

Investa Property Trust

ARSN 088 705 882

Half-Year Report

31 December 2002

Half-Year Report –31 December 2002

Contents

Directors' Report	3
Discussion and Analysis on the Consolidated Financial Statements	4
Consolidated Statement of Financial Performance	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Directors' Declaration	14
Independent Audit Report to the Unitholders of Investa Property Trust	15

Investa Property Trust

Directors' Report

The directors of Investa Properties Limited, the Responsible Entity of Investa Property Trust, present their report for the half-year ended 31 December 2002.

Directors

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

I K Payne
C J O'Donnell
J L Arthur
P J Carney
S A Mays
J I Messenger
D R Page

J I Messenger was appointed to the board on 15 August 2002.
P J Carney passed away on 7 August 2002.

Principal activities

During the period the principal continuing activities of the Trust consisted of investment in commercial properties.

Distributions

Distributions totalling \$ 54,577,170 (6.75 cents per unit) were paid and payable by the Trust for the half-year ended 31 December 2002 (31 December 2001:\$39,192,174 equivalent to 7.15 cents per unit).

Review of operations

The performance of the Trust was as follows:

	31 December 2002 \$'000	31 December 2001 \$'000
Net profit (including net revaluation of investment properties)	50,606	43,545
Income brought forward	199	960
Transfer from contributed equity	6,806	2,801
Net transfers to reserves	-	(6,876)
Amount available for distribution	57,611	40,430
Distribution paid and payable	54,577	39,192
Value of Trust assets at 31 December	2,137,314	1,315,772

Rounding of amounts to nearest thousand dollars

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

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

I K Payne
Director
Sydney
31 January 2003

Discussion and Analysis on the Consolidated Financial Statements for the half-year ended 31 December 2002

Consolidated Statement of Financial Performance

Net profit before revaluation increments for the half-year to 31 December 2002 increased 38% on the corresponding period to \$50,606,000.

Net profit before revaluation increments for the half-year to 31 December 2002 increased 38% on the previous corresponding period to \$50,606,000 as a consequence of transactions completed during the period. The earnings per unit before revaluations increased on the corresponding period from 6.73 cents to 6.77 cents. The distribution per unit is 6.75 cents (7.15 cents in the previous corresponding period) and predominately reflects the retention of \$3,034,000 (0.36 cents per unit) for distribution in future periods.

Revenue increased 42% to \$82,931,000, driven by rental income increasing by 36% to \$65,450,000, due to both the growth in the property portfolio driven by the acquisition of three Telstra properties during the period and positive market rental reviews. During the period, there have not been any revaluation increments recorded in the Statement of Financial Performance as all previous revaluation decrements have been reversed.

Distributions from associates increased 17% to \$10,649,000, reflecting the impact of new investments in associates made during the period including, a 50% interest in Penrhyn House Trust which owns Penrhyn House, Canberra; a 50 % interest in Investa South Melbourne Trust which owns 209 Kingsway, Melbourne and a 48% interest in Investa Sunlaw Trust which owns 50 Ann Street, Brisbane, 50% of 50-52 McDougall Street, Brisbane and 50% of 1 Market Street, Sydney.

Interest income increased on the corresponding period due to an increase in related entity loans to assist the funding of Investa Properties Limited's acquisition of an interest in four Telstra properties and units in Investa Commercial Property Fund.

Operating expenses including rates and taxes, property outgoings and repairs and maintenance increased on the corresponding period, reflecting the increase in the property portfolio.

Borrowing costs include interest expense and line facility fees and increased on the corresponding period due to the increase in borrowings required to assist in funding the investments made by the Trust during the period.

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

Consolidated Statement of Financial Position

Trust assets increased by 54% to \$2,137,314,000 mainly driven by the increase in the property portfolio due to the acquisition of three Telstra properties and the acquisition of a 50% interest in 209 Kingsway, Melbourne; Penrhyn House, Canberra and a 48% interest in Investa Sunlaw Trust.

