11/04 @ $2.01 per unit	**9,632**	-	**9,632**	-
Placement of Units - 21/12/04 @ $2.06 per unit	**29,126**	-	**29,126**	-
Distributions reinvested - 21/02/05 @ $2.24 per unit	**11,014**	-	**11,014**	-
Closing balance	**1,492,738**	1,434,890	**1,492,738**	1,434,890

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 16. Contributed Equity (continued)

Distribution Reinvestment Plan issues (DRP)

The Group has established a distribution reinvestment plan under which holders of ordinary units may elect to have all or part of their distribution entitlements satisfied by the issue of new ordinary units rather than by being paid in cash. Under the stapled security structure, the capital raised under the distribution reinvestment plan can be attributed to either Investa Properties Limited or the Trust. In the year ended 30 June 2005, the Trust issued 28,722,000 (2004: 25,011,000) units under the DRP, and the percentage allocated to the Trust was 95.0% (2004: 96.7%).

Placement of units

The Trust issued 29,126,000 units in 2005 (2004: 26,042,000), and allocated the proceeds using the same ratios as described above.

Note 17. Outside equity interest

	2005 $'000	2004 $'000
Interest in:		
Contributed equity	**251,680**	**-**
Reserves	**70,961**	**-**
Total outside equity interest	**322,641**	-

The outside equity interest represents external investors interest in :

- Beta Trust – 44.9% held by Prudential Properties Trusty Pty Limited and Investa Commercial Property Fund.
- Centennial Trust – 19.99% held by Investa Diversified Office Fund.
- Maritime Trade Towers Trust – 39.8% held by Investa Commercial Property Fund.
- 310 Pitt Street Trust – 50% held by Investa Diversified Office Fund.

Note 18. Reserves

	Consolidated		**Parent entity**	
	2005 $'000	2004 $'000	**2005 $'000**	2004 $'000
(a) Asset revaluation reserve				
Opening balance	**12,253**	27,351	**-**	-
Transfer of net realised (gain) / loss on sale of investment property to contributed equity	**(20,906)**	-	**601**	-
Increment / (Decrement) on revaluation of investment properties	**31,098**	(15,098)	**1,611**	-
Net Movement	**10,192**	(15,098)	**2,212**	-
Closing balance	**22,445**	12,253	**2,212**	-

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 18. Reserves (continued)

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Increments/(decrements) on revaluation of investment properties				
410 Ann Street, Brisbane	**-**	(2,589)	**-**	(2,589)
Kings Row, Brisbane	**(2,635)**	-	**(2,635)**	-
50 Ann Street, Brisbane	**3,903**	(3,083)	**3,903**	(3,083)
469 Latrobe Street, Melbourne	**1,545**	(5,867)	**1,545**	(5,867)
420 St Kilda Road, Melbourne	**660**	-	**660**	-
485 Latrobe Street, Melbourne	**(2,375)**	-	**(2,375)**	-
64 Northbourne Avenue, Canberra	**(601)**	-	**(601)**	-
62 Northbourne Avenue, Canberra	**(1,464)**	-	**(1,464)**	-
109 St George's Terrace, Perth	**(96)**	(8,451)	**(96)**	(8,451)
73 Miller Street, North Sydney	**(3,726)**	-	**(3,726)**	-
Grosvenor Place, Sydney	**1,254**	-	**1,254**	-
242 Exhibition Street, Sydney	**5,795**	-	**5,795**	-
1 Market Street, Sydney	**(3,181)**	-	**(3,181)**	-
231 Elizabeth Street, Sydney	**1,952**	5,364	**1,952**	5,364
55 Market Street, Sydney	**(1,998)**	-	**(1,998)**	-
400 George Street, Sydney	**13,266**	-	**13,266**	-
310 Pitt Street, Sydney	**3,428**	-	**(180)**	-
201 Kent Street, Sydney	**1,579**	-	**1,579**	-
Centennial Plaza A, Sydney	**2,883**	-	**(29)**	-
Centennial Plaza B, Sydney	**128**	-	**-**	-
Centennial Plaza C, Sydney	**6,872**	-	**-**	-
110 George Street, Parramatta	**(762)**	-	**(762)**	-
Revaluation of investment in controlled entities	**-**	-	**(869)**	-
Revaluation of investment in associates				
60 Martin Place Unit Trust	**1,128**	970	**1,128**	970
80 Pacific Highway Trust	**-**	(1,442)	**-**	(1,442)
589 Collins Street, Melbourne	**2,444**	-	**2,444**	-
Investa South Melbourne Trust	**1,099**	-	**1,099**	-
Total (decrement)/increment on revaluation of investment properties	**31,098**	(15,098)	**16,709**	(15,098)
Less revaluation increment / (decrement) recognised directly in Statement of Financial Performance	**-**	-	**15,098**	(15,098)
Net (decrement)/increment recognised directly in asset revaluation reserve	**31,098**	(15,098)	**1,611**	-

Nature & purpose of asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(j).

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 18. Reserves (continued)

(b) Amounts available for distribution

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Amounts available for distribution at the beginning of the financial year	**5,698**	5,039	**5,059**	5,039
Net profit	**240,060**	206,708	**258,968**	194,834
Transfer from contributed equity[1]	**10,537**	18,058	**2,247**	29,293
Distributions paid and payable	**(242,301)**	(224,107)	**(242,301)**	(224,107)
Amounts available for distribution at the end of the financial year	**13,994**	5,698	**23,973**	5,059

[1] This transfer represents $2,255,000 income support on unit placements and amortisation of intangibles of $8,282,000.

Note 19. Financial instruments

(a) Credit risk exposures
The Trust's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the statement of financial position.

The Trust minimises credit risk in relation to trade receivables by verifying and monitoring the credit worthiness of tenants and by obtaining bank guarantees where appropriate. The Trust mitigates credit risk exposure on derivative financial instruments by spreading its exposure across a range of major reputable financial institutions.

(b) Foreign exchange risk exposures
The Trust has issued USD denominated bonds which exposes the Trust to movements in exchange rates. The Trust hedges its exposure to fluctuations in exchange rates by entering into derivatives which fix the exchange rates on its USD denominated bonds.

(c) Interest rate risk exposures
The Trust is exposed to movements in interest rates on its interest bearing financial assets and liabilities. The Trust hedges its exposure to fluctuations in interest rates by entering into derivatives which fix the interest rates on a portion of its borrowings. The Trust does not enter into derivative transactions for speculative purposes. The Trust's exposure to interest rate risk is set out in the following table:

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 19. Financial instruments (continued)

The Trust's exposure to interest rate risk is set out below.

