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Key Information

Investa Property Group

Total assets	\$1.4 billion
Gearing	23.2%
NTA	\$1.65 per security
Funds under management	\$1.8 billion

Investment Activities

Investa Property Trust

20 Commercial office buildings	332,900m ²
Occupancy Rate*	98.1%
Average remaining lease term*	4.6 years
*weighted by ownership share	

Business Activities

Syndicates

Investa North Sydney Property Trust	\$46 million
Investa Brisbane Commercial Trust	\$55 million
Collins Property Trust	\$48 million

Wholesale Funds Management

Martin Place Wholesale Fund	\$90 million
Investa Commercial Property Fund	\$248 million

Property Management

Licenses in New South Wales and Victoria

Development

Residential/Office/Industrial projects	\$145 million
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Corporate Property Services

WBC Contract

ASX Trading Performance (1 July – 31 December 01)

Closing trade price	\$2.10 per security
6 month high	\$2.10 per security
6 month low	\$1.74 per security
Market capitalisation	\$1.2 billion

Note: all information as at 31 December 2001

Managing Director's Report

I am pleased to present my report for the six months to 31 December 2001.

In this period we have continued to implement the Groups strategy as was laid out in the November 2000 Explanatory Memorandum. The progress of this strategy and other initiatives is being recognised by the market and is beginning to be reflected in higher trading prices. The closing price for IPG securities as at 31 December 2001 was \$2.10 per security, 23% higher than just over 12 months ago when Investa was formed.



Chris O'Donnell | Managing Director.

While this period has been overshadowed by international instability, reinforcing what had been a more cautious business environment locally; the Group has continued to make good progress in the delivery of its strategy.

The amount distributed for the 6 months was 7.3 cents per security with the company's contribution beginning to lift, in keeping with our strategy to build company earnings.

With the acquisition of Silverton Limited, the full year distribution is on target for 14.75 cents per security.

Business Activities

Development

As was outlined by the Chairman, Ian Payne, at the Annual General Meeting, we have now added development activities to our range of capabilities through the acquisition of a development company – Silverton Limited. The Silverton acquisition was finalised in February 2002 and will form an important part of the Groups future earnings.

With this purchase an experienced development team has joined us, together with current projects in place in New South Wales, Victoria and Queensland having a value at the purchase date of approximately \$145 million. Contributions to Group earnings have already started to be made.



One | Market Street, Sydney

Investment Services

The wholesale funds management business has been established with two investment vehicles now being managed, having total assets of approximately \$350 million. These two funds have been tailored to reflect two investment styles, thereby creating the opportunity to satisfy the investment needs of a wider group of wholesale investors.

These funds comprise; the 'Martin Place Wholesale Syndicate' (MPWS) owning a 50% interest in 60 Martin Place, Sydney which was acquired from Westpac Banking Corporation; and the 'Investa Commercial Property Fund' (ICPF), an open ended fund owning office buildings in Brisbane and Sydney. Investa acquired the management rights of ICPF from Suncorp Metway in December 2001.

The sale of units in these funds to wholesale investors is now well underway with more than 50% of the units in MPWS already sold to external investors.

A number of properties have also been secured for syndication to retail investors in the coming six months. The first of these syndicates, the Investa First Industrial Trust, will close for subscription in late February 2002.

The Company plans to launch further syndicates for retail investors in the near future. Opportunities for individuals to invest are regularly available and if you are interested or would like to obtain a prospectus, please contact us on 02 8226 9300 or by email at investa@investa.com.au and we will forward one to you as they become available.

Asset Management

The asset management of Wholesale, Syndicates and the Groups investment portfolio (Investa Property Trust) is undertaken by Investa Asset Management Pty Limited. Various initiatives are being undertaken on these properties including the National Safety Council of Australia's 5-Star Health and Safety Management Programme and Building Greenhouse Ratings Programme managed by the Sustainable Energy Development Authority (SEDA)

Corporate Property Services

The Corporate Property Services business continues to deliver the needs of Westpac Banking Corporation's accommodation requirements and is exploring opportunities to provide services to additional clients.

Investment Activities

Investa Property Trust

Since 31 December 2001, we have also progressed investment activities for Investa's own portfolio with the acquisition of 209 Kingsway, South Melbourne. The building is presently under construction with long term lease commitments in place for the entire property to ANZ Banking Group Limited and BMW Australia Limited. The building is expected to have a value of \$100 million on completion in February 2003. Part of the strategy for this property is to allow a new investment fund to be created, investing in 50% of the property. This product is intended to be tailored for a different type of investor than those participating in our existing products, and therefore represents an opportunity to broaden our product offerings to new markets.

In general terms, Australia's office markets have faced somewhat softer conditions in the last six months than those experienced during much of the 2001 financial year. In spite of this, a further 20,800m² of office space in the portfolio was leased during the six months, with all rental review outcomes achieving higher rentals than had been anticipated.