Related entity loans also increased to facilitate the funding of Investa Properties Limited's acquisitions.

To assist funding the properties acquired from Telstra, a new bridging facility was established, with \$267,000,000 being outstanding at 31 December 2002, increasing the total debt on 30 June 2002 by 114% to \$577,000,000.

Gearing increased from 19% at 30 June 2002 to 27% at 31 December 2002.

Contributed equity increased in the period due to the issue of units, raising \$421,008,000 to facilitate the Group's acquisitions.

Discussion and Analysis on the Consolidated Financial Statements for the half-year ended 31 December 2002 (continued)

Consolidated Statement of Cash Flows

Cash inflow from operating activities increased 53% to \$55,878,000 in the period, consistent with the increase in net profit before revaluation adjustments. The increase reflected an increase in rental receipts of 48%, and additional interest income received from related entities.

Investment activities increased during the half-year, resulting in payments for investment properties and associates of \$667,984,000. Net loans to related entities of \$76,410,000 were made during the period to fund Investa Properties Limiteds acquisition of an interest in five Telstra properties and its investment in Investa Commercial Property Fund.

The acquisitions were funded by a mix of debt and equity raisings, resulting in a net cash inflow from financing activities of \$691,958,000.

The cash balance as at 31 December 2002 includes \$10,648,326 from the Security Purchase Plan raising on 30 December 2002.

Investa Property Trust

Consolidated Statement of Financial Performance For the half-year ended 31 December 2002

		31 December 2002 \$'000	31 December 2001 \$'000
	Notes		
Rent		65,450	47,994
Distribution from associates		10,649	9,070
Interest		6,567	1,077
Other revenue from ordinary activities		265	-
Total revenue from ordinary activities		82,931	58,141
Property outgoings		(14,050)	(9,915)
Repairs and maintenance		(1,417)	(946)
Borrowing costs		(15,021)	(7,665)
Amortisation of intangibles		(965)	(965)
Other expenses from ordinary activities		(872)	(1,981)
Increment on revaluation of investment properties	5(a)	-	6,876
Net profit		50,606	43,545
Net increase in asset revaluation reserve	5(a)	2,411	132
Total revenues, expenses and valuation adjustments attributable to unitholders of Investa Property Trust recognised directly in equity		2,411	132
Total changes in equity other than those resulting from transactions with unitholders as owners		53,017	43,677
Distribution paid and payable	3	54,577	39,192
Distribution paid and payable per unit (CPU)	3	6.75	7.15
Basic and diluted earnings per unit (CPU)		6.77	8.00
Basic and diluted earnings per unit (before revaluation)		6.77	6.73
Basic and diluted earnings per unit (before revaluation and amortisation)		6.90	6.91

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

Investa Property Trust

Consolidated Statement of Financial Position As at 31 December 2002

		31 December 2002 \$'000	30 June 2002 \$'000
Current assets			
Cash assets		12,956	11,670
Receivables		19,051	14,946
Investment properties	2	187,647	-
Loans to related entities		-	29,577
Total current assets		219,654	56,193
Non-current assets			
Investment properties	2	1,633,877	1,150,319
Intangibles		34,592	35,557
Loans to related entities		249,191	142,086
Total non-current assets		1,917,660	1,327,962
Total assets		2,137,314	1,384,155
Current liabilities			
Payables		15,040	7,079
Provision for distribution	3	28,847	18,121
Total current liabilities		43,883	25,200
Non-current liabilities			
Interest bearing liabilities		577,000	269,000
Total non-current liabilities		577,000	269,000
Total liabilities		620,887	294,200
Net assets		1,516,427	1,089,955
Equity			
Contributed equity	4	1,464,417	1,043,191
Reserves	5(a)	48,976	46,565
Amounts available for distribution	5(b)	3,034	199
Total equity		1,516,427	1,089,955