Financial Assets and Liabilities

2005	Notes	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash assets	7	**6,190**	**-**	**-**	**-**	**-**	**6,190**
Receivables	8	**-**	**6,372**	**-**	**-**	**-**	**6,372**
Loans to related entities	9	**534,967**	**-**	**-**	**-**	**-**	**534,967**
Other Assets	11	**-**	**-**	**-**	**-**	**27,985**	**27,985**
		541,157	**6,372**	**-**	**-**	**27,985**	**575,514**
Financial liabilities							
Payables	13	-	-	-	-	**36,785**	**36,785**
Interest bearing liabilities	14	**794,000**	**-**	**325,000**	**325,545**	**-**	**1,444,545**
		794,000	**-**	**325,000**	**325,545**	**36,785**	**1,481,330**
Net financial (liabilities)/assets		**(252,843)**	**6,372**	**(325,000)**	**(325,545)**	**(8,800)**	**(905,816)**

2004	Notes	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash assets	7	3,884	-	-	-	-	3,884
Receivables	8	-	2,000	-	-	22,940	24,940
Loans to related entities	9	368,138	-	-	-	-	368,138
Other Assets	11	-	-	-	-	4,494	4,494
		372,022	**2,000**	-	-	27,434	401,456
Financial liabilities							
Payables	13	-	-	-	-	40,907	40,907
Interest bearing liabilities	14	1,285,500	120,000	150,000	-	-	1,555,500
		1,285,500	120,000	150,000	-	40,907	1,596,407
Net financial (liabilities)/assets		(913,478)	(118,000)	(150,000)	-	(13,473)	(1,194,951)

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 19. Financial instruments (continued)

(d) Off-balance sheet financial instruments
The Trust uses a combination of fixed rate debt and interest rate derivatives to ensure that the rate of interest on debt is predominantly fixed. The Trust's portfolio of fixed rate bonds and derivatives can be summarised as follows:

2005 Millions	**June 2006**	**June 2007**	**June 2008**	**June 2009**	**June 2010**	**June 2011**	**June 2012**	**June 2013**	**June 2014**	**June 2015**
Swaps	466	583	540	423	373	202	86	54	(82)	28
Bonds	726	517	381	381	278	246	246	246	246	16
Total Fixed	**1,192**	**1,100**	**921**	**804**	**651**	**448**	**332**	**300**	**164**	**44**
Average Fixed Rate	5.88%	5.86%	5.86%	5.97%	5.98%	6.05%	6.07%	6.07%	6.01%	5.73%

2004 Millions	**June 2005**	**June 2006**	**June 2007**	**June 2008**	**June 2009**	**June 2010**	**June 2011**	**June 2012**	**June 2013**	**June 2014**
Swaps	838	725	810	761	623	471	375	275	250	104
Bonds	365	345	115	-	-	-	-	-	-	-
Total Fixed	1,203	1,070	925	761	623	471	375	275	250	104
Average Fixed Rate	5.98%	6.00%	5.89%	5.86%	6.01%	6.04%	6.11%	6.13%	6.14%	6.14%

The table above depicts the notional principal of interest rate swaps, the average outstanding principal of fixed rate bonds, and the weighted average interest rate of those contracts in each financial year.

The net fair value of off-balance sheet financial instruments represents the estimated profit/(loss) that could be made on cancellation of these instruments (net of transaction costs) at balance date, and is determined as the net present value of future interest cash flows. The net fair value of off-balance sheet financial instruments (excluding foreign exchange movements) at balance date is as follows:

	2005 $'000	2004 $'000
Financial liabilities		
Interest rate swaps	**14,548**	6,484

(e) Foreign exchange contract
The Trust has entered into a foreign exchange hedging contract, in respect of the USD170,000,000 denominated bonds (as described in Note 14), to hedge its exposure to fluctuations in exchange rates.

(f) Net fair value of financial assets and liabilities
The net fair value of financial assets and liabilities included in the Statement of Financial Position approximates their carrying value.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 20. Contingent liabilities and contingent assets

The Trust had contingent liabilities of $12,383,000 at 30 June 2005 (30 June 2004: $3,421,000) in the form of bank guarantees of $4,383,000 supporting rental obligations and development activities, and an $8,000,000 guarantee in respect of the loan obligations of Collins Property Trust ("CPT"), a scheme managed by Investa Properties Limited. The bank guarantees may give rise to liabilities if the Trust does not meet its obligations under the terms of the guarantees, although none are anticipated. The guarantee of the loan obligations of CPT may give rise to liabilities for the Trust if CPT does not meet its obligations under the loan agreement.

The Trust had a contingent asset of $572,014 at 30 June 2005 (30 June 2004: $906,396) in the form of a rental income guarantee relating to the property at 441 St Kilda Road, Melbourne, having claimed $427,986 to date (30 June 2004: $93,604) against the $1,000,000 guarantee amount. The remaining guarantee may give rise to an asset in the event that the rental yield on the property falls below a contractually agreed minimal rental yield.

The vendor of 589 Collins Street, Melbourne provided a rental guarantee in the amount of $3,500,000 in which the Trust has a 50% interest. The Trust is not presently entitled to recognise any benefit associated with this guarantee, which remains in force until 2009.

The acquisition of a 40% interest in CPG Australia Pty Limited by Investa Residential Developments Pty Limited (formerly Investa Developments Pty Limited), a related entity, on 21 December 2004 was accompanied by a put and call option over the remaining 60% of the business exercisable between July and September 2005 (at the date of this report, the options had not been exercised). The remaining consideration is expected to be $150,000,000 plus the assumption of $325,000,000 of debt, which translates to a total acquisition value of $575,000,000. The purchase agreement includes a potential performance based payment up to a maximum of an additional $60,000,000 which is subject to the financial performance of CPG Australia Pty Limited over the 3 years ending 30 September 2007 and would be payable in 2007. For its part, the Trust for the 2005 financial year, issued units to the value of $56,760,000 and secured external debt of $40,000,000 both offset by a corresponding related party loan to Investa Residential Developments Pty Limited (formerly Investa Developments Pty Limited).

Other than as disclosed above, no other contingent liabilities or assets existed as at 30 June 2005.

Note 21. Commitments for expenditure

	Consolidated		**Parent entity**	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Capital commitments				
Commitments for capital expenditure on investment properties contracted for at the reporting date but not recognised as liabilities, payable within one year:				
Investment properties	**53,005**	42,267	**27,354**	26,612
126 Phillip Street Development	**96,480**	130,200	**-**	-
	149,485	172,467	**27,354**	26,612

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 22. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares/units	Equity holding		Carrying value of parent entity's investment	
			2005	2004	**2005**	2004
			%	%	**$'000**	$'000
Fawkner Trust	Australia	Ordinary	100%	100%	**47,314**	47,494
Delta Office Fund	Australia	Ordinary	100%	100%	**1,533,725**	1,518,189
Lizabeth Trust	Australia	Ordinary	100%	100%	**348,211**	348,211
Investa Real Property Growth Trust	Australia	Ordinary	100%	100%	**60,490**	63,167
Connect Property Trust	Australia	Ordinary	100%	100%	**268,120**	260,373
IPG Finance Pty Limited	Australia	Ordinary	100%	100%	**-**	-
Investa Custodian Pty Limited	Australia	Ordinary	100%	100%	**-**	-
Investa Custodian II Pty Limited	Australia	Ordinary	100%	100%	**-**	-
					2,257,860	2,237,434

The following entities are controlled by Investa Property Trust as they are controlled subsidiaries and sub-trusts of Delta Office Fund, Investa Real Property Growth Trust, Connect Property Trust, and Fawkner Trust:

