



INVESTA
Property Group

Investa Properties Limited
ABN 54 084 407 241
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Sydney NSW 2001
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7 February 2005

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

Dear Madam

**INVESTA PROPERTY GROUP
HALF YEAR RESULTS PRESENTATION 31 DECEMBER 2004**

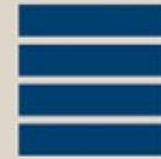
Please find attached the Half Year Results presentation for the half year ended 31 December 2004.

If you have any further queries, please contact Chris O'Donnell on (02) 8226 9301, or Graham Monk on (02) 8226 9304.

Yours faithfully

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

Attach:



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Investa Property Group
December 2004
Half Year
Results



- Highlights
- Strategy
- People
- Results
- Capital Management
- International Financial Reporting Standards
- Development
- Asset Management
- Funds Management
- Investment
- Key Priorities
- Appendix



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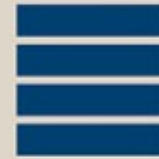
Highlights



Highlights



- Extended value chain via acquisition of CPG
- Investment Portfolio delivers 2.3% like for like income growth
- Leased/renewed 83,100m² for the half year
- 126 Phillip Street ~ 80% pre-committed
- Suncorp CPS contract
- Wholesale continues to attract investors (\$54m)
- Sustainability: Ethical Investor, Banksia awards & NSCA 5 Star rating
- Debt restructure/capital management
- Debt reduction: Gearing 36.3% at 6/04 reduced to 33.4% at 12/04



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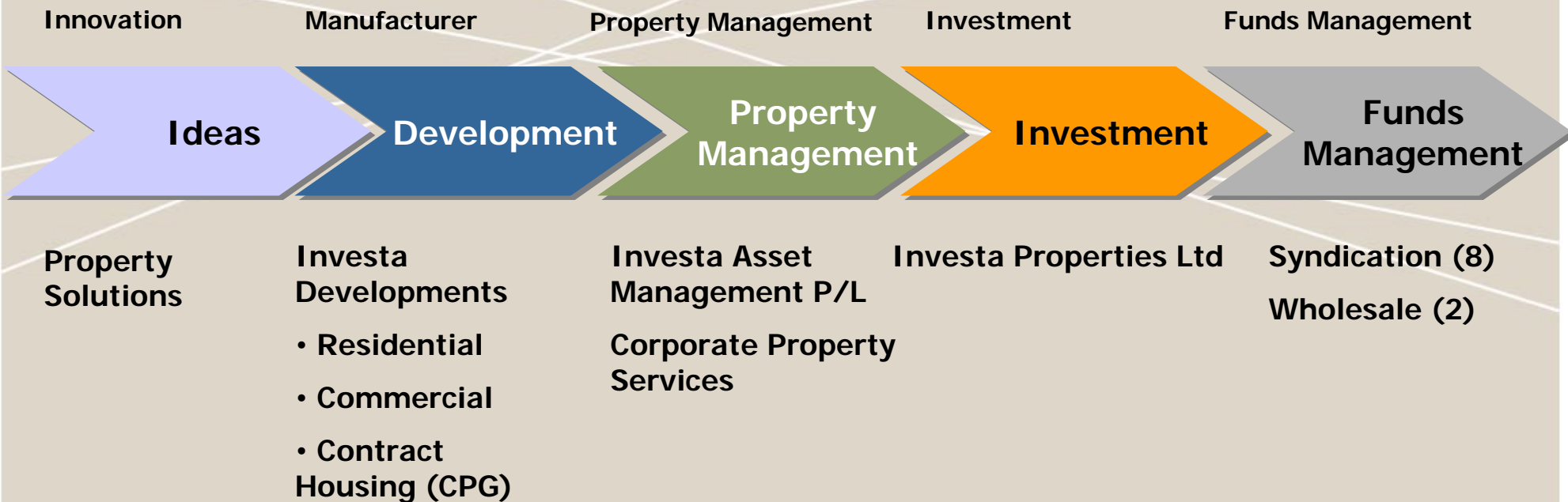
Strategy



Strategic Objectives



- To provide investors with a relatively low risk and growing income stream by exploiting all links in the property value chain



Strategic Objectives



Maintain investment portfolio earnings at 75-85% of group earnings

- Acquisition of CPG to grow corporate earnings mix to ~ 20% in FY 2006
- 126 Phillip Street to be substantially complete by Sep 2005

Measured approach to development and other growth initiatives

- CPG acquisition achieves goal of growing the development business while also acquiring the necessary staff and resources to manage the growth
- Vertical integration reduces business risk in the development process

Target gearing (debt to total assets) of 28-32%

- This policy remains in place and IPG has the flexibility to restore gearing to this range within 12 months
- Gearing reduced from 36.3% to 33.4%

CPG Overview



- CPG commenced operations in 1978 founded by Peter Campbell
- CPG operations focus on two key business areas
 - Property development, comprising:
 - CPG Developments which develops the Group's medium density and special projects
 - CPG Estates which develops the Group's greenfield projects, predominantly in Western Sydney, the Central Coast and Hunter Region
 - Contract housing:
 - Incorporates well known Australian brands such as Clarendon Homes, Bellevale Homes, Domaine Homes and Greenway Homes
 - Majority of homes built by the CPG contract housing business are constructed on customers own land
 - The contract housing business also provides the built form for the majority of CPG's development activities
- Complementary businesses
 - Almost all lots produced have a house constructed on them
 - Distinct advantage over "pure" land developers, as CPG can provide built form in substantial quantities to its estates which meets the desire of the marketplace
 - Allows us to manage density, planning and marketing issues in a more cohesive way than our competitors

CPG Defining Characteristics

- CPG Australia is amongst Australia's largest developers
 - Controls (via outright ownership, joint ventures and option contracts) a land bank of approximately 4,400 lots, predominantly located in greater Sydney
 - Portfolio comprises twenty projects at various stages of maturity located in NSW, Queensland and Victoria
- Majority of sites are zoned with short delivery timetables
- Innovative site planning, "built form" and housing design skills resulting in better use of land
- Long standing relationships with land owners and suppliers from both the public and private sector
- Strong experienced management team
 - Stephen Murray
 - Kevin Whitehead
 - John Sidoti
 - Robert Grant
 - Roger Douglas

Each with in
excess of 20
years
experience

CPG Contract Housing



- 3rd largest house builder in Australia, No 1 in NSW
 - Currently 1,200 houses under construction (2,500 per annum) with capacity to construct more than 3,000 per annum
 - Over 60% sales from NSW, with the remainder evenly balanced between Victoria and Queensland
- Strong brand recognition delivers quality product at a value for money price addressing specific market segments



- High volume of repeat business
- Industry dominance allows superior buying power providing a distinct competitive advantage
- Loyal sub-contractor base