The major lettings included 100% of 64 Northbourne Avenue, Canberra, with further successes in 1 Market Street, Sydney, 241 Adelaide Street, Brisbane and at 469 LaTrobe Street, Melbourne. In Melbourne in particular the rents achieved were significantly higher than expected reflecting the very strong market conditions which have been experienced in 2001.

Leasing Successes

Address	Tenant	Area	Expiry
1 Market St	Howarth's	4,385m ²	2008
64 Northbourne Ave	DEWRSB	3,387m ²	2005
64 Northbourne Ave	KFPW	2,557m ²	2005
469 LaTrobe St	CGU	3,684m ²	2008
1 Market St	ANZ	2,195m ²	2007
115 Grenfell St	DEETYA	4,109m ²	

The occupancy level of the portfolio remained high at 98.1% as at 31 December 2001 with the only substantial vacancies being 3 floors at 109 St. Georges Terrace Perth and two floors at 1 Market Street Sydney. The average term to lease expiry of the portfolio remains at 4.6 years.

Rental review outcomes were also very positive across the portfolio. Included in these reviews was Health Administration Corporation (NSW Health Department), effective July 2001 over its 12,000m² North Sydney tenancy. The tenant has since failed to pay the increase in rent. As a consequence we have taken the matter to the Supreme Court of New South Wales to seek performance by the tenant. An outcome of this action is not expected until the end of the financial year.

Finance

Several issues of new securities were completed during the period raising a total of \$145 million. These issues were applied to the Group's business activities and the general capital expenditure requirements of the investment portfolio.

Of particular note, a Securityholder Purchase Plan (SPP) was announced coinciding with the placement of securities to finance the purchase of Silverton Limited. The SPP allowed all investors the opportunity to acquire up to \$3,000 in new securities at the same price as securities were issued under the placement. The response of investors to this initiative was very positive.

Issues of securities during the six months:

Date	Amount	Issue Price/ Security	Purpose
31 July 2001	\$6.8m	\$1.76	June quarter Distribution Reinvestment Plan
24 September 2001	\$40.5m	\$1.87	Placement for Purchase of 50% interest in 60 Martin Place on behalf of a wholesale fund
5 November 2001	\$85.0m	\$1.88	Placement to acquire Silverton Limited
30 November 2001	\$6.2m	\$1.96	September quarter Distribution Reinvestment Plan
28 December 2001	\$6.5m	\$1.88	Securityholder Purchase Plan announced with Silverton placement.

The debt arrangements of the Group were also completely restructured during the period with the majority of the Group's debt now being raised from the capital markets rather than from banks. This has allowed the Group to source less expensive borrowings while retaining flexibility through maintaining access to additional bank loan facilities. An integral part of the restructure was the launch of a \$250 million Commercial Mortgage Backed Securities programme. The notes issued were rated AAA by Standard and Poors, the highest rating level ascribed by that organisation. The proceeds of the issue were principally used to repay bank loans with the result being a significant saving to the Group's borrowing costs.

We continue to pursue the strategy of broadening the earning streams of our company activities and remain confident of the continuing delivery of performance to investors.