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

Investa Property Trust

Consolidated Statement of Cash Flows For the half-year ended 31 December 2002

	31 December 2002 \$'000	31 December 2001 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	70,078	47,151
Cash payments in the course of operations	(15,052)	(13,254)
Interest received	5,447	477
Distributions from associates	9,821	9,454
Borrowing costs paid	(14,416)	(7,357)
Net cash inflow from operating activities	55,878	36,471
Cash flows from investing activities		
Capital expenditure on investment properties	(2,158)	(2,676)
Loans to related entities	(182,904)	(127,728)
Repayment of loans by related parties	106,494	5,000
Payments for investments in associates	(151,257)	(278)
Payments for property investments	(516,727)	-
Net cash (outflow) from investing activities	(746,552)	(125,682)
Cash flows from financing activities		
Proceeds from issue of units	416,140	132,056
Payment for costs associated with issue of units	(8,407)	(4,044)
Proceeds from borrowings	379,200	17,000
Proceeds from issue of commercial notes	-	249,405
Payment for costs associated with issue of commercial notes	-	(1,018)
Repayment of borrowings	(71,200)	(253,000)
Distributions paid	(23,775)	(22,963)
Net cash inflow from financing activities	691,958	117,436
Net increase in cash held	1,284	28,225
Cash at the beginning of the reporting period	11,670	11,454
Cash at the end of the reporting period	12,954	39,679
Non-cash financing and investing activities	3 20,076	12,973

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

**Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2002**

Note 1. Basis of preparation of half-year Financial Report

This general purpose consolidated Financial Report for the half-year ended 31 December 2002 has been prepared in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements, the Corporations Act 2001, and the Trust Constitution dated 15 July 1977 (as amended).

This interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly this report should be read in conjunction with the Annual Report for the year ended 30 June 2002 and any public announcements made by Investa Property Trust during the interim reporting period 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. From 1 December 2000, all transactions in either security can only be in the form of transactions in Investa Property Group stapled securities.

Unless otherwise stated the accounting policies adopted are consistent with those of the previous financial year and corresponding half-year.

Investa Property Trust

Notes to the Consolidated Financial Statements For the half-year ended 31 December 2002