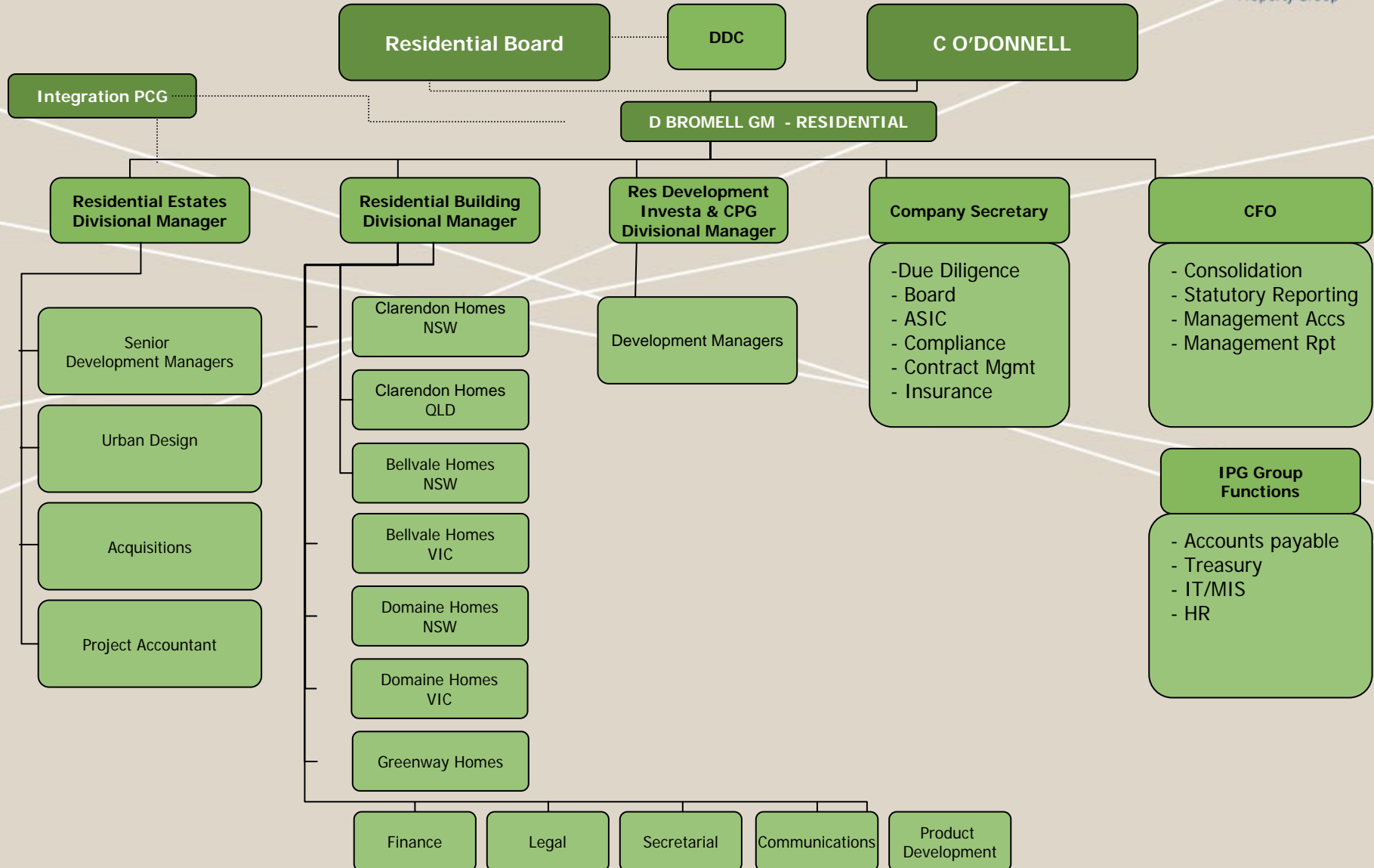
CPG Impact on Investa - Integration



- Addition of approximately 470 full time equivalent employees and relevant skills and retention of the senior management team
- Construction housing division to remain stand alone, CPG Estates and CPG Developments density to be merged with Investa post 100%
- Complementary systems and back of house
- 6 months to manage integration and transition
- Synergies for IPG commence now
 - Synergies not factored into financial forecast
 - 4,400 lots (under control) in NSW market
 - Ability to control developed outcomes with greater density required by authorities
 - Residential development opportunities for integrated projects
 - Additional resources in both estates and development business
 - Opportunity for built product
 - Edens Crossing, Qld
 - Cunning land, Qld
 - Mill Park Lakes, Vic
 - South Morang, Vic
 - Landcom opportunities, NSW

Integrated CPG / IPG

- Development Organisational Structure





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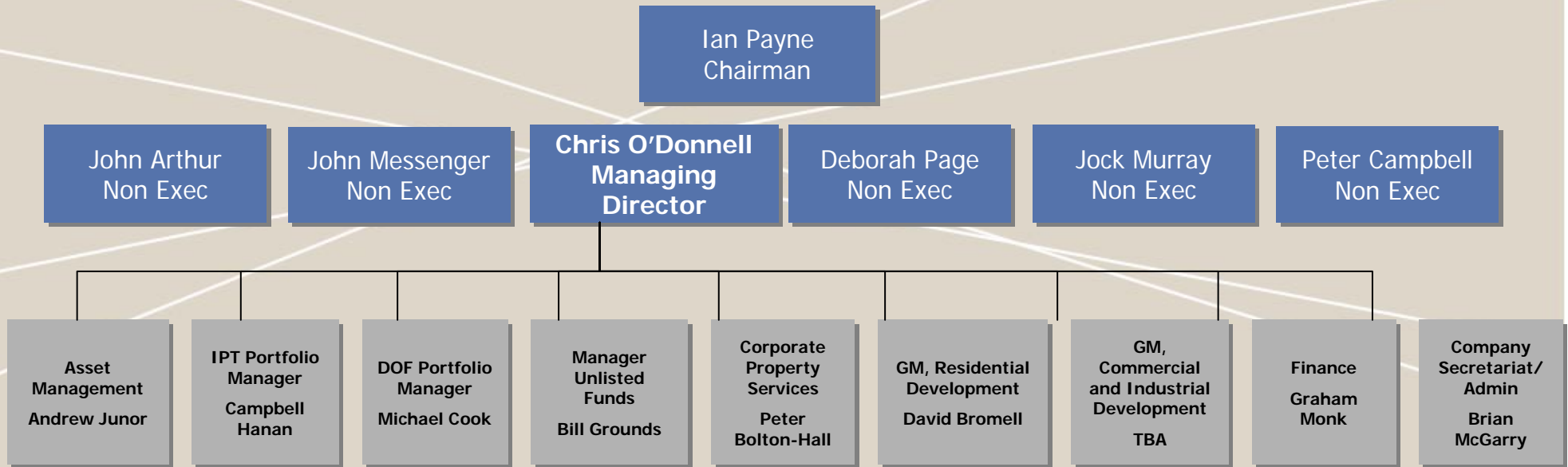
People



People – Board and Senior Management



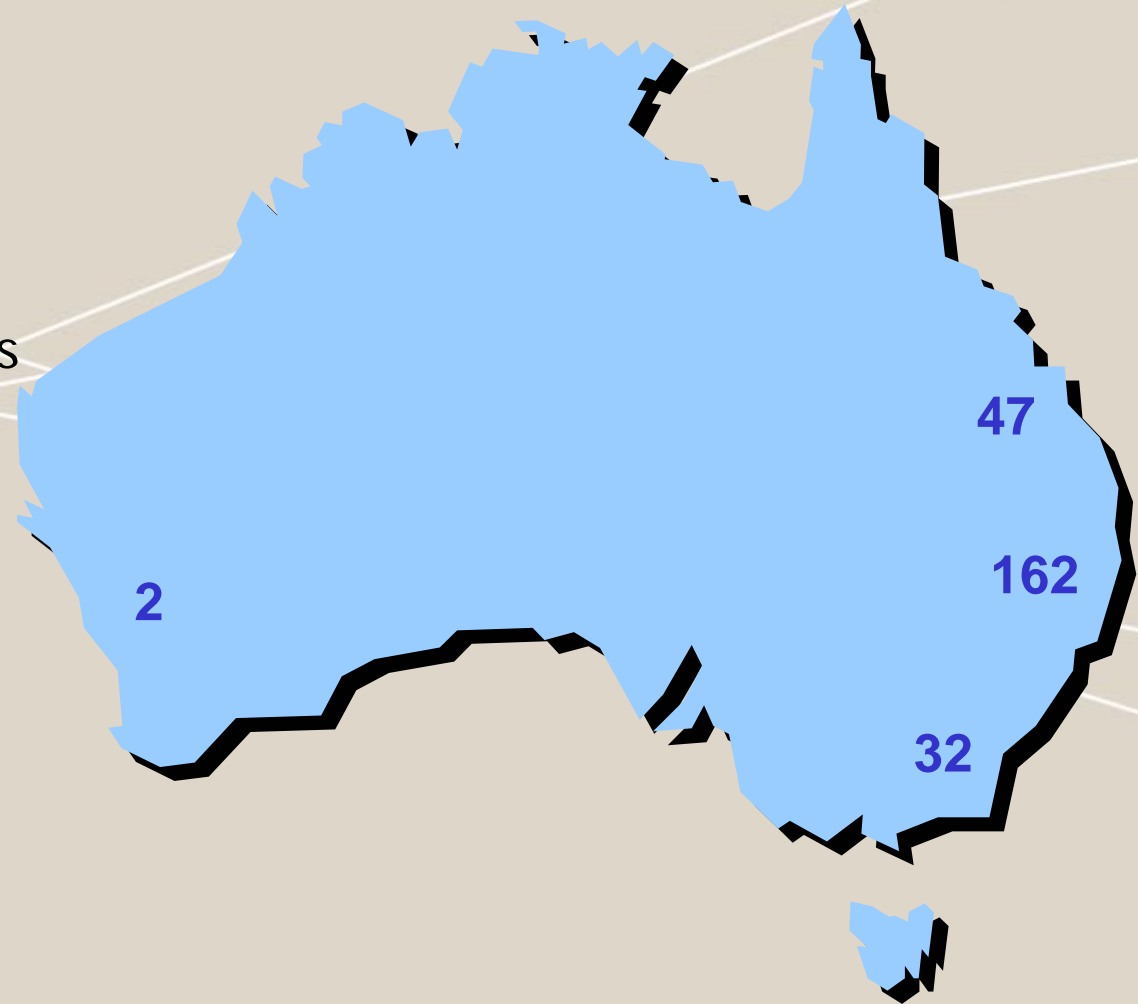
Board of Directors



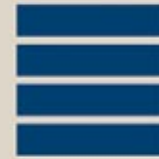
Senior Management Team

People – Employees by Location

- Stable Management team
- 243 people @ 12/2004 *
- Objectives set against business plan
- Management depth



* Excludes CPG employees



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Results



Results – How did we perform?