Chris O'Donnell
Managing Director



CITY CENTRE

ARIZONA
BARS & RESTAURANTS

Fifty Five | Market Street, Sydney

Investment Portfolio Summary

Property	Date Purchased	Independent Valuation (\$000)	Valuation Date/ Cap Rate	IRR/ Terminal Yield	Current Vacancy	Net Lettable Area (NLA) Car Spaces
New South Wales						
1 Market St Sydney ⁽¹⁾	Jan '96	101,250	Sep '01 7.50%	10.75% 8.00%	1,500m ² 5.0%	29,791m ² 666
255 Elizabeth St Sydney	Sep '94	153,500	Mar '01 7.50%	10.25% 7.75%	637m ² 2.2%	28,452m ² 148
55 Market St Sydney	Jul '98	130,000	Jun '01 7.25%	10.50% 8.00%	90m ² 0.4%	22,617m ² 49
60 Martin Place ⁽²⁾ Sydney	Nov '99	88,500	Dec '01 7.25%	10.25% 7.50%	NIL	28,385m ² 82
80 Pacific Hwy ⁽³⁾ North Sydney	Apr '01	45,375	Mar '01 7.50%	10.50% 8.00%	NIL	13,696m ² 86
73 Miller St North Sydney	Jun '97	76,000	Dec '00 7.20%	10.50% 8.25%	NIL	14,703m ² 159
110 George St Parramatta	Oct '97	66,500	Dec '00 9.25%	11.00% 9.50%	363m ² 1.7%	20,969m ² 347
32 Phillip St Parramatta	Nov '99	21,100	Sep '00 8.50%	10.75% 8.75%	NIL	6,759m ² 104
50-60 Talavera Rd North Ryde	Nov '99	31,400	Dec '00 8.75%	11.00% 9.75%	NIL	11,323m ² 128
Victoria						
485 La Trobe St Melbourne	Sep '98	101,000	Sep '00 6.25%	10.00% 8.00%	NIL	34,045m ² 208
469 La Trobe St Melbourne	Jul '88	42,100	Dec '00 6.61%	10.75% 9.50%	158m ² 0.8%	19,831m ² 47
420 St Kilda Rd Melbourne	Dec '86	27,000	Jun '01 9.00%	11.00% 10.00%	399m ² 3.8%	10,534m ² 135
Queensland						
410 Ann Street Brisbane	Nov '87	62,500	Jun '01 9.25%	11.25% 10.25%	829m ² 4.1%	20,433m ² 693
241 Adelaide St Brisbane	Sep '98	18,400	Sep '00 9.00%	11.00% 9.50%	509m ² 6.9%	7,412m ² 76
260 Queen St Brisbane	Nov '99	23,000	Mar '01 8.75%	11.00% 9.25%	107m ² 0.8%	13,257m ² 12
Australian Capital Territory						
62 Northbourne Ave Canberra	Feb '88	25,800	Jun '01 9.00%	11.00% 10.00%	48m ² 0.5%	9,964m ² 110
64 Northbourne Ave Canberra	Jul '94	12,000	Mar '01 10.00%	11.25% 11.00%	71m ² 1.1%	6,508m ² 35
73 Northbourne Ave Canberra	May '94	17,000	Dec '00 9.35%	11.00% 10.25%	NIL	6,237m ² 86
South Australia						
115 Grenfell St Adelaide	May '89	26,500	Mar '01 10.50%	12.75% 11.00%	NIL	13,895m ² 38
Western Australia						
109 St Georges Terrace Perth	Nov '99	23,750	Sept '00 8.25%	12.00% 9.00%	1,614m ² 11.5%	14,046m ² 79

TOTAL PORTFOLIO

6,325m²
1.9%*

332,856m²
3,288

⁽¹⁾ IPT has a 50% interest in Sunpac Property Fund which owns 1 Market Street, Sydney

⁽²⁾ IPT has a 50% interest in 60 Martin Place Unit Trust which owns 60 Martin Place, Sydney

⁽³⁾ IPT has a 50% interest in 80 Pacific Highway Trust which owns 80 Pacific Highway, North Sydney

* weighted for ownership share

Securityholder Information

Distribution / Dividends

Income will be distributed quarterly within two months of the end of the relevant period. The distribution includes both amounts distributed from Investa Property Trust and fully franked dividends from the management company, Investa Properties Limited.

TFN Information

The Group is obliged to deduct tax at the top marginal rate plus Medicare levy from distributions paid to Australian resident securityholders who have not supplied their Tax File Number or Exemption.

Voting Rights

The voting rights are one vote per stapled security.

Purchase and Sale of Securities

Investa Property Group is listed on the Australian Stock Exchange (ASX) and is classified in the property trust sector with an ASX code of IPG. Each day the newspapers carry the previous day's buying and selling price for the securities. Buying or selling of securities may be transacted through a stockbroker. For assistance contact a stockbroker or investment advisor.

Notifications

The stapled securities register is maintained by Computershare Investor Services Pty Limited. Please contact the Register in writing to change the manner in which distributions are received or to provide TFN details.

Privacy Statement

Investa has established a policy in regard to the management of personal information of securityholders. Such information is held to manage your investment including our obligations to pass certain information on to other organisations (including the Australian Taxation Office) in accordance with the various taxation and superannuation laws.

We may also use such information to forward to you from time-to-time details of other investment opportunities available from the company. However, if you request, no information of that nature will be sent to you.

If you would like a copy of the Privacy Policy please contact us by calling the share registry or alternatively it can be downloaded at the website.

Website

The website for Investa Property Group can be found at www.investa.com.au.

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Commentary on the Financial Reports

The following commentary is provided to assist security holders in reviewing and interpreting the combined results of Investa Property Group (Group) for the half-year ended 31 December 2001.

There are separate reports for Investa Property Trust (Trust), Investa Properties Limited (Company), and a combined report for the Group.

Statement of Financial Performance

The Group reported a total net profit of \$44.6 million after company tax. Before adjustment for net increases in property valuations and amortisation, underlying net profit was \$39.0 million as compared with \$29.1 million in the previous corresponding period, an increase of 34%.

This growth in earnings reflects the increase in operating revenue in both the Company and the Trust. Total Group revenue was \$67.2 million comprising \$57.1 million from property and unit trust investments, \$9.6 million from the operating activities of the Company and total interest income of \$0.5 million.