Note 2. Investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 31/12/02 \$'000	Consolidated book value 30/06/02 \$'000
Current assets									
260 Queen Street, Brisbane, QLD ⁽¹⁾	Offices/Freehold	100%	01/11/99	23,974	31/03/01	23,000	W Wiermann, AAPI JLL Advisory	23,060	-
Townsville Trust		45%	11/11/02	4,196	-	-	-	4,196	-
SUNPAC Property Fund 1 Market Street, Sydney, NSW	Offices/Freehold	50%	09/01/96	81,534	30/06/02	102,500	A Pannifex, AAPI FPDSavilles	102,029	-
231 Elizabeth Street, Sydney, NSW	Offices/Freehold	50%	19/08/02	58,362	30/06/02	57,500	A Pannifex AAPI FPDSavilles	58,362	-
Total current assets				168,066				187,647	-
Non current assets									
Investa Property Trust									
62 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	26/02/88	28,744	30/06/02	27,500	P Harding, Knight Frank	27,500	27,500
64 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	01/07/94	23,981	31/03/02	16,100	A Martin, AAPI JLL Advisory	16,120	16,100
73 Northbourne Avenue, Canberra, ACT *	Offices 99 yr leasehold	100%	06/05/94	23,324	31/12/00	17,000	P Dempsey, FAPI Arthur Andersen	17,134	17,134
73 Miller Street, North Sydney, NSW *	Offices/Freehold	100%	12/06/97	75,764	30/06/02	90,000	A Richard, FAPI CB Richard Ellis	90,281	90,000
50-60 Talavera Road, North Ryde, NSW *	Offices/Freehold	100%	01/11/99	32,743	30/09/00	31,400	R Lawrie, AAPI JLL Advisory	31,403	31,400
32 Philip Street, Parramatta, NSW	Offices/Freehold	100%	01/11/99	21,784	30/09/00	21,100	A Martin, AAPI JLL Advisory	21,100	21,100
55 Market Street, Sydney, NSW *	Offices/Freehold	100%	31/07/98	122,183	30/06/02	138,000	D Castles, AAPI Landmark White	138,139	138,000
241 Adelaide Street, Brisbane, QLD	Offices/ 75 yrs Leasehold	100%	10/09/98	21,194	31/12/02	17,000	J Porter, AAPI CBRE	17,000	18,100
410 Ann Street, Brisbane, QLD *	Offices/Freehold	100%	23/11/87	57,890	30/06/01	62,500	C Chatwood AAPI JLL Advisory	62,771	62,610
260 Queen Street, Brisbane, QLD	Offices/Freehold	100%	01/11/99	23,974	31/03/01	23,000	W Wiermann, AAPI JLL Advisory	-	23,070
469 Latrobe Street, Melbourne, VIC *	Offices/Freehold	100%	01/07/88	81,245	30/06/02	53,100	J Perillo, AAPI Knight Frank	53,243	53,100
485 Latrobe Street, Melbourne, VIC *	Offices/Freehold	100%	10/09/98	91,058	30/06/02	111,000	G Longden, FAPI JLL Advisory	111,000	111,000
420 St Kilda Road, Melbourne, VIC	Offices/Freehold	100%	12/12/86	24,686	30/06/01	27,000	C Plant JLL Advisory	27,159	27,159
109 St Georges Terrace, Perth, WA	Offices/Freehold	100%	01/11/99	24,916	30/06/02	25,500	S Nuttall, AAPI JLL Advisory	25,642	25,500
Total Parent				653,486				638,492	661,773
Investment in controlled entities									
Investa Real Property Growth Trust									
115 Grenfell Street, Adelaide, SA *	Offices/Freehold	100%	04/05/89	49,535	31/03/01	26,500	J Pledge AAPI, Knight Frank	27,363	26,680
110 George Street, Parramatta, NSW *	Offices/Freehold	50% 50%	02/10/97 15/12/98	67,432	30/06/02	66,500	M Caruana, FAPI, Knight Frank	66,588	66,500
Investa Sunlaw Trust		48%	11/11/02	73,389	-	-	-	73,389	-
Total - Investa Real Property Growth Trust				190,356				167,340	93,180
Lizabeth Trust									
255 Elizabeth Street, Sydney, NSW*	Offices/Freehold	50% 10% 40%	21/09/94 11/12/98 01/11/99	172,607	31/03/01	153,500	A Pannifex, AAPI Knight Frank	154,882	154,447
Total - Lizabeth Trust				172,607				154,882	154,447
Connect Property Trust									
242 Exhibition Street, Melbourne, Vic	Offices/Freehold	100%	19/08/02	274,518	30/06/02	261,000	A Pannifex AAPI FPDSavilles	274,518	-
231 Elizabeth Street, Sydney, NSW	Offices/Freehold	50%	19/08/02	58,362	30/06/02	57,500	A Pannifex AAPI FPDSavilles	58,362	-
310 Pitt Street, Sydney, NSW	Offices/Freehold	100%	08/10/02	125,484	30/06/02	120,000	A Pannifex AAPI FPDSavilles	125,484	-
Total - Connect Property Trust				458,364				458,364	-
Total investment in controlled entities				821,327				780,586	247,627

Investa Property Trust

Notes to the Consolidated Financial Statements For the half-year ended 31 December 2002

Note 2. Investment properties (continued)