- Expand value chain strategy
- Position for EPS growth
- Grow proportion of corporate earnings (towards 75:25)
- Leasing
- Debt reduction
- Culture and people



Results: Financial Highlights



• Distribution paid 8.25 cps	1.2% on pcp	↑
• Earnings before revaluation and amortisation 8.22 cps	1.6% on pcp	↓
• Business Activities contributed 14% of Group Earnings	17% in pcp	↓
• Market Capitalisation \$3.3 billion	22% on pcp	↑
• Funds Under Management \$5.3 billion	4% on pcp	↑
• NTA of \$1.80	\$1.78 at 30.6.04	↑
• Gearing @ 33.4%	36.3% at 30.6.04	↓

Results: Summary Distribution Statement



- Group results up \$11.9 million to \$114.6 million
- Reflects full 6 month contribution from Delta
- Business earnings¹ down \$3.5 million to \$21.1 million
- Impacted by reduced profits from sale of investments and timing of funds management income
- Carry forward distributable income of \$9.0 million or 0.61 cps

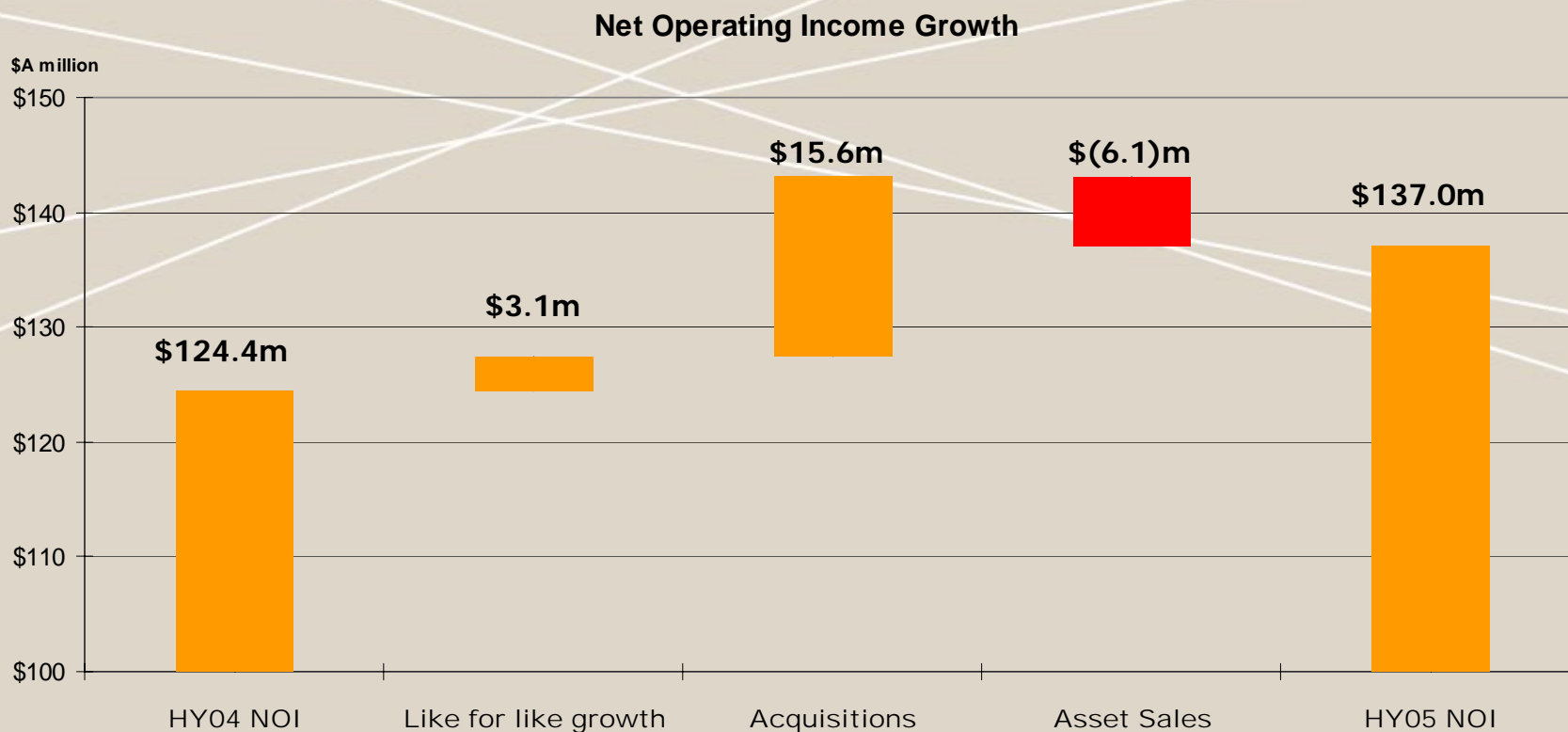
	HY05 \$m	HY04 \$m
Investment Portfolio	137.0	124.4
Short term Investment Income	9.7	14.5
Development Income	13.3	11.8
Services Income	9.2	9.6
Interest Income	1.2	1.4
Total Income	170.4	161.7
Operating Expenses	16.8	15.0
EBITDA	153.6	146.7
Borrowing costs	34.4	38.2
Amortisation and depreciation	4.3	3.5
Tax	0.3	2.3
Earnings after Amort & Tax	114.6	102.7
Transfers from Contributed Equity	6.4	13.3
Income Brought Forward	8.6	8.5
Distributable Income	129.6	124.5
Amount Carried Forward	9.0	10.8
Total Distributed	120.6	113.7
Carry forward (cents per security)	0.61	0.77