Positive market rent reviews and an increase in income from its investments in 80 Pacific Highway Trust and Investa Brisbane Commercial Trust, which were not held in the corresponding prior period, accounted for the growth in Trust income.

Company revenue included \$4.1 million from fees and expense reimbursement in respect of the corporate property services agreement with Westpac Banking Corporation, \$3.7 million from the development operations, \$0.4 million from retail syndication management fees and \$0.4 million from the wholesale funds management business. The property management business generated \$1.3 million of income for the Company, but it is not recognised in Group income as it is eliminated on consolidation, with the benefit being reflected in lower expenses for the Group.

Property related expenses have decreased to \$9.6 million from \$11.0 million in the previous corresponding period due mainly to the internalisation of property management services for the Group's properties in New South Wales and Victoria. Employee expenses and amortisation of intangibles are significantly higher compared to the period ending 31 December 2000, as the prior period only incurred 1 month of expenditure.

Borrowing costs have decreased by 15% to \$7.9 million from \$9.3 million for the previous period. This is attributable to a lower level of borrowings as a portion of the proceeds from equity raisings undertaken to facilitate Group expansion, became available for the reduction of debt.

The distribution for the period increased 9.5% to 7.3 cents per stapled security from 6.6678 cents per stapled security for the previous corresponding period. This is comprised of a distribution of 7.15 cents per unit from the Trust and a fully franked dividend from the Company of 0.15 cents per share.

The net tangible asset backing for the Group has increased to \$1.65 at 31 December 2001 per unit from \$1.58 per unit at 31 December 2000.

In total \$40.0 million was distributed leaving \$1.9 million as an amount available for distribution in future periods.

Statement of Financial Position

Total assets within the Group increased 22% from \$1,159.9 million at 30 June 2001 to \$1,419.1 million at 31 December 2001 due mainly to the purchase of property development inventory upon the acquisition of Silverton Limited and an increase in investments held by the Company.

The property development inventory is comprised of a portfolio of commercial/industrial developments and sites and four parcels of residential development land. The value of this inventory at 31 December 2001 was \$137.7 million.

The Company has also made investments in both the Martin Place Trust and Suncorp Metway Balanced Property Fund holding 42% and 8% of the issued units respectively. It is the intention that both investments will be sold down to external investors within the next 12 months.

During the period the Group restructured its funding arrangements. As part of the restructure, the Trust issued \$250 million of commercial notes in the form of commercial mortgage backed securities and utilised the proceeds to retire existing bank facilities. A new bank facility for \$75 million was established, which was drawn down to \$7 million at 31 December 2001. The Group has increased borrowings by \$80.3 million during the period which is primarily due to a new \$70 million facility acquired when Silverton Limited was purchased. The gearing for the Group has increased to 23%, up from 21% for the previous period.

During the period to 31 December 2001, the Group raised \$145 million from the issue of new equity securities. This was comprised of institutional placements of 66.9 million stapled securities (\$125.5 million), the reinvestment of dividends (\$13.0 million) under the Distribution Reinvestment Plan and \$6.5 million raised through the Group's Security Purchase Plan.

Half-Year Report 31 December 2001

Investa Property Group

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Half-Year Report

Directors' Report

The directors of Investa Properties Limited present their report for the Investa Property Group for the half-year ended 31 December 2001. This report includes the results of Investa Properties Limited (IPL) and Investa Property Trust (IPT) for the half-year ended 31 December 2001.

Directors

The following persons held office as directors of Investa Properties Limited at the date of this report:

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

All directors held office during the whole financial reporting period except for J L Arthur who was appointed on 2 July 2001.

Principal activities

During the period, the principal activities of the Group consisted of investment in commercial property, property funds management and property development.

Dividends and distributions

Dividends and distributions paid and payable by the Group for the half-year ended 31 December 2001 were \$40,027,230 (2000: \$30,934,000) which is equivalent to 7.3 cents per stapled security to the stapled securityholders (2000: 6.7 cents per stapled security). All dividends were fully franked.

Review of operations

A summary of combined revenue and results are set out below:

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Total revenue from ordinary activities	67,211	53,109
Net profit after company tax attributable to securityholders of Investa Property Group (including net revaluation increments)	44,586	53,567
Transfer of net valuation increments to asset revaluation reserve	(6,876)	(24,676)
Transfer from contributed equity to amounts available for distribution	2,801	160
Amounts available for distribution brought forward from previous period	1,403	2,843
Dividends & distributions paid and payable	(40,027)	(30,934)
Amounts available for distribution carried forward at 31 December	1,887	960
Total value of Group assets at 31 December	1,419,145	1,098,946