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000	Independent valuation date \$'000	Independent valuation amount \$'000	Independent valuer	Consolidated book value 31/12/02 \$'000	Consolidated book value 30/06/02 \$'000
Investment in associates									
60 Martin Place Unit Trust									
60 Martin Place, Sydney, NSW	Offices/ Freehold	50%	01/11/99	80,282	30/09/02	92,500	P A Dempsey, FAPI Ernst & Young	92,208	88,325
SUNPAC Property Fund*									
80 Pacific Highway Trust									
80 Pacific Highway, North Sydney, NSW		50%	04/05/01	45,743	31/03/01	45,375	MS Smallhorn, FAPI JLL Advisory	45,745	45,745
Investa South Melbourne Trust									
209 Kingsway, Melbourne, VIC		50%	31/01/02	51,425	01/08/02	50,000	G Longden FAPI JLL Advisory	51,425	-
Penryhn House Trust									
Penryhn House, Woden, ACT		50%	06/12/02	20,601	01/09/02	19,300	P Harding Knight Frank	20,601	-
Investa Brisbane Commercial Trust									
		20%	08/05/01	4,820	-	-	-	4,820	4,820
Total investment in associates				<u>202,871</u>				<u>214,799</u>	<u>240,919</u>
Total non-current investment				<u>1,677,684</u>				<u>1,633,877</u>	<u>1,150,319</u>
Total Investment				<u>1,845,750</u>				<u>1,821,524</u>	<u>1,150,319</u>

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

Properties not independently valued during the last 12 months are carried at directors' valuation at 31 December 2002.

⁽¹⁾ An Agreement for Sale was signed on 2 December 2002 for 260 Queen Street, Brisbane at a price of \$24,200,000. Settlement is due on 31 January 2003.

Note 3. Distribution paid and payable

	31 December 2002 \$'000	31 December 2002 CPU	31 December 2001 \$'000	31 December 2001 CPU
Timing of distributions				
The distributions were paid/ payable as follows:				
30 September	25,730	3.30	18,670	3.575
31 December	28,847	3.45	20,522	3.575
	<u>54,577</u>	<u>6.75</u>	<u>39,192</u>	<u>7.150</u>

The 31 December 2002 distribution is due to be paid on 21 February 2003.

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

	31 December 2002 \$'000	31 December 2001 \$'000
Paid in cash	23,775	22,963
Satisfied by issue of units	20,076	12,973
	<u>43,851</u>	<u>35,936</u>

Investa Property Trust

Notes to the Consolidated Financial Statements For the half-year ended 31 December 2002

Note 4. Contributed equity

	31 December 2002 \$'000	30 June 2002 \$'000
(a) Contributed equity		
Opening balance	1,043,191	892,971
Issue of units	436,439	160,441
Costs for issue of units	(8,407)	(5,648)
Transfer to distributable income	(6,806)	(4,573)
Closing balance	<u>1,464,417</u>	<u>1,043,191</u>
(b) Number of units		
	'000	'000
Opening balance	600,822	515,490
Issue of units	219,715	66,882
Distributions reinvested	10,334	14,974
Security Participation Plan	5,272	3,476
Closing balance	<u>836,143</u>	<u>600,822</u>

Note 5. Reserves

(a) Asset revaluation reserve

	31 December 2002 \$'000	31 December 2001 \$'000
Opening balance	46,565	(6,876)
Increment on revaluation of investment properties	2,411	132
Transfer from distributable income	-	6,876
Closing balance	<u>48,976</u>	<u>132</u>
Revaluation of investments		
241 Adelaide Street, Brisbane	(1,173)	-
SUNPAC Property Fund	-	5,943
60 Martin Place Unit Trust	3,584	1,065
Total increment on revaluation of investment properties	<u>2,411</u>	<u>7,008</u>
Less revaluation (increment) taken to (revenue) as reversal of previous (decrement)	-	(6,876)
Net increment/(decrement) recognised directly in asset revaluation reserve	<u>2,411</u>	<u>132</u>

Properties are valued on a rotational basis whereby approximately one-third of the assets are valued each year, with a period no longer than 3 years to expire between valuations for each property.