1 – before borrowings costs, amortisation and depreciation, after tax

Results: Investment Portfolio



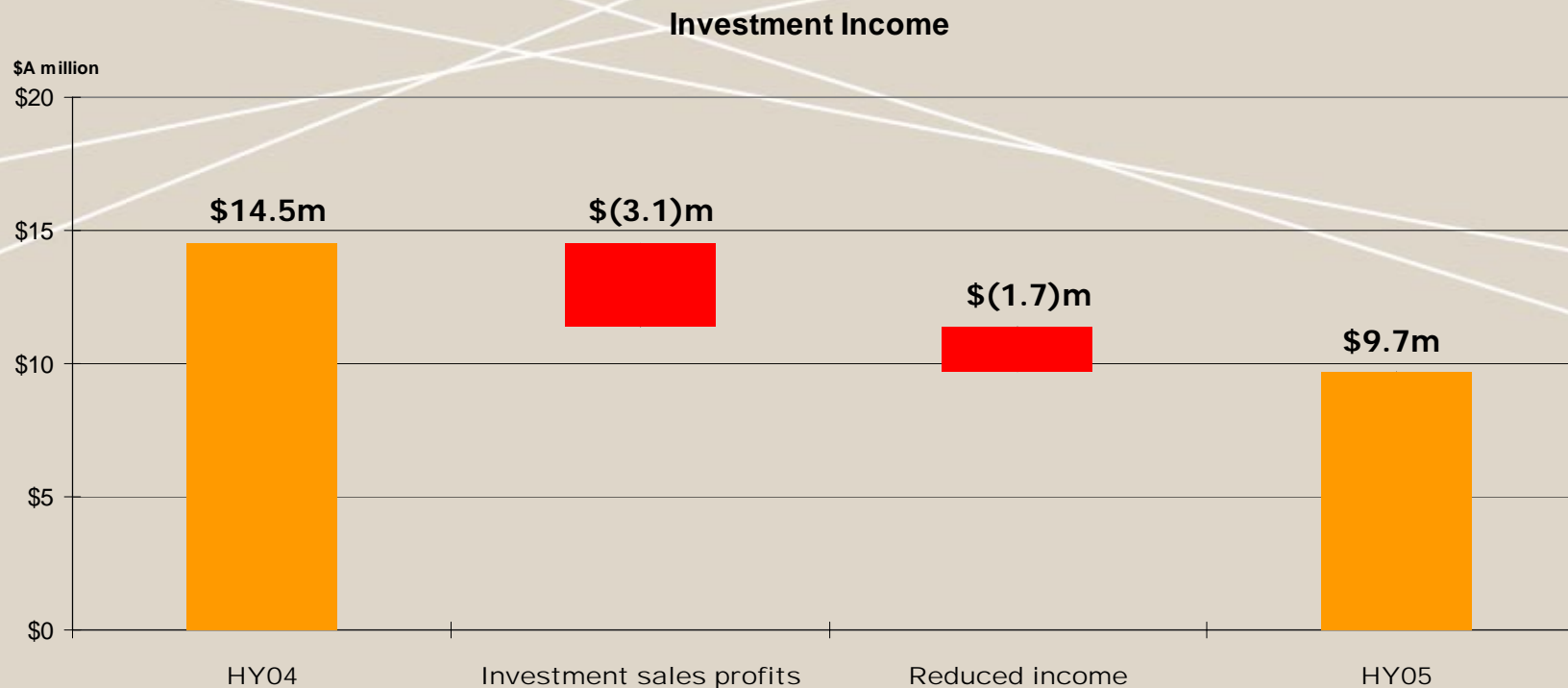
- Like for like income growth: +2.3%
- Portfolio NOI: +10.1%
- Contributed 86% to Group earnings up from 83% in the pcp



Note: Breakdown of portfolio result by property is included at Appendix A to this presentation

Results: Short Term Investments

- Investment sale profits \$1.5m¹ (HY2004: \$4.6m)
- Reduced investment income due to asset sales
 - Investa Commercial Property Fund (proceeds \$53.5 million)
 - Investa Sixth Commercial Trust (proceeds \$4.5 million)



1 – Investment sales profit comprised of 73 Northbourne Avenue, Canberra (\$0.2m) and 25% of 400 George Street, Sydney (\$1.3m)

Results: Development

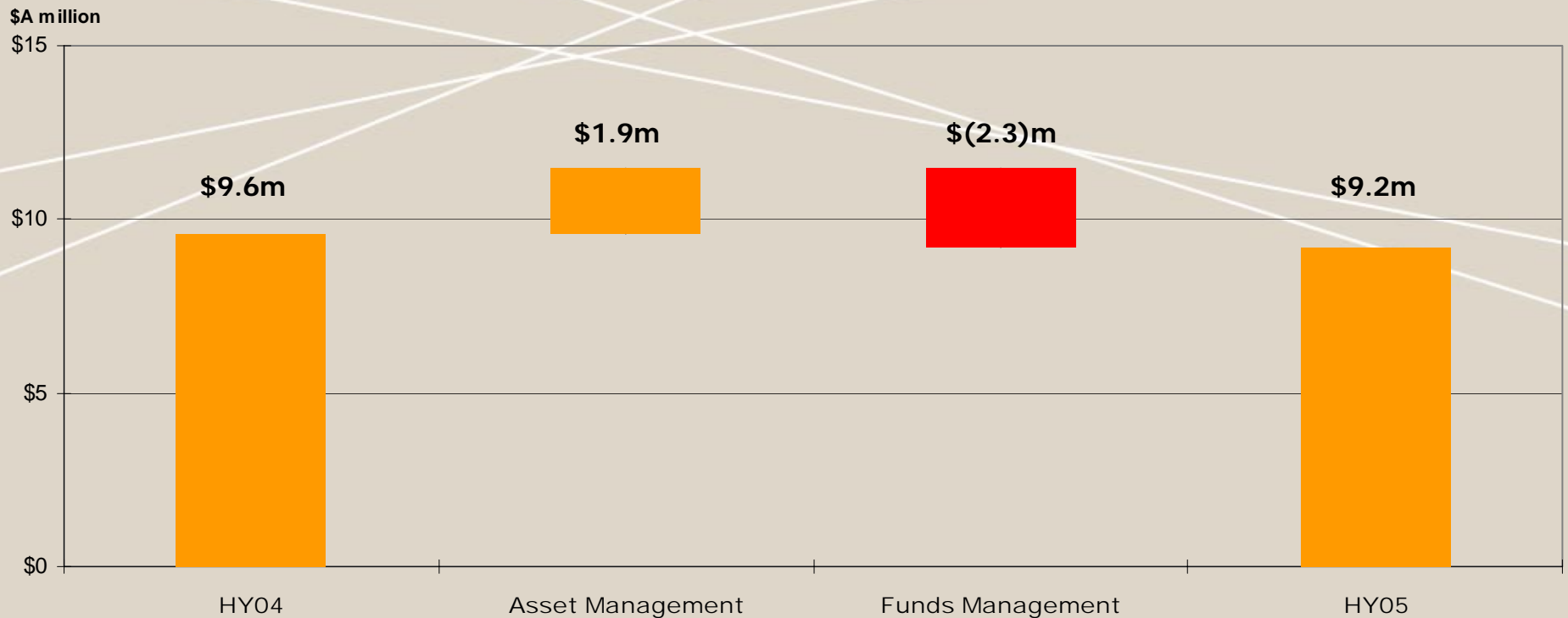
- Delivered a gross profit of \$13.3 million, an increase of 12.7% on the pcp
- Average margin on costs improved from 47% to 55%
- 120 residential lot sales during the period



Results: Services

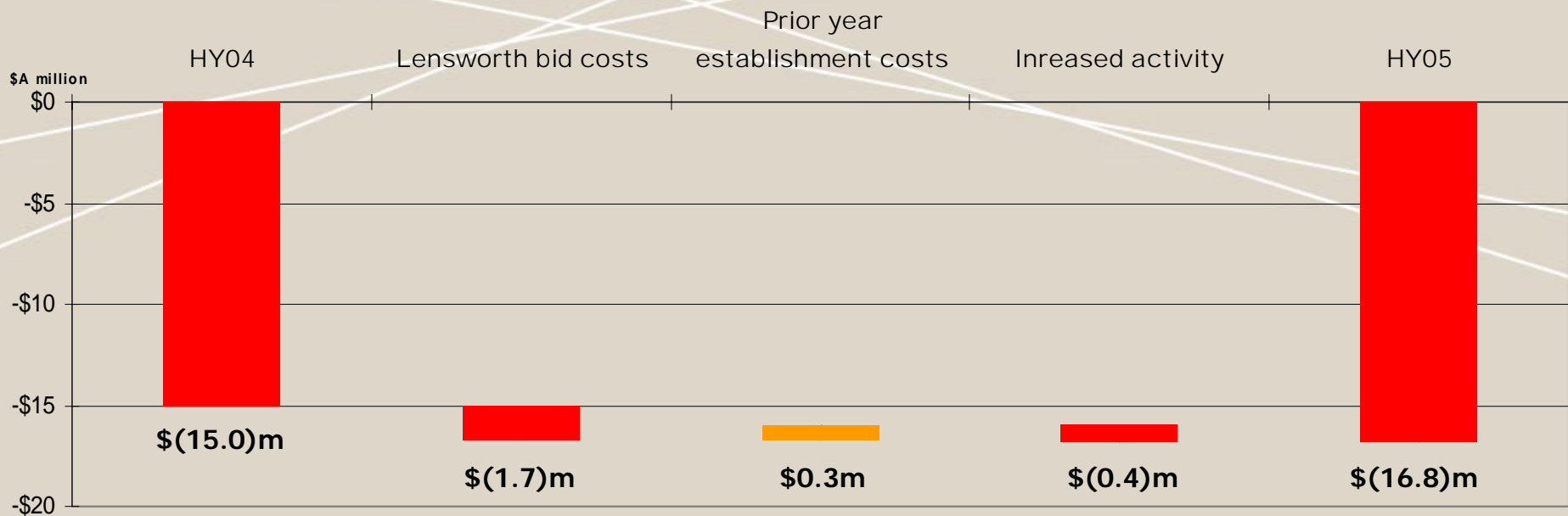
- Asset Management includes CPS
- Suncorp contract for CPS
- Funds Management syndicates planned for second half