Rounding of amounts to nearest thousand dollars

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

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



Director
I K Payne
Sydney
12 February 2002

Combined Statement of Financial Performance

For the half-year ended 31 December 2001

	Notes	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Revenue from operating activities		57,117	45,980
Share of distribution from associates		9,598	6,730
Interest revenue		496	399
Total revenue from ordinary activities	2	67,211	53,109
Cost of goods sold		(2,480)	–
Property outgoing		(8,620)	(9,646)
Employee expenses		(4,903)	(391)
Repairs and maintenance		(947)	(1,390)
Borrowing costs		(7,883)	(9,305)
Amortisation of intangibles		(1,285)	(175)
Net increment on revaluation of investment properties	10(b)	6,876	24,676
Other expenses from ordinary activities		(2,919)	(3,095)
Profit from ordinary activities before income tax expense	2	45,050	53,783
Company income tax expense		(464)	(216)
Net profit after company income tax expense attributable to stapled securityholders of Investa Property Group		44,586	53,567
Net increase in asset revaluation reserve	10(b)	132	–
Total revenues, expenses and valuation adjustments attributable to stapled securityholders of Investa Property Group recognised directly in equity		132	–
Total changes in equity other than those resulting from transactions with stapled securityholders as owners		44,718	53,567
Distribution paid and payable	11	40,027	30,934
Distribution paid and payable cents per stapled security	11	7.30	6.668
		Cents	Cents
Basic earnings per stapled security		8.19	11.60
Basic earnings per stapled security (before revaluation)		6.92	6.23
Basic earnings per stapled security (before revaluation and amortisation)		7.16	6.27

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

Half-Year Report

Combined Statement of Financial Position

As at 31 December 2001

	Notes	31 Dec 2001 \$'000	30 June 2001 \$'000
Current assets			
Cash assets		46,686	12,098
Receivables		25,947	12,941
Investments in associates	5	25,937	–
Other investments	6	19,691	–
Property inventories	4	65,052	–
Total current assets		183,313	25,039
Non-current assets			
Deferred tax asset		298	340
Intangibles	7	53,727	40,879
Property, plant and equipment		2,040	554
Loans to employees		5,303	1,173
Investment properties	3	1,101,813	1,091,885
Property inventories	4	72,651	–
Total non-current assets		1,235,832	1,134,831
Total assets		1,419,145	1,159,870
Current liabilities			
Payables		16,721	4,970
Interest bearing liabilities	8(a)	68,000	80,000
Current tax liabilities		8,101	434
Provisions		25,902	18,768
Total current liabilities		118,724	104,172
Non-current liabilities			
Interest bearing liabilities	8(b)	260,500	168,200
Deferred tax liabilities		6,748	–
Total non-current liabilities		267,248	168,200
Total liabilities		385,972	272,372
Net assets		1,033,173	887,498
Equity			
Contributed equity	9(a)	1,031,154	892,971
Reserves	10(b)	132	(6,876)
Amounts available for distribution	10(a)	1,887	1,403
Total equity		1,033,173	887,498

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

Combined Statement of Cash Flows

For the half-year ended 31 December 2001

	Notes	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		58,407	44,093
Cash payments in the course of operations		(16,946)	(14,436)
Interest received		510	399
Distributions from associates		9,454	6,621
Borrowing costs paid		(7,683)	(8,499)
Income taxes paid		(275)	(67)
Net cash inflow from operating activities		43,467	28,111
Cash flows from investing activities			
Payment for purchase of controlled entity, net of cash acquired	13	(50,519)	-
Payment for purchase of intangible assets		(8,159)	(39,272)
Payment for investment in associates		(31,215)	-
Payment for other investments		(19,691)	-
Proceeds from sale of investment in associates		5,000	-
Loans to employee share plan		(4,130)	-
Payment for property, plant and equipment		(135)	-
Payment for due diligence costs		(1,627)	-
Capital expenditure on investment properties		(2,676)	(2,345)
Net cash (outflow) from investing activities		(113,152)	(41,617)
Cash flows from financing activities			
Repayment of borrowings		(268,475)	(15,000)
Proceeds from issue of units		132,056	33,850
Payment for costs associated with issue of units		(4,044)	-
Proceeds from commercial notes issue		249,405	-
Payment for costs associated with issue of commercial notes		(1,018)	-
Proceeds from borrowings		20,000	3,500
Dividends/distributions paid		(23,651)	(15,167)
Net cash inflow from financing activities		104,273	7,183
Net increase / (decrease) in cash held		34,588	(6,323)
Cash at the beginning of the financial period		12,098	17,372
Cash at the end of the financial period		46,686	11,049
Non-cash financing and investing activities	12	12,972	14,971

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

Half-Year Report

Notes to and Forming Part of the Combined Financial Statements

For the half-year ended 31 December 2001

Note 1. Basis of preparation of Combined Financial Report

This general purpose combined financial report for the interim half-year period ended 31 December 2001 has been prepared in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and other authoritative pronouncements.