Name of entity	Country of incorporation	Class of shares/units	Equity Holding	Equity holding
			2005	2004
			%	%
242 Exhibition Street Trust	Australia	Ordinary	**100**	**100**
310 Pitt Street Trust[1]	Australia	Ordinary	**60**	**100**
Investa Sunlaw Trust	Australia	Ordinary	**100**	**100**
Investa Gamma Trust	Australia	Ordinary	**100**	**100**
Macquarie Street Trust	Australia	Ordinary	**100**	**100**
Macquarie Street Sub Trust	Australia	Ordinary	**100**	**100**
Phillip Street Trust	Australia	Ordinary	**100**	**100**
Phillip Street Sub Trust	Australia	Ordinary	**100**	**100**
Floor Space Trust	Australia	Ordinary	**100**	**100**
Central Trust	Australia	Ordinary	**100**	**100**
Maritime Trade Towers Trust[2]	Australia	Ordinary	**60**	**100**
Beta Trust[3]	Australia	Ordinary	**55**	**100**
Beta Sub Trust[3]	Australia	Ordinary	**55**	**100**
Grosvenor Subsidiary Property Trust	Australia	Ordinary	**100**	**100**
O'Connell Holdings Trust	Australia	Ordinary	**100**	**100**
O'Connell FH Trust	Australia	Ordinary	**100**	**100**
O'Connell LH Trust	Australia	Ordinary	**100**	**100**
Investa Custodian Two Pty Limited	Australia	Ordinary	**100**	**100**
441 Trust	Australia	Ordinary	**100**	**100**
Centennial Trust (formerly Cairns Trust)[4]	Australia	Ordinary	**84**	**45**
120 Collins Street Trust	Australia	Ordinary	**100**	**100**
120 Collins Street Pty Limited	Australia	Ordinary	**100**	**100**
120 Collins Street (L5 – L21) Pty Limited	Australia	Ordinary	**100**	**100**
Principal Sydney Development Pty Limited	Australia	Ordinary	**100**	**100**
O'Connell Holdings Pty Limited	Australia	Ordinary	**100**	**100**
Project Ben Pty Limited	Australia	Ordinary	**100**	**100**
Northern Site Pty Limited	Australia	Ordinary	**100**	**100**

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 22. Investments in controlled entities (continued)

Name of entity	Country of incorporation	Class of shares/units	Equity Holding 2005 %	Equity holding 2004 %
Southern Site Pty Limited	Australia	Ordinary	**100**	**100**
Maritime Nominees Pty Limited	Australia	Ordinary	**100**	**100**
O'Connell FH Pty Limited	Australia	Ordinary	**100**	**100**
O'Connell LH Pty Limited	Australia	Ordinary	**100**	**100**

[1] The Trust has a reduced equity holding in 310 Pitt Street Trust from 100% to 60%. It has a 50% direct interest and 10% indirect interest held via Investa Custodian II Pty Ltd's holding of Investa Diversified Office Fund (refer Note 29).
[2] The Trust reduced its equity holding in Maritime Trade Towers Trust from 100% to 60% (refer Note 29).
[3] The Trust reduced its equity holding in Beta Trust from 100% to 55% (refer Note 29). Beta Trust owns 100% of Beta Sub Trust.
[4] As at 30 June 2005, Centennial Trust is consolidated following an increase in its holding from 45% to 84%. The Trust has an 80% direct ownership interest and 4% indirect ownership held via Investa Custodian II Pty Limted's interest in Investa Diversified Office Fund (refer note 23).

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

	2005 $'000	2004 $'000
Carrying amount at start of year	**2,237,434**	706,777
Increase in investment in controlled entities		
Additions	**335**	1,560,320
Disposals	**-**	(31,943)
Revaluation (decrements)/ increments	**20,091**	2,280
Carrying amount at end of year	**2,257,860**	2,237,434

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 23. Investments in associates

Investments in associates are carried at net asset value by the parent entity. Information relating to the associates is set out below:

	Ownership interest		Consolidated Carrying amount	
	2005	2004	**2005**	2004
	%	%	**$'000**	$'000
Name of Trust				
60 Martin Place Unit Trust	**50%**	50%	**94,272**	93,144
80 Pacific Highway Trust	**50%**	50%	**44,304**	44,304
Investa Brisbane Commercial Trust	**-**	20%	**-**	4,820
Investa South Melbourne Trust	**50%**	50%	**52,525**	51,425
Penrhyn House Trust	**50%**	50%	**20,649**	20,649
589 Collins Trust	**50%**	50%	**30,969**	28,526
Investa Sixth Commercial Trust	**-**	28%	**-**	13,949
Sunpac Property Fund	**50%**	-	**107,733**	-
231 Elizabeth Street Trust	**50%**	-	**60,314**	-
Investa Diversified Office Fund [1]	**20%**	-	**3,517**	-
			414,283	256,817

[1] The investment in Investa Diversified Office Fund has been adjusted for the Trust's indirect interest in 310 Pitt Street Trust and Centennial Trust.

Movements in carrying amounts of investments in associates

	2005	2004
	$'000	$'000
Carrying amount at start of year	**256,817**	242,950
Additions	**171,564**	14,339
Disposals	**(18,769)**	-
Revaluation increments	**4,671**	472
Carrying amount at end of year	**414,283**	256,817

Share of results attributable to associates	**2005**	2004
	$'000	$'000
Operating profits before income tax	**33,363**	33,818
Operating profits after income tax expense	**33,363**	33,818
Less: Distributions received/receivable	**(33,363)**	(33,818)
Undistributed income attributable to associates at the beginning of the financial year	**12**	12
Undistributed income attributable to associates at the end of the financial year	**12**	12

Share of reserves attributable to associates	**2005**	2004
	$'000	$'000
Asset Revaluation Reserve:		
Balance at the beginning of the financial year	**35,979**	35,003
Share of increment on revaluation of investment properties	**4,671**	976
Balance at the end of the financial year	**40,650**	35,979

Share of associates' capital commitments	**2005**	2004
	$'000	$'000
Capital commitments	**6,997**	396

The principal activity of all associates is investment in commercial property.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 23. Investments in associates (continued)

Summary of the total performance and total financial position of associates The aggregate total 2005 financial year profits and year end total assets and liabilities of associates attributable to all unitholders in those entities was as follows:	**2005** **$'000**	2004 $'000
Profits from ordinary activities	**55,738**	57,560
Assets	**893,782**	842,715
Liabilities	**131,438**	92,946

Note 24. Events occurring after reporting date

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 these operations, or state of the Trust's affairs in future financial years that are not otherwise disclosed in the accounts.