Services Income



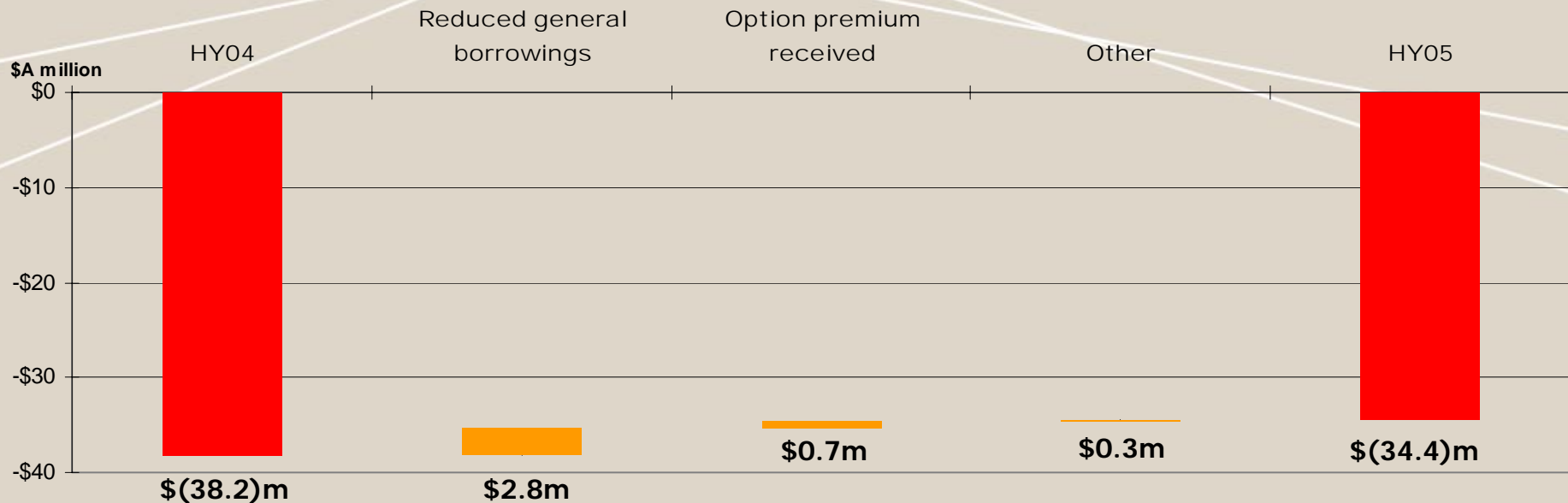
Results: Operating Expenses

- Operating expenses increased by \$1.8 million to \$16.8 million
- Includes write off of Lensworth bid costs of \$1.75 million
- Full period impact of additional Asset Management staff for Delta acquisition



Results: Borrowing Costs

- Borrowing costs declined \$3.8 million on prior half to \$34.4 million
- Primarily due to a reduction in general borrowings
 - Asset sales
 - Sell down in ICPF
- Gearing declined from 36.3% at 30 June 2004 to 33.4% at 31 December 2004