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 2001 and any announcements made by Investa Property Group during the half-year ended 31 December 2001 in accordance with the continuous disclosure requirements of the Australian Stock Exchange.

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.

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

(a) Revenue recognition

Revenue is recognised for the major business initiatives as follows:

i) Rent and property management fees

Rent and property management fees are brought to account on an accruals basis and, if not received at balance date is reflected in the Combined Statement of Financial Position as a receivable.

ii) Interest and investment income

Interest and investment income is brought to account on an accruals basis and, if not received at balance date is reflected in the Combined Statement of Financial Position as a receivable.

iii) Development projects

Revenue is recognised on settlement of contract for sale.

iv) Residential properties

Revenue is recognised on settlement of contract for sale.

(b) Inventory

i) Valuation

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development costs, holding costs, interest on funds borrowed, and is after crediting, where applicable, rental income relating to such projects during the development period. A provision is raised when it is believed that the costs incurred will not be recovered on the ultimate sale of the property. When a development is completed borrowing costs and other holding costs are expensed as incurred.

ii) Classification

Amounts are disclosed as current where it is anticipated that costs will be recovered within 12 months after balance date.

(c) Amortisation of intangible assets

Amortisation is calculated on a straight line basis to write off net costs of each intangible asset over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on an annual basis for all intangible assets. The expected useful lives are as follows:

Corporate property services establishment costs	20 years
Goodwill – developments	5 years
Payment for management rights	20 years

(d) 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.

(e) 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 statement of financial performance when receivable.

(f) Rounding

The Company is an entity 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.

Note 2. Segment information

	Property Funds Management \$'000	Property Development \$'000	Consolidated \$'000
Half-year ended 31 December 2001			
Revenue from ordinary activities	64,348	2,863	67,211
Segment result	44,667	383	45,050
Half-year ended 31 December 2000			
Revenue from ordinary activities	53,109	–	53,109
Segment result ⁽¹⁾	53,783	–	53,783

⁽¹⁾ The segment result for the 6 months to 31 December 2000 is greater than revenue from ordinary activities due to net property revaluations exceeding total Group expenses.

Half-Year Report

Notes to and Forming Part of the Combined Financial Statements (continued)

For the half-year ended 31 December 2001

Note 3. Non-current assets – Investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
Investa Property Trust				
62 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	26/02/88	28,744
64 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	01/07/94	23,648
73 Northbourne Avenue, Canberra, ACT*	Offices 99 yr leasehold	100%	06/05/94	23,324
73 Miller Street, North Sydney, NSW*	Offices/Freehold	100%	12/06/97	74,436
50-60 Talavera Road, North Ryde, NSW*	Offices/Freehold	100%	01/11/99	32,739
32 Philip Street, Parramatta, NSW	Offices/ Freehold	100%	01/11/99	21,784
55 Market Street, Sydney, NSW*	Offices/ Freehold	100%	31/07/98	121,881
241 Adelaide Street, Brisbane, QLD	Offices/ 75 yrs Leasehold	100%	10/09/98	21,102
410 Ann Street, Brisbane, QLD*	Offices/Freehold 120 yr leasehold	100%	23/11/87	57,684
260 Queen Street, Brisbane, QLD	Offices/ Freehold	100%	01/11/99	23,983
469 Latrobe Street, Melbourne, VIC*	Offices/ Freehold	100%	01/07/88	80,813
485 Latrobe Street, Melbourne, VIC*	Offices/ Freehold	100%	10/09/98	90,866
420 St Kilda Road, Melbourne, VIC	Offices/ Freehold	100%	12/12/86	24,566
109 St Georges Terrace, Perth, WA	Offices/ Freehold	100%	01/11/99	24,645
Total Parent				651,215
Investment in controlled entities				
Investa Real Property Growth Trust				
115 Grenfell Street, Adelaide, SA*	Offices/Freehold	100%	04/05/89	48,847
110 George Street, Parramatta, NSW*	Offices/Freehold	50%	02/10/97	67,101
		50%	15/12/98	
Total-Investa Real Property Growth Trust				115,948
Lizabeth Trust				
255 Elizabeth Street, Sydney, NSW*	Offices/Freehold	50%	21/09/94	155,219
		10%	11/12/98	
		40%	01/11/99	
Total-Lizabeth Trust				155,219
Total				922,382
Investments in associates				
60 Martin Place Unit Trust				
60 Martin Place, Sydney, NSW	Offices/Freehold	50%	01/11/99	79,745
SUNPAC Property Fund*				
1 Market Street, Sydney, NSW	Offices/Freehold	50%	09/01/96	81,534
80 Pacific Highway Trust				
80 Pacific Highway, North Sydney, NSW		50%	04/05/01	45,743
Investa Brisbane Commercial Trust				
		20%	08/05/01	4,820
Total-associates				211,842
Total				1,134,224

* These properties and units are used as security for the issue of commercial notes referred to in Note 8.