Note 25. Reconciliation of net profit to net cash inflow from operating activities

	Consolidated		**Parent entity**	
	2005 **$'000**	2004 $'000	**2005** **$'000**	2004 $'000
Net profit	**247,735**	207,950	**258,968**	194,834
(Increment) / Decrement on revaluation of investment properties	**-**	-	**(15,098)**	15,098
Gain on sale of properties	**(13,914)**	-	**(1,311)**	-
Amortisation of intangibles	**6,276**	5,794	**1,930**	1,930
Change in operating assets and liabilities:				
(Increase) / Decrease in receivables	**(30,061)**	(292)	**(81,150)**	(43,528)
Increase / (Decrease) in payables	**32,660**	24,453	**(15,097)**	2,127
Net cash inflow from operating activities	**242,696**	237,905	**148,242**	170,461

Note 26. Capital expenditure payments

	Consolidated		**Parent entity**	
	2005 **$'000**	2004 $'000	**2005** **$'000**	2004 $'000
Capital expenditure payments in respect of the investment property portfolio	**76,900**	16,758	**27,354**	8,372
Capital expenditure payments in respect of the 126 Phillip Street development property	**142,876**	74,271	**-**	-
Total capital expenditure payments	**219,906**	91,029	**27,354**	8,372

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 27. Non-cash financing and investing activities

	Consolidated		Parent entity	
	2005	2004	**2005**	2004
	$'000	$'000	**$'000**	$'000
Placement of units [1]	**56,760**	915,156	**56,760**	915,156
Issuance under Distribution Reinvestment Plan:				
Distributions reinvested – 22 August 2003	**-**	17,614	**-**	17,614
Distributions reinvested – 21 November 2003	**-**	8,506	**-**	8,506
Distributions reinvested – 20 February 2004	**-**	9,012	**-**	9,012
Distributions reinvested – 21 May 2004	**-**	11,915	**-**	11,915
Distributions reinvested – 20 August 2004	**14,962**	-	**14,962**	-
Distributions reinvested – 19 November 2004	**18,683**	-	**18,683**	-
Distributions reinvested – 21 February 2005	**23,339**	-	**23,339**	-
	113,744	962,203	**113,744**	962,203

[1] The placement of units in the current year relate to the acquisition by Investa Residential Developments Pty Limited (formerly Investa Developments Pty Limited), a related entity, of CPG Australia Pty Limited.
There was no distribution reinvestment for the March 2005 distribution.

Note 28. Earnings per unit

	Consolidated	
	2005	2004
Basic and diluted earnings (cents per unit)	**16.36**	15.35
Basic and diluted earnings per unit (before revaluation) (cents per unit)	**16.36**	15.35
Basic and diluted earnings per unit (before revaluation and before amortisation) (cents per unit)	**16.81**	15.78
Weighted average number of units outstanding during the year used in the calculation of earnings per unit	**1,467,014,499**	1,346,649,752

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 29. Related parties

Responsible Entity
Investa Properties Limited was the Responsible Entity of the Trust for the year ended 30 June 2005.

Directors
The names of persons who were directors of Investa Properties Limited, the Responsible Entity at any time during the financial year were as follows: I K Payne; C J O'Donnell; J L Arthur; P D Campbell; J I Messenger; J S Murray and D R Page. J S Murray and P D Campbell were appointed on 1 November 2004 and 22 December 2004 respectively.

Remuneration benefits
Information on remuneration of directors is disclosed in Note 30.

Loans to directors
Investa Properties Limited, a related party has made a non-interest bearing, non-recourse Employee Share Acquisition Plan (ESAP) loan, for the acquisition of Investa Property Group securities to C J O'Donnell in respect of 1,750,000 stapled securities, in the amount of $2,809,589. During the year $195,427 has been repaid. The securities were purchased on-market on behalf of the director in accordance with individual allocations approved by the Board and are held as security against the loan. Net distributions and dividends from the Investa Property Group securities, as received, are directed towards repayment of the loan. Under the terms of the ESAP any shortfall between the market value of the securities at the date of an employee leaving Investa Properties Limited and the value of the outstanding loan is borne by Investa Properties Limited.

Transactions with directors
A director, J L Arthur and his spouse, are partners in the law firm Gilbert and Tobin. Gilbert and Tobin is a major Sydney based law firm with in excess of forty partners. Gilbert and Tobin has provided legal services to Investa Properties Limited, Investa Property Trust and certain of their controlled entities during the year, on normal commercial terms and conditions. The aggregate amount of legal fees for services provided by Gilbert and Tobin during the year was $325,550.

On 21 December 2004, Investa Residential Developments Pty Limited (formerly Investa Developments Pty Limited), a related party, acquired a 40% interest in CPG Australia Pty Limited. As a shareholder of CPG Australia Pty Limited, and prior to Peter Campbell becoming a director of the Responsible Entity, he received $28,000,000 cash and 20,388,349 securities in Investa Property Group, due to the Investa Residential Developments Pty Limited's (formerly Investa Developments Pty Limited) initial acquisition of a 40% interest in CPG Australia Pty Limited. Mr Campbell's interest in CPG Australia Pty Limited after this initial acquisition is 42%. Due to the operation of the put and call options on the remaining CPG Australia Pty Limited business, Mr Campbell's remaining interest is expected to be acquired between August and September 2005. As part of the sale arrangements, the former owners of CPG Australia Pty Limited (who include Mr Campbell) may also receive an additional performance based earn out payment in 2007, if the financial performance of CPG Australia Pty Limited over the 3 years ending 30 September 2007 exceeds agreed targets.

There have been no other transactions with directors or entities related to directors at any time during the year ended 30 June 2005, unless otherwise stated.

Conflict of interest
Other than as expressly disclosed, no director of the Responsible Entity has become entitled to receive any benefits because of a contract made by the Trust with a director or with a firm of which a director is a member, or with an entity in which the director has a substantial interest, unless otherwise stated below.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 29. Related parties (continued)

Directors' holding of units

The relevant interests (direct and indirect holdings) of each director of Investa Properties Limited in the issued units of the Trust at the year end are set out below:

	Number of units	
	2005	2004
I K Payne	**38,278**	28,278
C J O'Donnell	**2,066,347**	1,816,347
J L Arthur	**59,440**	31,957
P D Campbell	**20,763,804**	-
J I Messenger	**35,486**	33,413
J S Murray	**10,184**	-
D R Page	**31,615**	26,394

Responsible Entity's fees and other transactions

	2005 Responsible Entity $'000	2004 Responsible Entity $'000
Fees for the year paid by the Trust to Investa Properties Limited in accordance with the Trust Constitution	**1,274**	2,321
Aggregate of amounts payable to Responsible Entity at year end	**93**	112
Property management fees paid to Investa Asset Management Pty Limited	**4,269**	4,592
Property Management fees paid to Investa Asset Management (QLD) Pty Limited	**478**	325

Custodian

The custodian of the Trust's assets is Investa Properties Limited. During the year, no fees were paid to Investa Properties Limited in this capacity (2004: nil).