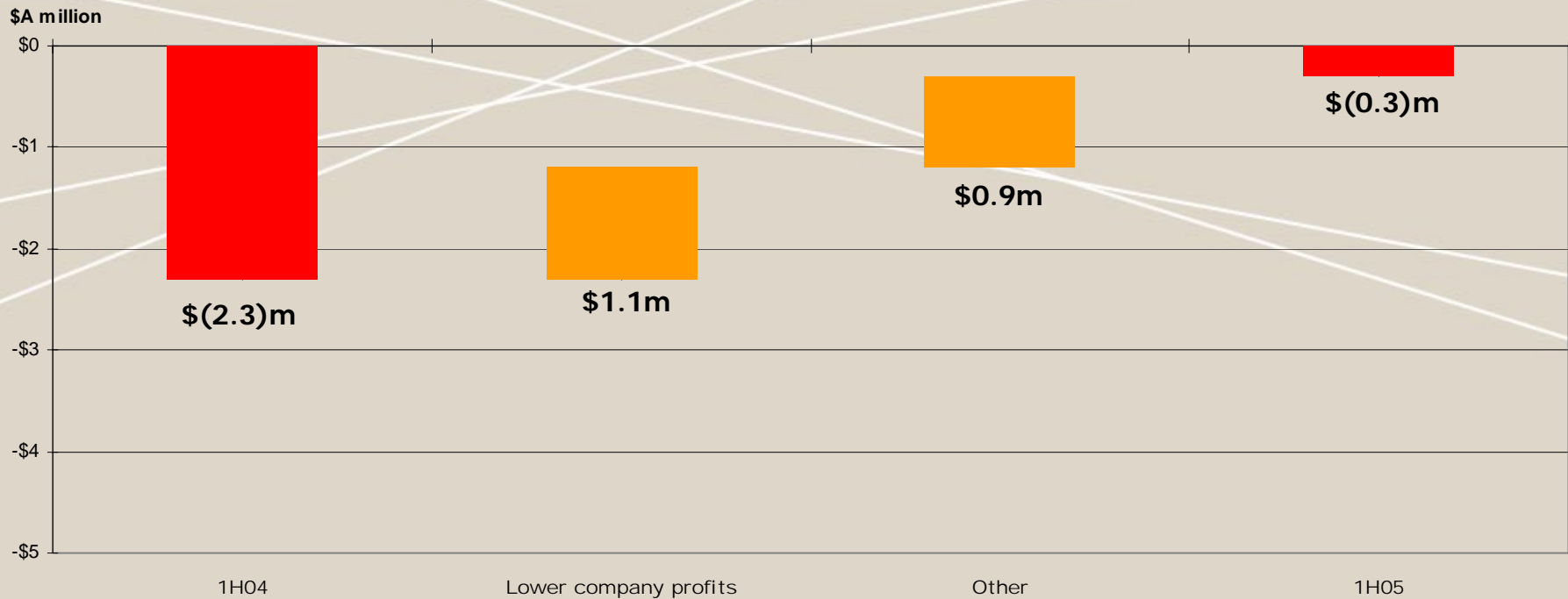
Results: Amortisation and Depreciation

- Increase in amortisation of goodwill following Delta acquisition



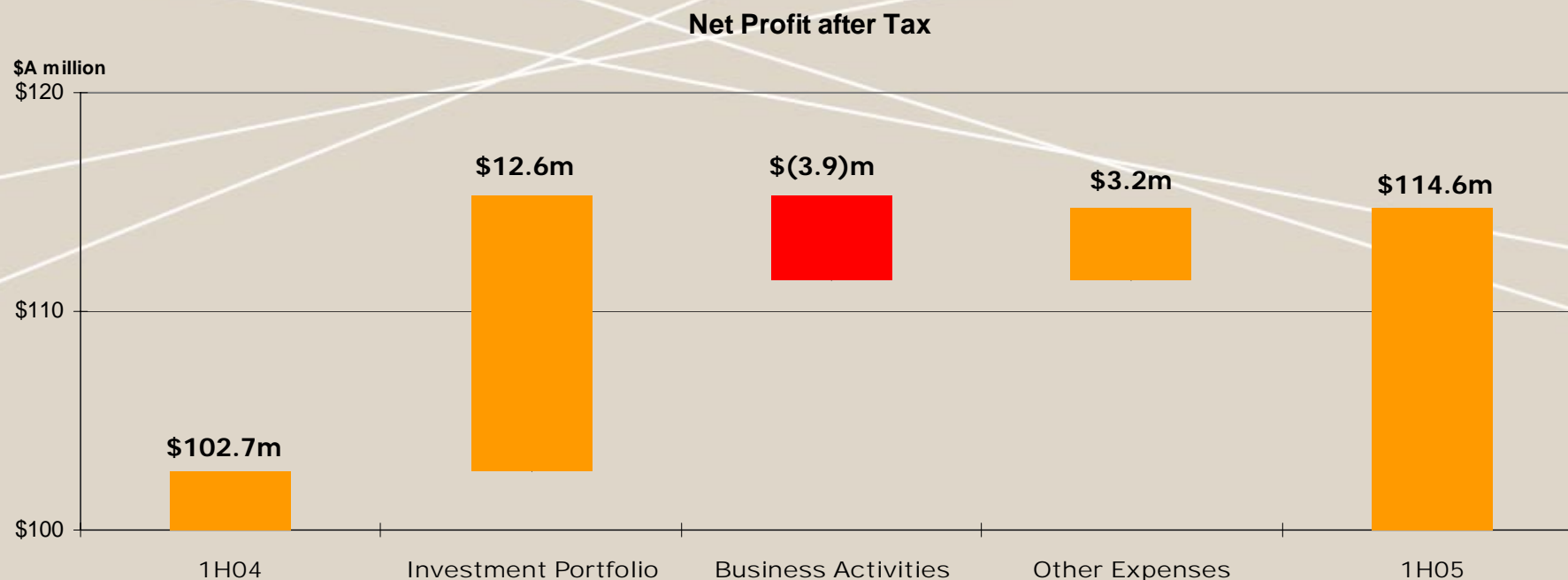
Results: Tax Expense

- Lower tax expense
 - reduced company profits; and
 - recognition of prior period tax losses



Results: Summary

- Earnings increased \$11.9 million to \$114.6 million (11.6%)
- EPS¹ declined 1.6% to 8.22cps; DPS increased 1.2% to 8.25cps
- Positioned to deliver 16.5cps for FY2005





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**Capital
Management**



Statement of Financial Position



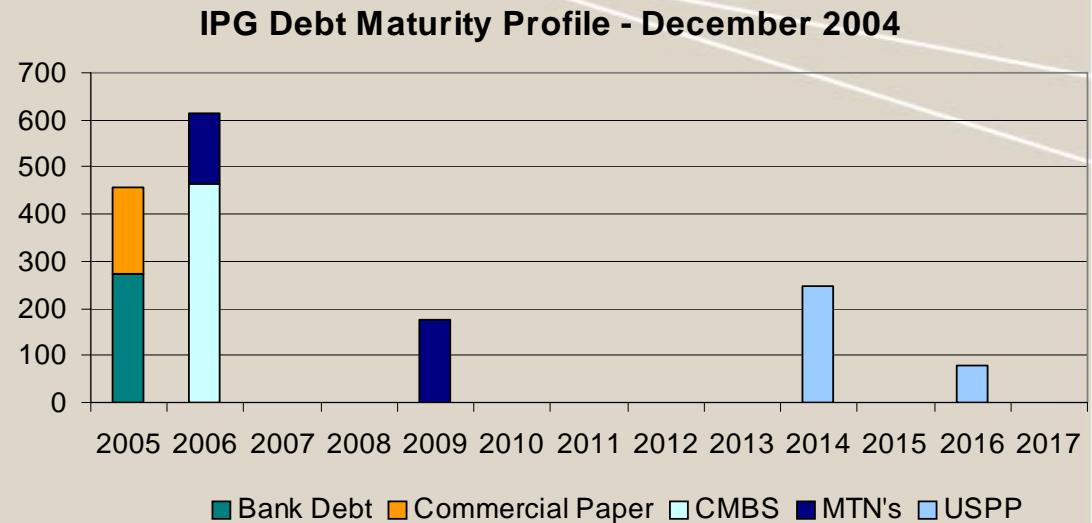
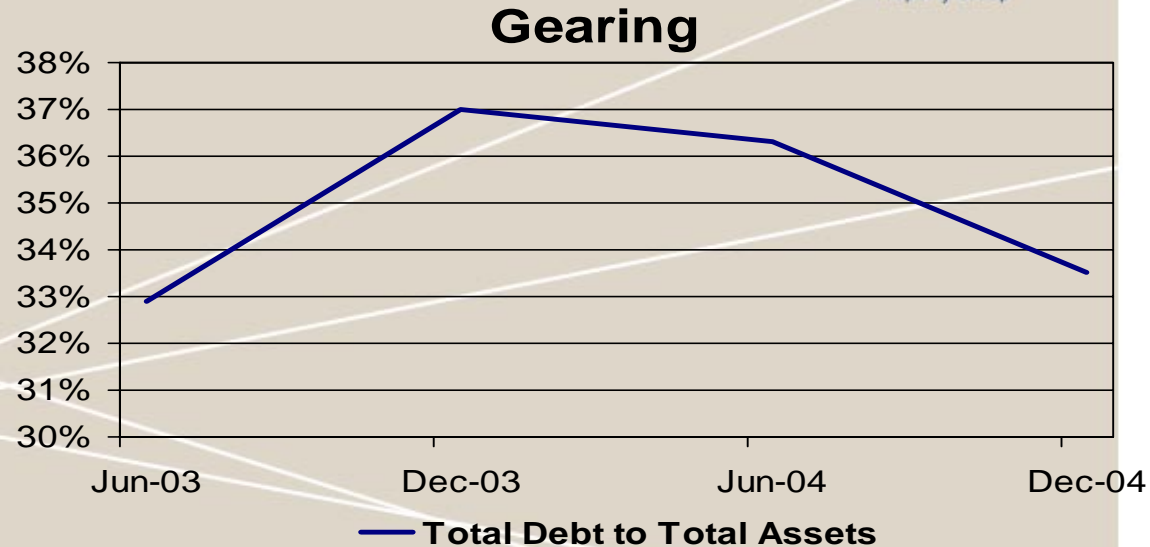
- Assets of \$4.7 billion
- Gearing: 33.4%
- Facility Limits: \$1,864 million
- Debt drawn: \$1,571 million
- Amount hedged: \$1,177 million (75%)
- Ave cost of debt funds: 6.20% (inc. margin)
- Securities on issue: 1,482 million
- OEI relate to 25% of 400 George Street plus 26% of 231 Elizabeth Street, 209 Kingsway and 1 Market Street

\$Million	31/12/04	30/6/04
Assets		
Investment Portfolio	4,032	3,699
Short Term Investments	122	384
Investment in CPG	102	-
Inventory	223	169
Receivables + Other Assets	104	73
Intangibles	121	125
Cash	4	9
Total Assets	4,710	4,460
Liabilities		
Payables	63	51
Provisions	66	65
Borrowings	1,571	1,619
Tax	7	7
Total Liabilities	1,707	1,742
Net Assets	3,002	2,717
Equity		
Contributed Equity	2,740	2,628
Outside Equity Interests	212	44
Reserves	41	36
Undistributed Income	9	9
Total Equity	3,002	2,717