Properties not independently valued during the last 12 months are carried at directors' valuation at 31 December 2001.

Investa Property Group

Independent Valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 31/12/01 \$'000	Consolidated book value 30/06/01 \$'000
30/06/01	25,800	A Hall, GAPI, Arthur Andersen	25,800	25,800
31/03/01	12,000	A Martin, AAPI, JLL Advisory	12,010	12,000
31/12/00	17,000	P Dempsey, FAPI, Arthur Andersen	17,134	17,115
31/12/00	76,000	TM Phelan, FAPI, Knight Frank	77,410	76,758
30/09/00	31,400	R Lawrie, AAPI, JLL Advisory	31,400	31,400
30/09/00	21,100	A Martin, AAPI, JLL Advisory	21,100	21,100
30/06/01	130,000	K Goddard, FAPI, Knight Frank	130,015	130,000
30/09/00	18,400	D Mohr, AAPI, CB Richard Ellis	19,012	18,952
30/06/01	62,500	C Chatwood, AAPI, JLL Advisory	62,565	62,500
31/03/01	23,000	W Wiermann, AAPI, JLL Advisory	23,070	23,005
31/12/00	42,100	R Scrivener, FAPI-FRICS, Arthur Andersen	42,318	42,158
30/09/00	101,000	S L Bourke, AAPI, CB Richard Ellis	101,074	101,074
30/06/01	27,000	C Plant, JLL Advisory	27,039	27,000
30/09/00	23,750	GN Kennedy, FAPI, JLL Advisory	25,019	23,812
			614,966	612,674
31/03/01	26,500	James Pledge, AAPI, Knight Frank	26,681	26,675
31/12/00	66,500	W M Retallick, Bec FAPI, Knight Frank	66,752	66,527
			93,433	93,202
31/03/01	153,500	A Pannifex, AAPI Knight Frank	153,712	153,594
			153,712	153,594
			862,111	859,470
31/12/01	88,500	Hamish Roth, AAPI, JLL Advisory	88,196	87,130
30/09/01	101,250	SH Fairfax, MRICS, AAPI, CB Richard Ellis	100,943	95,000
31/03/01	45,375	MS Smallhorn, FAPI, JLL Advisory	45,743	45,465
-	-	-	4,820	4,820
			239,702	232,415
			1,101,813	1,091,885

Half-Year Report

Notes to the Combined Financial Statements (continued)

For the half-year ended 31 December 2001

Note 4. Property Inventories

	31 Dec 2001 \$'000	30 June 2001 \$'000
Current – land held for resale	65,052	–
Non-current – land held for resale	72,651	–

Note 5. Investment in associate

	31 Dec 2001 \$'000	30 June 2001 \$'000
Investment in Martin Place Trust	25,937	–
	25,937	–

On 2 October 2001, Investa Properties Limited established the Martin Place Trust which purchased 50% of the units in 60 Martin Place Unit Trust which owns 100% of the property located at 60 Martin Place, Sydney. The units held by the company at 31 December 2001 represent 42% of the issued units for Martin Place Trust. The remaining 58% of units have already been sold to wholesale investors and it is the expectation that the units still held by the company will also be sold down to external investors.

Note 6. Other investment

	31 Dec 2001 \$'000	30 June 2001 \$'000
Suncorp Metway Balanced Property Fund	19,691	–
	19,691	–

On 3 January 2002, Investa Properties Limited became the Responsible Entity of the Suncorp Metway Balanced Property Fund which manages \$248million of commercial property assets. These assets include 100% of the State Law Building, Brisbane, 100% of Kings Row Office Park, Brisbane and a 50% interest in 1 Market Street, Sydney. As part of the transaction on 28 November 2001, Investa Properties Limited purchased \$19.7million of units in Suncorp Metway Balanced Property Fund, representing approximately 8% of the units on issue. Under the terms of the agreement with Suncorp Metway, Investa Properties Limited will sell down to external wholesale investors all the units in Suncorp Metway Balanced Property Fund which are owned by Suncorp Metway entities, with the exception of \$75million of the units which will be retired through a new debt facility within the fund. The company is expecting to sell down these units by 19 January 2003 (including Investa Properties Limited's existing holding of \$19.7million). Any units remaining unsold by 19 January 2003 will be purchased by the company.

Investa Property Group

Note 7. Intangible assets

	31 Dec 2001 \$'000	30 June 2001 \$'000
Corporate property services establishment costs	3,500	3,500
Less: accumulated amortisation	(190)	(102)
	3,310	3,398
Goodwill ⁽¹⁾	5,973	–
Less: accumulated amortisation	(199)	–
	5,774	–
Payment for restructuring and management rights ⁽²⁾	46,758	38,598
Less: accumulated amortisation	(2,115)	(1,117)
	44,643	37,481
	53,727	40,879

⁽¹⁾ Represents goodwill for the purchase of Silverton Limited.