Guarantee

In May 2004, the Investa Property Trust renegotiated the majority of its interest bearing loans, and replaced them with new facilities that have been provided on an unsecured basis to IPG Finance Pty Ltd (IPGF). The obligations of IPGF under its loan arrangements have been guaranteed by Investa Properties Limited in its own capacity, and in its capacity as Responsible Entity of the Investa Property Trust and as Responsible Entity of the Delta Office Fund. Lenders to IPGF have the benefit of those guarantees, and the benefit of a Master Negative Pledge that contains the financial covenants and other commercial terms of the loans.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 29. Related parties (continued)

On 19 May 2005 the Investa Property Group together with Brickworks Limited provided a joint and several guarantee to a loan facility obtained by Newthorpe Pty Limited, a 50/50 joint venture between CPG Developments Pty Limited (a wholly owned subsidiary of CPG Australia Pty Limited) and Austral Bricks Pty Ltd (a subsidiary of Brickworks Ltd). As consideration for Investa Property Group's guarantee on behalf of CPG Developments Pty Limited, CPG Developments has agreed to pay the Investa Property Group a guarantee fee until the loan facility is repaid in full. This fee has been charged on normal commercial arms-length terms and conditions. As at 30 June 2005 the amount payable by CPG Developments Pty Limited is $49,000.

Related party transactions
All related party transactions are conducted on normal commercial terms and conditions.

During the year the consolidated entity received $38,428,000 in interest income (2004:$25,397,000) on the loans made to Investa Properties Limited and its subsidiaries.

Sale of Assets to Investa Commercial Property Fund
On 23 May 2005, the following assets were sold to Investa Commercial Property Fund, an associated entity in which the group has a 29.5% interest:
- 39.8% interest in Maritime Trade Towers Trust for $46,901,000, representing 19.9% of 201 Kent Street
- 19.9% interest in Beta Trust for $81,789,000, representing 19.9% of 400 George Street

Consideration for the sale of these assets was based on independent external valuations and the assets were sold on normal arms-length commercial terms and conditions. The sale of these assets generated an accounting profit of $5,949,000 for the Trust.

Sale of Assets to Investa Diversified Office Fund
On 1 June 2005 the following assets were sold by the Trust to Investa Diversified Office Fund, an associated entity in which the Trust has a 20% interest:
- 50% interest in 310 Pitt St Trust for $66,375,000
- 19.99% interest in Centennial Trust (formerly known as Cairns Trust) for $47,200,000
- 64 Northbourne Avenue, Canberra for $20,750,000
- 20% interest in Investa Brisbane Commercial Trust for $4,868,000
- 19.94% interest in Investa Sixth Commercial Trust for $9,500,000

Consideration for the sale of these assets was based on independent external valuations and the assets were sold on normal arms-length commercial terms and conditions. The sale of these assets generated an accounting profit of $6,499,000 for the group.

Unitholdings in related parties
Interests held in the following classes of related parties are set out in the following notes:

(a) Controlled entities - Note 22
(b) Associates - Note 23

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 29. Related parties (continued)

Related party loans
The following related party loans to / (from) Investa Properties Limited and its controlled entities are outstanding at the year end:

	2005	2004
	$'000	$'000
Investa Properties Limited	**4,359**	(13,296)
Investa Nominees Pty Limited	**119,532**	177,833
Investa Development Holdings Pty Limited	**308,489**	126,191
Silverton Real Estate Pty Limited	**26,287**	-
Macarthur Central Trust	**76,300**	75,800
Collins Property Trust	**-**	1,610
	534,967	366,528

The above loans to / (from) Investa Properties Limited are unsecured and interest is charged at commercial rates. During the year Investa Properties Limited and its controlled entities paid $37,253,000 in interest income on the loans made by Investa Property Trust and its controlled entities (2004: $25,397,000).

Note 30. Director and executive disclosures

Remuneration of specified directors and specified executives

Principles used to determine the nature and amount of remuneration

(a) Remuneration of directors
The maximum aggregate annual fees for non-executive directors are set by resolution of the security holders. The present limit of $1,000,000 was approved at the 2003 Annual General Meeting. Within that limit, fees for individual directors are set by the Board.

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Details of each director's attendances at Board and Board Committee meetings are set out in the Directors' Report. Non-executive directors' fees are reviewed annually by the Board after consideration of recommendations from the Nominations and Remuneration Committee. The Board also seeks advice from an independent remuneration consultant to ensure that non-executive directors' fees and payments are appropriate. The fee arrangements for various activities undertaken by board members were as follows:

Chairman	$190,000
Non-executive directors' base fee	$95,000
Chairman of Audit & Risk Management Committee	$20,000
Chairman of Due Diligence Committee	$25,000
Chairman of Nominations and Remuneration Committee	$15,000
Chairman of Sustainability Committee	$15,000
Committee Member Fees	
Audit & Risk Management Committee	$5,000
Subsidiary Board Fees	
Development Group Companies Chairman	$15,000
Development Group Companies Director	$10,000
Asset Management Companies Chairman	$10,000

Payments amounting to $711,273 (including superannuation) were made to non-executive directors during the year.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 30. Director and executive disclosures (continued)

Retirement allowance for directors

The retirement benefits scheme for directors was discontinued from 30 June 2003. The sum of $105,864, then accrued in respect of I K Payne, has been increased to $110,898 (in order to preserve its real value) and will be preserved until payment becomes due.

Details of remuneration

Details of the remuneration of each specified director of the Group are set out in the following tables.

Non-executive directors

2005	Primary [4]							Post - employment	
	Base Fee	Audit & Risk Mngmt Committee	Due Diligence Committee	Nom. & Rem. Committee	Sustainability Committee [3]	Development Group Board	Asset Mngmt Board	Superannuation Contribution	**Total $**
I K Payne [1]	190,000	-	-	-	-	-	-	11,584	**201,584**
J L Arthur	95,000	-	-	15,000	7,038	15,000	10,000	11,584	**153,622**
P D Campbell [2]	-	-	-	-	-	-	-	-	**-**
J I Messenger	95,000	5,000	25,000	-	-	-	-	11,250	**136,250**
J S Murray (*from 1/11/04*)	63,333	3,334	-	-	10,000	-	-	6,900	**83,567**
D R Page	95,000	20,000	-	-	-	10,000	-	11,250	**136,250**
Total Non-executive directors	**538,333**	**28,334**	**25,000**	**15,000**	**17,038**	**25,000**	**10,000**	**52,568**	**711,273**

2004	Primary [4]							Post - employment	
	Base Fee	Audit & Risk Mngmt Committee	Due Diligence Committee	Nom. & Rem. Committee	Sustainability Committee	Development Group Board	Asset Mngmt Board	Superannuation Contribution	**Total $**
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 $110,898 has been accrued in respect of I K Payne and will be preserved in real value terms until payment becomes due.

[2] P D Campbell is an executive director of CPG Australia Pty Limited in which the Group held a 40% interest from 22 December 2004. His appointment as a non-executive director of Investa Properties Limited was from 22 December 2004. No fees have been paid or are payable for P D Campbell for the period to 30 June 2005.

[3] The total remuneration for the Chairman of the Sustainability Committee reflects the period of J L Arthur's tenure as Chairman from 12 May 2004 up to the appointment of J S Murray as Chairman on 1 November 2004.

[4] Limit of $1,000,000 per annum approved in October 2003.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 30. Director and executive disclosures (continued)

Executive Director
For details of the principles and components of executive pay, refer to page 55.