Capital Management

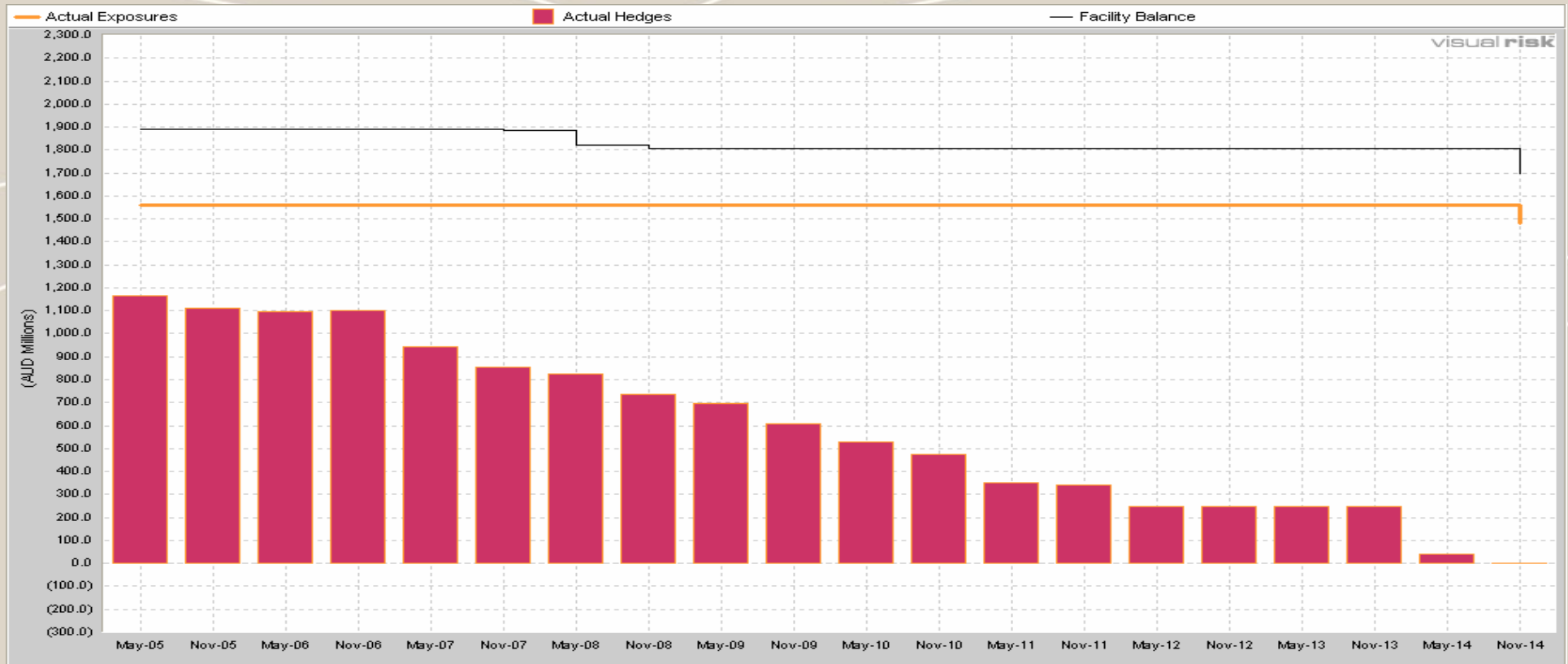


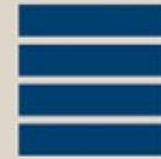
- Gearing trending towards IPG's target range of 28% to 32%
- Refinancing of debt facilities now complete following \$175m five year bond issue at BBSW +56 basis points
- All facilities have common terms and conditions allowing flexibility and simplicity
- Credit rating of BBB+ (Stable Outlook) following CPG acquisition
- 2005 priority is to refinance CPG's existing debt when IPG assumes control



Capital Management

- Risk Management continues to be conservative with a goal of minimising volatility in debt servicing costs
- Average life of fixed rate debt is 4.4 years
- 75% of debt fixed at a total cost of 6.2% (including margins and fees)





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**International
Financial
Reporting
Standards**



IFRS – Status

- Transition plan on schedule
- First report under Australian IFRS is 31 Dec 2005 half-year
- Opening 30 June 2004 comparative balance sheet scheduled to be completed and disclosed in April 2005

IFRS – Key impacts

- Investment property
 - Revaluations taken through P&L rather than reserves
 - EPS volatility, no impact on DPS
- Fitout Incentives
 - Amortise through P&L instead of capitalised to Property value
 - No significant impact on EPS or DPS over time.
- Derivatives
 - recorded at fair value rather than off-balance sheet
 - EPS volatility in the absence of hedge accounting, no impact on DPS
- Goodwill
 - no longer amortised but subject to impairment test
 - EPS improvement in respect of amortisation, potential EPS volatility in the event of impairment, no impact on DPS
- Unresolved Matters



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Operations



Development: Rebalanced land inventory



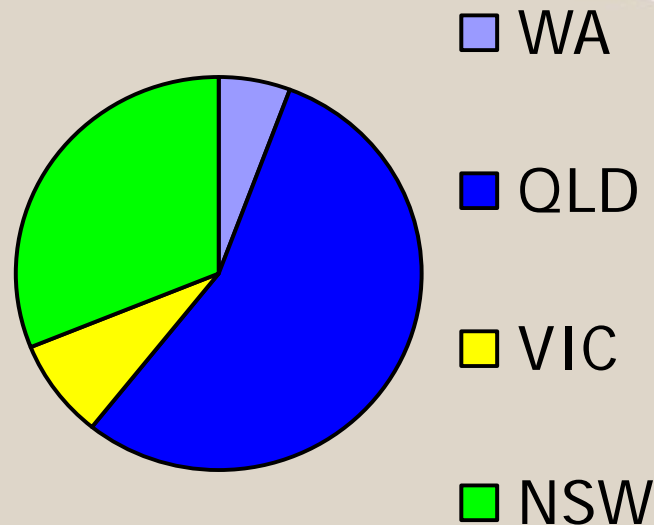
- Acquired 40% of CPG
- Put and call option on balance of CPG (July to September 2005)
- Established position in key NSW market
- Purchased Deer Park (Melbourne) for \$35.2 million and made final settlement on Henley Brook (Perth) of \$14.5 million
- Residential pipeline lengthened beyond 2008
- Further restocking opportunities being pursued

Development: Zoning status of land

	IPG	CPG*	Total
Lots currently zoned	2,983	3,648	6,631
Unzoned land	6,140	764	6,904
Total	9,123	4,412	13,535

* 40% owned; option to acquire 100%

Regional split:



Development: Residential pipeline



	TOTAL	FY2005 (2H)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012+
Residential land - Est No. of lots									
Quinns Beach (WA) - zoned	47								
Mill Park Lakes (Vic) - zoned	1065								
Eden's Crossing (Qld) - zoned	1572								
Sippy Downs (Qld) - zoned 212 , unzoned 5,196	5408								
Henley Brook (WA) - unzoned	651								
Riverpoint (Westend Qld) - unzoned	293								
C-Air (Hillarys WA) - zoned	87								
IPG	9,123	139	429	640	784	1,000	1000	1000	4130
Warriewood	180								
Koondah	336								
Aspley Keep	99								
Somerset Park	142								
Sinnamon Park	20								
Beecroft	17								
Blaxland	52								
Cooranbong	141								
Elderslie	245								
Hamlyn Terrace	53								
Wadalba	61								
Little Bay	66								
Glenfield	67								
Eastwood	250								
George's Fair	1,000								
Kellyville	292								
Somerset Park (Crouch Land)	250								
Somerset Park (Farragher Land)	364								
"East" Rushcutters Bay	218								
Schofields	58								
Elanora Heights	92								
Miscellaneous Lots	409								
CPG	4,412	265	1,268	852	679	384	401	320	243
Combined	13,535	404	1,698	1,491	1,463	1,384	1,401	1,320	4,373

Asset Management



- Integrated asset and facilities management
 - Differentiation through direct relationship management
 - 1.2 million m² NLA
 - \$520 million pa rent roll
 - 57 properties under management
- Sustainability
 - Investa Ranked #2 in the world
 - Awarded Australia's Sustainable Company of the Year (Ethical Investor)
 - Awarded 2004 Banksia award – Leadership in Socially Responsible Investment
 - The ABGR Corporate Leadership Award
 - The DEUS Ambassador Award which was awarded to Chris O'Donnell
 - Investa maintained 5 star OHS rating (NSCA)
- CPS
 - WBC and Suncorp Metway contracts; further accounts being targeted
 - Discrete assignments for clients
 - Project management and advisory

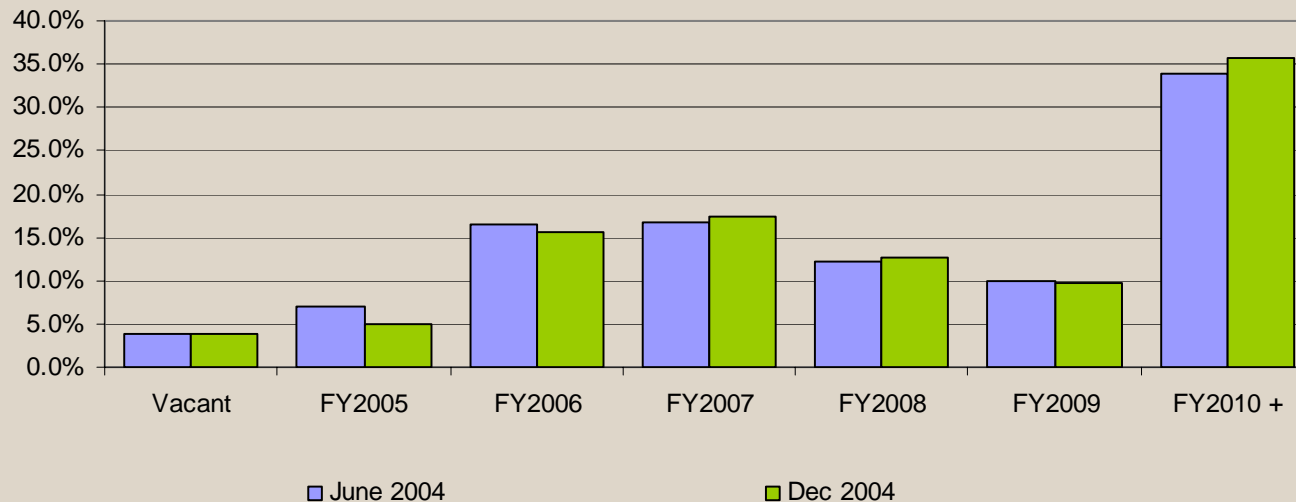
Funds Management



- Wholesale Funds
 - Investor base expanded (9 investors/ 5 asset consultants)
 - \$54 million of new funds added including \$37 million invested by Prudential with a further \$13 million committed
 - Strategy to grow the fund in place
- Syndications
 - Targeted to deliver \$150 million in new syndicates by June 2005
 - New opportunities leveraging off Group acquisitions