Investa Property Trust

Notes to the Consolidated Financial Statements For the half-year ended 31 December 2002

Note 5. Reserves (continued)

(b) Amounts available for distribution

	31 December 2002 \$'000	31 December 2001 \$'000
Amounts available for distribution at the beginning of the financial period	199	960
Net profit	50,606	43,545
Transfer from contributed equity	6,806	2,801
Transfer to asset revaluation reserve	-	(6,876)
Distributions provided for or paid	(54,577)	(39,192)
Amounts available for distribution at the end of the financial period	<u>3,034</u>	<u>1,238</u>

Note 6. Segment information

The Trust operates solely in Australia in one business segment being investment in commercial property. Accordingly all revenues and results relate to that segment.

Note 7. Events occurring after reporting date

On 31 January 2003, Investa Real Property Growth Trust, a wholly owned sub trust of Investa Property Trust increased its investment in Investa Sunlaw Trust (formerly Investa Commercial Property Fund) to 100% with the purchase of the remaining 52% of units on issue from Suncorp Metway entities. The purchase price including acquisition costs was \$85,329,000. Investa Sunlaw Trust owns 100% of 50 Ann Street, Brisbane, has a 50% interest in 50-52 McDougall Street (Kings Row) and a 50% interest in SUNPAC Property Fund which owns the property located at 1 Market Street, Sydney.

On 24 December 2002 the Trust exchanged contracts for the acquisition of 589 Collins Street, Melbourne for \$54,000,000 to be settled on 31 January 2003. It is the intention that 50% of the property will be owned by Investa Property Trust with the other 50% expected to be syndicated in the near future.

On 23 January 2003 Investa Property Group completed a \$74.4 million capital raising to assist in funding the acquisition of 589 Collins Street, Melbourne and for general working capital requirements. Of this amount \$71.6 million or 96.3% has been allocated to the Trust.

The financial effects of these transactions have not been brought to account at 31 December 2002.

Note 8. Contingent liabilities

The Trust has guaranteed the cash advance and contingent liability facilities of Investa Properties Limited with Commonwealth Bank of Australia for \$16 million.

Investa Property Trust

Directors' Declaration

The directors of Investa Properties Limited, the Responsible Entity of Investa Property Trust declare that the financial statements and notes set out on pages 6 to 13:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Trust and the consolidated entity's financial position as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows, for the financial period ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001;
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity has operated in accordance with the provisions of the Constitution dated 15 July 1977 (as amended), during the half-year ended 31 December 2002.

This declaration is made in accordance with a resolution of the Directors of Investa Properties Limited.

I K Payne
Director

Sydney
31 January 2003

PricewaterhouseCoopers

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwcglobal.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 for the half-year ended 31 December 2002 included on Investa Property Group's web site. The Group's directors 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, set out on pages 6 to 14:

- presents a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Investa Property Trust as at 31 December 2002 and of its performance for the half-year ended on that date
- is presented in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, The Trust Constitution and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001.

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

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the half-year ended 31 December 2002 is the responsibility of the directors of Investa Properties Limited (the Responsible Entity). It includes the consolidated financial statements of the consolidated entity comprising Investa Property Trust (the Trust) and the entities it controlled at the end of, or during, the half year.

The auditor's role and work

We conducted an independent audit of the financial report in order to express an opinion on it, so as to enable the Trust to lodge the financial report with the Australian Securities & Investments Commission. Our role was to conduct the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001,

Accounting Standard AASB 1029: Interim Financial Reporting, The Trust Constitution and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the Trust's financial position, and its performance as represented by the results of its operations and cash flows.

The procedures included:

- selecting and examining evidence, on a test basis, to support amounts and disclosures in the financial report. This included testing, as required by auditing standards, certain internal controls, transactions and individual items. We did not examine every item of available evidence
- evaluating the accounting policies applied and significant accounting estimates made by the directors in their preparation of the financial report
- obtaining written confirmation regarding material representations made to us in connection with the audit
- reviewing the overall presentation of information in the financial report.

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

Independence

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

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

PricewaterhouseCoopers

J A Dunning
Partner

Sydney
31 January 2003