2005	Primary			Post-employment		Total $
	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	
C J O'Donnell	653,812	381,667	225,732	21,064	-	**1,282,275**

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**

Short Term Incentives (STI)
For the short term incentive included in the above 2005 table and described on page 56, the percentage of the STI potential paid to C J O'Donnell is 85%. The achievement of 100% of STI potential requires "exceeds expectations" performance and achievement of all agreed KPI's as well as above target financial performance of the Group. On this basis, 15% of the STI potential was not paid or, to use the language contemplated by the *Corporations Regulations 2001*, was "forfeited".

Stapled security holding of specified directors
The number of securities held directly or indirectly during the financial year by each specified director is set out below:

	Balance at the start of the year	Purchases/ (sales)	Balance at the end of the year
Specified non-executive directors **Stapled Securities in Investa Property Group**			
I K Payne	28,278	10,000	38,278
J L Arthur	31,957	27,483	59,440
P D Campbell [1]	-	20,763,804	20,763,804
J I Messenger	33,413	2,073	35,486
J S Murray	-	10,184	10,184
D R Page	26,394	5,221	31,615

[1] On 21 December 2004, prior to P D Campbell becoming a director of Investa Properties Limited, he received 20,388,349 securities in Investa Property Group, from the Group's initial acquisition of a 40% interest in CPG Australia Pty Limited, of which he is a shareholder.

	Balance at the start of the year	Purchases/ (sales) [2]	Balance at the end of the year
Specified executive director **Stapled Securities in Investa Property Group**			
C J O'Donnell	1,816,347	250,000	2,066,347

[2] The amount purchased in the current year was pursuant to an allocation under the Employee Share Acquisition Plan.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 30. Director and executive disclosures (continued)

Loans to specified executive directors
Loans are made in relation to the Employee Share Acquisition Plan. For additional details of these loans refer to page 56, Long-Term Incentives. No loans have been made to non-executive directors.

Details of the loan made to the one specified executive director of the Group at the end of the year are set out below:

2005	Balance at the start of the year $	Imputed value of Interest not charged $	Balance at the end of the year $	Highest indebtedness during the year $
C J O'Donnell	**2,514,390**	**173,882**	**2,809,589**	**3,005,016**

2004	Balance at the start of the year $	Imputed value of Interest not charged $	Balance at the end of the year $	Highest indebtedness during the year $
C J O'Donnell	**2,188,916**	**153,819**	**2,514,390**	**2,684,015**

Service agreements
On 1 October 2002, the Group entered into a five year service agreement with the Managing Director, C J O'Donnell. The agreement stipulates the minimum base salary for each of the first three years; it provides a short-term incentive (which, if earned would be paid as a bonus, each year) and a long-term incentive/retention payment of $1.0 million over the five years, with half being payable in September 2006, and the second half being payable in September 2007, provided the agreed conditions have been satisfied. The reward provision of this agreement may be increased each year at the discretion of the Board.

There are no other executive service agreements.

(b) Executive pay
The objective of the Group's executive remuneration framework is to ensure that reward for performance is transparent, reasonable, competitive and appropriate for the results delivered. The framework aligns executive remuneration with achievement of strategic objectives and hence the creation of value for securityholders, and was designed consistently with advice received from independent remuneration consultants on market best practice for delivery of rewards to executives.

The remuneration framework provides a mix of fixed and at risk pay, with a blend of short and long-term incentives. As an executive undertakes more senior roles within the Group, the balance of his or her mix can shift to a higher proportion of 'at risk' rewards, depending upon the nature of the executive's new role.

The overall level of executive reward in any given year takes into account the performance of the stapled entity over a number of years, and, in particular, with greater emphasis given to the current and prior year. Over the past 5 years, the stapled entity's profit from ordinary activities after income tax has grown at an average rate of 18.8% per annum, and total securityholder return has averaged 11.2% per annum. This has been calculated assuming an initial investment of $1,000, full participation in the dividend reinvestment plan when in operation, inclusion of the franking credit available on the company portion of the distribution and no disposal of securities acquired. During the same period, average executive remuneration has grown by approximately 14.0% per annum.

The executive pay and reward framework has three components, the combination of which comprises the executive's total remuneration:
- base pay and benefits (fixed)
- short-term incentives (variable at risk)
- long-term incentives (variable at risk).

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 30. Director and executive disclosures (continued)

Base Pay
Executives are offered a competitive base pay that comprises the fixed component of their remuneration. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for comparable roles. Base pay is reviewed annually. An executive's pay is also reviewed on promotion. The base pay for the Chief Executive and his direct reports requires the specific approval of the Board, following review by the Nominations and Remuneration Committee.

Base pay reviews are undertaken annually within a target total base pay allocation for the Group set in consultation with the Nominations and Remuneration Committee, and approved by the Board.

Short-Term Incentives (STI)
The short term incentive arrangements at Investa have been designed to link annual STI bonus awards to executive performance against agreed key performance indicators and the financial performance of the Group during the year in question. The principles of the scheme include the determination of amounts payable having regard to:

1. The performance by the executive measured against agreed personal objectives (KPI's);
2. The financial performance of the executive's Business Unit against target; and
3. The Group financial performance against target.

At the commencement of each year the Board, on the recommendation of the Nominations and Remuneration Committee, establishes the total amount or "pool", to be available for STI payments within the Group, the guiding principles for the setting of STI potential, the KPI's for Group executives generally and the Group financial performance targets to be achieved in order for the total available incentive pool to become payable.

Each executive has a nominated "STI potential" which will only be received in full in the event of "exceeds expectations" performance and achievement of all agreed KPI's as well as above target financial performance of the executive's Business Unit and the Group. As a general rule, the STI potential set for an executive depends upon his or her accountabilities and the potential impact of his or her role on the financial performance of the relevant business unit and the Group itself. The Board retains the discretion to approve higher than potential STI bonus payments to some or all executives to reward significant over achievement against agreed performance criteria.

Each year the Board, on the recommendation of the Nominations and Remuneration Committee, approves the individual STI targets and KPI's for the Chief Executive and his direct reports.

Long-Term Incentives (LTI)
(i) ESAP
The Employee Share Acquisition Plan (ESAP) at Investa has been designed to enable employees to share in the long term growth of the Group by being awarded securities under the Plan, potentially on an annual basis. The intention is to align employee wealth creation interests with those of the Group's securityholders over the longer term, and also to encourage executives to remain with the Group and continue to add value for the benefit of all stakeholders.

Annual ESAP allocations are made within a total ESAP award framework approved by the Board after review by the Nominations and Remuneration Committee.

Individual awards to the Chief Executive and his direct reports require specific Board approval.

The Nominations and Remuneration Committee approves the principles and criteria governing ESAP awards to other employees within the total award framework referred to above.

Unless the Board in its absolute discretion permits otherwise, employees cannot access securities allocated to them under ESAP until after the third anniversary of the allocation being made.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 30. Director and executive disclosures (continued)

ESAP functions through Investa making non-interest bearing non-recourse loans to employees to enable the acquisition on market of Investa securities under ESAP for the employees in question. Distributions and dividends paid on the securities represent assessable income to employees. A cash component of distributions and dividends is paid to each employee to fund his or her tax liability arising from the distributions and dividends. The balance of the distributions and dividends is directed towards repayment of the employees' loans on an individual account basis.