Investment: Portfolio Key Stats

- Key points:
 - Like for like net property income up 2.3% on pcp
 - Weighted average lease term 4.3 years (30.6.04: 4.4 years)
 - 83,100 m² leased (gross)
 - Occupancy at 96.1%
- Portfolio expiry profile as follows:



Investment: Portfolio New Leases



Property	% Owned	Area (m ²)*	Expiry Date
589 Collins Street, Melbourne	50%	17,274	30/06/2006
441 St Kilda Road, Melbourne	100%	1,830	31/10/2008
Grosvenor Place, Sydney	30%	3,832	31/03/2009
QV1, Perth	50%	1,696	30/06/2009
64 Northbourne Avenue, Canberra	100%	2,557	31/07/2009
Maritime Trade Towers, Sydney	50%	2,650	31/12/2009
420 St Kilda Road, Melbourne	100%	2,102	31/03/2010
589 Collins Street, Melbourne	50%	1,851	31/12/2010
64 Northbourne Avenue, Canberra	100%	3,206	31/01/2011
441 St Kilda Road, Melbourne	100%	2,800	30/06/2011
Centennial Plaza C, Sydney	100%	3,904	31/03/2012
55 Market Street, Sydney	100%	4,993	30/06/2015
Kings Row, Milton	50%	2,967	14/07/2020
Other	Various	31,438	
Total		83,100	

* Not weighted by ownership

Investment: Portfolio Vacancies



Property	% Owned	Area (m ²)*	Vacancy (%)
255 Elizabeth Street, Sydney	100%	7,708	27.1%
109 St Georges Terrace, Perth	100%	3,887	27.7%
Centennial Plaza B, Sydney	100%	3,176	17.6%
441 St Kilda Road, Melbourne	100%	1,881	11.7%
469 La Trobe Street, Melbourne	100%	1,790	9.3%
Kindersley House, Sydney	100%	1,756	9.7%
Grosvenor Place, Sydney	30%	1,264	4.9%
589 Collins Street, Melbourne	50%	1,210	7.6%
QV1, Perth	50%	1,027	3.3%
Total vacancy > 1,000m²		23,699	3.2%
Other vacancy		4,961	0.7%
Portfolio Total %		28,660	3.9%

* Weighted by ownership

Investment: Significant Lease Expiries ¹



Property	Tenant	Area ²	Expiry Date
Kings Row, Milton	Suncorp Metway	1,416	28/02/2005
110 George Street, Parramatta	Proctor & Gamble	4,827	30/06/2005
Kindersley House, Sydney	Macquarie Corporate Tele.	2,793	14/07/2005
469 La Trobe Street, Melbourne	AGC	2,387	31/07/2005
469 La Trobe Street, Melbourne	John Fairfax Publications	1,341	31/07/2005
55 Market Street, Sydney	Commonwealth of Australia	1,016	31/12/2005
Grosvenor Place, Sydney	Deutsche Bank	2,751	31/10/2005
120 Collins Street, Melbourne	Ernst & Young	14,842	24/11/2005
Centennial Plaza C	National Australia Bank	6,506	31/12/2005
110 George Street, Parramatta	NRMA	6,297	31/12/2005
120 Collins Street, Melbourne	Phillips Fox	5,796	31/12/2005
55 Market Street, Sydney	Commonwealth of Australia	3,203	31/12/2005
St Martins Tower, Sydney	Computer Power Institute	1,983	28/02/2006
420 St Kilda Road, Melbourne	Australian Outback Travel	1,450	28/02/2006
QV1, Perth	Alpha West	1,311	31/05/2006
485 La Trobe Street, Melbourne	Australian Bureau of Statistics	6,061	31/05/2006
255 Elizabeth Street, Sydney	Westpac	13,749	31/05/2006
589 Collins Street, Melbourne	Minister for Finance	8,616	30/06/2006
Total		86,345	

1 – next 18 months; 2- weighted by ownership

Investment: 126 Phillip Street

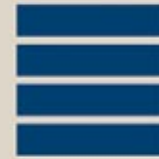
- Approx 80% leased to Deutsche Bank, Ebsworth & Ebsworth, Investa, Allen Arthur Robinson and Bain International with a further 15% in negotiation
- Construction on track
 - North and South core completed
 - Services & finishes following closely behind structure
 - Deutsche fit out commenced
 - Roof structure well underway
- Due to complete in September 2005



Investment: Kindersley House

- Currently income producing - over 90% occupied
- Details of new concept:
 - Sustainability – 5 star rating
 - 22,360m² NLA
 - 24 Office levels (35 floors)
 - 41 Car parks
- DA approval expected in April 2005
- Presentations to prospective tenants commenced





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Key Priorities



Key Priorities

- Expand value chain strategy (CPG acquisition)
- Integrate CPG
- Trust / Company earnings split (75 / 25)
- Target 3% to 4% EPS growth
- Leasing
- Manage IFRS transition
- Culture and people



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Appendix



Appendix A: Property by property net income



Half-year ended (\$m)	31/12/2004	31/12/2003		31/12/2004	31/12/2003
400 George Street, Sydney	10.3	9.7	469 Latrobe Street, Melbourne	2.4	2.6
Grosvenor Place, Sydney	7.9	7.9	441 St Kilda Road, Melbourne	2.1	2.1
255 Elizabeth Street, Sydney	6.2	6.1	209 Kingsway, Melbourne	2.1	2.1
310 Pitt Street, Sydney	5.3	5.1	414 Latrobe Street, Melbourne	2.1	2.1
31 Market Street, Sydney	5.2	5.0	589 Collins Street, Melbourne	1.9	2.4
55 Market Street, Sydney	4.8	5.0	420 St Kilda Road, Melbourne	1.2	1.3
Maritime Trade Towers, Sydney	4.6	4.5	QV1, Perth	5.9	5.0
1 Market Street, Sydney (BT Tower)	3.6	3.2	109 St. Georges Terrace, Perth	0.9	1.1
73 Miller Street, North Sydney	3.5	3.5	410 Ann Street, Brisbane	4.7	3.0
60 Martin Place, Sydney	3.4	3.4	State Law Building, Brisbane	4.0	4.0
Centennial A, Sydney	2.5	2.5	Kings Row, Brisbane	1.6	1.6
Centennial B, Sydney	1.7	3.0	62 Northbourne Ave., Canberra	1.4	1.4
Centennial C, Sydney	3.3	3.0	Penrhyn House, Canberra	0.9	0.9
110 George St., Parramatta (The Octagon)	3.2	3.4	64 Northbourne Ave., Canberra	0.7	0.7
231 Elizabeth Street, Sydney	2.3	2.3	Portfolio like for like +2.3%	135.7	132.6
Kindersley House, Sydney	2.0	1.5			
80 Pacific Highway, North Sydney	1.8	1.8	<u>Adjustments</u>		
50-60 Talavera Road, North Ryde	1.6	1.7	Acquisition adjustment *	0.0	-15.6
120 Collins Street, Melbourne	15.2	15.0	Asset Sale adjustment	1.3	7.4
242 Exhibition Street, Melbourne	10.7	10.4			
485 Latrobe Street, Melbourne	4.7	4.3		1.3	-8.2
			Net rental income	137.0	124.4

* Income has been eliminated as Investa did not hold 100% of the units in POF nor 100% of 441 St Kilda Rd