Under the terms of ESAP any shortfall between the market value of an employee's ESAP securities at the date he or she leaves the Group, and that employee's outstanding loan balance at the same date, is borne by the Group. For the year to 30 June 2005, no loss was sustained by the Group. The non-monetary benefit to an employee attributable to ESAP is equivalent to the net interest that would otherwise have been borne on the loan, determined using the Group's average weighted interest rate.

(ii) Potential Retention Payments
Linked to the ESAP scheme is an enhanced retention scheme which is restricted in application and which began operation in the 2005 financial year.

An amount of money is allocated to a Retention Pool each year. The Managing Director will make recommendations to the Board Nominations and Remuneration Committee for the allocation of this money to key employees on a three year vesting basis. An employee will only be entitled to receive his or her allocation if he or she is still employed by Investa at the vesting date (three years from date of allocation). Payment will generally be made by way of a reduction of the employee's outstanding ESAP loan balance. The first payments will be made under the scheme in 2008 financial year.

Retirement benefits for employees
No benefits are payable, except through Superannuation arrangements.

Details of remuneration
Details of the remuneration of each of the five specified executives of the Group is set out below:

	Primary			Post-employment		
2005	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	**Total $**
D F Bromell	334,944	200,000	30,030	29,219	-	**594,193**
WW Grounds	243,748	72,000	22,452	21,937	-	**360,137**
A S Junor	286,715	67,500	58,821	25,804	-	**438,840**
B V McGarry	247,556	36,000	44,264	21,997	-	**349,817**
G B Monk	397,374	128,000	90,028	35,205	-	**650,607**
Total	**1,510,337**	**503,500**	**245,595**	**134,162**	**-**	**2,393,594**

	Primary			Post-employment		
2004	Cash salary and fees	Short-term incentives paid	Non-monetary benefits	Superannuation	Retirement benefits	**Total $**
DF 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**

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 30. Director and executive disclosures (continued)

Short Term Incentives

For each short term incentive included in the above 2005 table, the percentage of the STI potential paid to D F Bromell was 91%, W W Grounds 60%, A S Junor 45%, B V McGarry 60% and G B Monk 85%. The achievement of 100% of STI potential requires "exceeds expectations" performance and achievement of all agreed KPI's as well as above target financial performance of both the executive's Business Unit and the Group. On this basis, the percentage of STI potential that was not paid or, to use the language contemplated by the *Corporations Regulations 2001*, was "forfeited" by D F Bromell was 9%, W W Grounds 40%, A S Junor 55%, B V McGarry 40% and G B Monk 15%.

Stapled Security holding of specified executives

The number of securities held during the financial year by each of the five specified executives is set out below:

	Balance at the start of the year	**Purchases/ (sales)** [1]	**Balance at the end of the year**
Stapled Securities in Investa Property Group			
D F Bromell	150,000	120,000	270,000
W W Grounds	110,000	100,000	210,000
A S Junor	425,500	100,000	525,500
B V McGarry	353,600	100,000	453,600
G B Monk	652,475	120,000	772,475

[1] The amounts purchased in the current year by each of the specified executives were pursuant to allocations under the Employee Share Acquisition Plan.

Loans to specified executives

Details of loans made to the five specified executives of the Group are set out below:

Specified individuals with loans above $100,000 during the financial year

2005	Balance at the start of the year $	Imputed value of Interest not charged $	Balance at the end of the year $	Highest indebtedness during the year $
D F Bromell	**286,814**	**29,217**	**494,703**	**517,635**
W W Grounds	**195,320**	**21,712**	**370,303**	**388,139**
A S Junor	**709,622**	**52,050**	**847,966**	**892,597**
B V McGarry	**547,443**	**42,534**	**698,561**	**743,693**
G B Monk	**1,155,739**	**80,634**	**1,305,562**	**1,370,961**
Total	**2,894,938**	**226,117**	**3,717,095**	**3,913,025**

No write-down or allowance for doubtful receivables has been recognised in relation to any loan made to specified executives.

2004	Balance at the start of the year $	Imputed value of Interest not charged $	Balance at the end of the year $	Highest indebtedness during the year $
D F Bromell	204,073	16,831	286,814	303,073
W W Grounds	127,949	11,317	195,320	207,149
A S Junor	558,919	42,551	709,622	756,920
B V McGarry	383,786	32,103	547,443	581,786
G B Monk	1,031,477	70,992	1,155,739	1,229,476
Total	2,306,204	173,794	2,894,938	3,078,404

No write-down or allowance for doubtful receivables was recognised in relation to any loan made to specified executives in the previous year.

Note 30. Director and executive disclosures (continued)

Potential retention payments
On 5 May 2005, the company entered into retention agreements in respect of the three years ending on 30 September 2007 with each of D F Bromell, W W Grounds, and G B Monk involving potential retention payments to them of $150,000, $50,000 and $150,000 respectively. The payment to each person is dependent upon that person being employed within the Investa Property Group at 30 September 2007. The after-tax value of any such payment will be applied to reduce the ESAP loan to that person.

Note 31. Impact of adopting AASB equivalent to IASB standards

The Australian Accounting Standards Board (AASB) has issued Australian equivalents to International Financial Reporting Standards (A-IFRS) and the Urgent Issues Group has issued interpretations corresponding to International Accounting Standards Board (IASB) interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee for application to reporting periods beginning on or after 1 January 2005. The application of A-IFRS will be first reflected in the Trust's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with A-IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of A-IFRS to that comparative period. Most adjustments required on transition to A-IFRS will be made retrospectively, against opening retained earnings as at 1 July 2004.

In order to manage the transition to A-IFRS, the Responsible Entity has established a Project Control Group (PCG) and a Technical Review Committee comprising key internal staff and external advisers. The PCG has developed a comprehensive transition plan to identify, resolve and implement required accounting policy changes, and this plan is currently on schedule.

The known or reliably estimable impacts on the financial report for the year ended 30 June 2005 had it been prepared using A-IFRS are set out below. The expected financial effects of adopting A-IFRS are shown for each key difference between Australian Generally Accepted Accounting Principles (AGAAP) and A-IFRS with descriptions of the differences. No material impacts are expected in relation to the statements of cash flows.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until the Trust prepares its first full A-IFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

Further, regulatory bodies that promulgate AGAAP and A-IFRS have significant ongoing projects that could affect the differences between AGAAP and A-IFRS described below. The Trust's financial statements could be materially impacted by these changes in the future.

Changes applicable from 1 July 2004

Investment properties
Under AASB140 Investment Property, if investment properties are measured at fair value, gains or losses arising from changes in fair value are recognised in the Statement of Financial Performance for the period in which they arise. This will result in a change to the current accounting policy which requires that fair value increments be recognised in the asset revaluation reserve, except to the extent that they reverse a decrement previously recognised as an expense in the Statement of Financial Performance, and fair value decrements be recognised in the Statement of Financial Performance, except to the extent that they reverse an increment previously recognised in the asset revaluation reserve.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 31. Impact of adopting AASB equivalent to IASB standards (continued)

On transition to A-IFRS, the balance of the asset revaluation reserve will be transferred to retained earnings. As at 1 July 2004, the balance of the asset revaluation reserve transferred to retained earnings is $12,253,000. If the policy required by AASB140 had been applied during the year ended 30 June 2005, the net profit after tax for the year ended 30 June 2005 would have been $27,331,000 higher. $31,098,000 of this increase relates to current year revaluations. The difference arises as a result of revaluation adjustments in relation to lease incentives.

Lease incentives
All lease incentives, whether in the form of rent-free, cash or fitout contribution, will be capitalised and recognised as a reduction in rental income over the relevant lease term on a straight line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

On transition to A-IFRS, a separate asset of $8,582,000 representing fitout incentives previously capitalised against the carrying value of investment property will be separately identified as lease incentives and shown as part of the fair value of the investment property. For the year ended 30 June 2005, the additional fitout incentives capitalised is $15,500,000. An additional $4,062,000 in annual amortisation of lease incentives would have reduced income in the Statement of Financial Performance if A-IFRS was applied but would be offset by a notional fair value adjustment to bring the balance of Investment Properties back to fair value.

In addition, on transition to A-IFRS, rent free incentives of $4,178,000, previously shown in other assets on the balance sheet will be reclassified and shown as a part of the fair value of the investment property. For the year ended 30 June 2005, an additional amount of $7,829,000 shown in other assets on the balance sheet will also be reclassified and shown as part of the fair value of the investment property.

Lease revenue recognition
AASB117 Leases, requires operating lease income to be recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the asset is diminished.

No material impact to the A-IFRS Statement of Financial Performance is expected for the year ended 30 June 2005.

Business combinations
Under AASB3 Business Combinations, amortisation of goodwill is prohibited, and is replaced by annual impairment testing focusing on the cash flows of the related cash generating unit. This will result in a change to the current accounting policy, under which goodwill is amortised on a straight line basis over the period during which the benefits are expected to arise and not exceeding 20 years.

Under AASB138 Intangible Assets, intangible assets with a finite life will continue to be amortised over that useful life, however intangible assets with an indefinite life will not be amortised but will be subject to an annual impairment test.

The goodwill and intangible amortisation expense included in the Statement of Financial Performance for the period ending 30 June 2005 under AGAAP is $6,612,000 and would be $1,931,000 under A-IFRS. We continue to review the balance of goodwill and intangibles for impairment under A-IFRS and there is no impairment on transition at 1 July 2004 or at 30 June 2005.

Revenue disclosures in relation to the sale of non-current assets
Under A-IFRS, the revenue recognised in relation to the sale of non-current assets is the net gain on the sale. This is in contrast to the current AGAAP treatment under which the gross proceeds from the sale are recognised as revenue and the carrying amount of the assets sold is recognised as an expense. The net impact on the Statement of Financial Performance is nil.

If the policy required under A-IFRS had been applied during the year ended 30 June 2005, the consolidated revenue from ordinary activities would have been $400,629,000 with a corresponding reduction in expense for the year.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 31. Impact of adopting AASB equivalent to IASB standards (continued)

Rental Guarantees
Under A-IFRS, rental guarantees that are quantifiable and not contingent are required to be shown as a separate asset in the Statement of Financial Position. When rental guarantees are received, the amount of the asset is reduced and no income is recognised in the Statement of Financial Performance. This is in contrast to the current AGAAP treatment under which the amount is treated as a contingent asset and not recognised in the Statement of Financial Position. The income from the rental guarantee is then recognised as revenue when it is received.

On implementation of A-IFRS on 1 July 2004, a receivable of $1,750,000 would have been recognised in the Statement of Financial Position with a corresponding increase to retained earnings of the same amount. If the policy required under A-IFRS had been applied during the year ended 30 June 2005, the consolidated revenue from ordinary activities would not change.

Summary Impact of A-IFRS for the Year Ended 30 June 2005

The following tables detailing the material changes under A-IFRS are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances. When the Trust prepares its first full A-IFRS financial statements, the accompanying disclosures may have to be adjusted for amended or additional standards or interpretations which may be issued by the AASB and the IASB. It should be noted that the implementation of IFRS is not expected to have an impact on the Trust's distribution capacity.

Summary Statement of Financial Performance for the Year Ended 30 June 2005

	$'000
Net profit attributable to unitholders of the Trust	240,060
A-IFRS Adjustments:	
Investment properties	27,331
Lease incentives	(4,062)
Business combinations	4,681
Total A-IFRS adjustments	**27,950**
Total A-IFRS net profit attributable to unitholders of the Trust for the year ended 30 June 2005	**268,010**

Summary Statement of Financial Position Impact at 30 June 2005

	$'000
A-IFRS Adjustments for the year ended 30 June 2005:	
Investment property	(3,767)
Lease incentives	(4,062)
Business combinations	4,681
Total increase in equity at 30 June 2005	**(3,148)**

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2005

Note 31. Impact of adopting AASB equivalent to IASB standards (continued)

Changes applicable from 1 July 2005

Financial instruments
The Trust will be utilising the exemption available under AASB 1 to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement only from 1 July 2005. This allows the Trust to apply AGAAP to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

Under AASB139 Financial Instruments: Recognition and Measurement, all derivatives are recorded in the balance sheet at fair value, and subjected to rigorous hedge designation and effectiveness testing. Ineffectiveness precludes the use of hedge accounting, requiring gains or losses on derivatives to be recognised in the Statement of Financial Performance for the period.

The current standard does not require the recognition of unrealised interest rate swap contracts in the financial statements.

At this stage we do not plan to seek hedge effectiveness which may result in future unrealised earnings volatilities, without any associated volatility in distributions.

Disclosure and presentation of equity
AASB132 Financial Instruments: Disclosure and Presentation prescribes the criteria for recognising a financial instrument as either debt or equity. The directors have amended the Constitution of Investa Property Trust, under Class Order 05/566 issued by the Australian Securities and Investments Commission, in order to continue to treat unitholders' funds as equity.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 21 to 62 are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the Trust and the consolidated entity has operated in accordance with the provisions of the Constitution dated 15 July 1977 (as amended), during the year ended 30 June 2005.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001.*

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

I K Payne
Chairman
Sydney
3 August 2005

PricewaterhouseCoopers
ABN 52 780 433 757

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

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 financial report of Investa Property Trust (the trust) and the Investa Property Trust Group (defined below) for the financial year ended 30 June 2005 included on Investa Property Group's web site. The directors of Investa Properties Limited, the Responsible Entity, are responsible for the integrity of the Investa Property Group 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.

Audit opinion

In our opinion, the financial report of Investa Property Trust:

- gives a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Investa Property Trust and the Investa Property Trust Group (defined below) as at 30 June 2005, and of their performance for the year ended on that date, and

- is presented in accordance with the Corporations Act 2001, the Trust Constitution, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001.

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

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Investa Property Trust (the trust) and the Investa Property Trust Group (the consolidated entity), for the year ended 30 June 2005. The consolidated entity comprises both the trust and the entities it controlled during that year.
The directors of Investa Properties Limited, the Responsible Entity, are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion 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 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. For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the trust's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

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

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

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

PricewaterhouseCoopers

JA Dunning
Partner
Sydney
3 August 2005