⁽²⁾ Includes the payment to acquire the management rights to the Suncorp Metway Balanced Property Fund together with restructuring costs associated with the formation of the Group and for the relinquishment of the management rights over Investa Property Trust.

Note 8. Interest bearing liabilities

	31 Dec 2001 \$'000	30 June 2001 \$'000
8(a) Current – secured		
Cash advance facility	–	80,000
Bills of exchange facility	68,000	–
	68,000	80,000
8(b) Non-current – secured		
Cash advance facility	10,500	168,200
Commercial notes	250,000	–
	260,500	168,200
8(c) Facility limits		
Bills of exchange facility	70,000	–
Cash advance facility	82,675	254,675
Commercial notes	250,000	–
	402,675	254,675

Commercial notes

On 28 November 2001, the Investa Property Trust issued \$250,000,000 of commercial notes in the form of commercial mortgage backed securities. The notes have been issued for a term of 5 years and consist of a fixed rate tranche of \$100,000,000 with a coupon rate of 6.0% per annum payable semi-annually and a floating rate tranche of \$150,000,000 at the 90 day BBSW rate plus a margin of 0.43%. The notes have been rated 'AAA' by Standard & Poors and are secured by first mortgages over investment property as detailed in note 3. The floating tranche has been fully hedged through the use of interest rate swaps.

Half-Year Report

Notes to and Forming Part of the Combined Financial Statements (continued)

For the half-year ended 31 December 2001

Note 8. Interest bearing liabilities (continued)

Cash advance facilities

A \$75,000,000 cash advance facility has been established with the Commonwealth Bank of Australia in addition to the existing line of \$7,675,000, both loans are secured by the assets of the Group.

Bills of exchange facility

A bills of exchange facility for \$70,000,000 was acquired as part of the purchase of Silverton Limited. This facility will be renegotiated within 12 months.

Note 9. Contributed equity

(a) Paid up capital

	No. of Securities \$'000	31 Dec 2001 \$'000	No. of Securities \$'000	31 Dec 2000 \$'000
Investa Property Trust	592,862	1,031,154	515,490	892,971
Investa Property Limited ⁽¹⁾	592,862	–	515,490	–
		1,031,154		892,971

⁽¹⁾ The total value of shares issued by Investa Properties Limited as at 31 December 2001 and 31 December 2000 was \$100.

(b) Reconciliation of contributed equity

At 31 December 2001

	Investa Property Trust		Investa Property Ltd*	
	No. of units	\$'000	No. of units	\$'000
Opening balance	515,490	892,971	515,490	–
Placement of securities	66,883	125,522	66,883	–
Distributions reinvested	7,013	12,972	7,013	–
Costs for placement of securities	–	(4,044)	–	–
Transfer to distributable income	–	(2,801)	–	–
Security Participation Plan	3,476	6,534	3,476	–
Closing balance	592,862	1,031,154	592,862	–

* The total value of shares issued by Investa Properties Limited at 31 December 2001 was \$100.

At 30 June 2001

	Investa Property Trust		Investa Property Ltd*	
	No. of units	\$'000	No. of units	\$'000
Shares/units on issues prior to stapling of securities	456,999	791,132	10,050	–
Placement of securities	46,321	80,350	27,515	–
Transfer to distributable income	–	(2,519)	–	–
Costs for placement of securities	–	(81)	–	–
Distributions reinvested	12,170	20,140	2,846	–
Loss on sale of property	–	(82)	–	–
Transfer of realised profit on disposal of investment property from asset revaluation reserve	–	4,031	–	–
Issue of shares upon stapling of securities	–	–	475,079	–
Closing balance	515,490	892,971	515,490	–

Investa Property Group

Note 10. Reserves

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
(a) Amounts available for distribution		
Opening balance	1,403	2,843
Profit attributable to securityholders of Investa Property Group before transfer from reserves	44,586	53,567
Revaluation increments transferred to asset revaluation reserve	(6,876)	(24,676)
Transfer from contributed equity	2,801	160
Dividends/distribution paid and payable	(40,027)	(30,934)
Closing balance	1,887	960

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
(b) Reserves		
Asset revaluation reserve		
Opening balance	(6,876)	(58,910)
Increment of revaluation of investment properties	132	-
Transfer from distributable income	6,876	24,676
Closing balance	132	(34,234)

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Increases/(decreases) on revaluation of investment property		
410 Ann Street, Brisbane	-	1,760
62 Northbourne Avenue, Canberra	-	-
469 Latrobe Street, Melbourne	-	7,443
420 St Kilda Road, Melbourne	-	-
73 Northbourne Avenue, Canberra	-	(31)
64 Northbourne Avenue, Canberra	-	-
73 Miller Street, Sydney	-	3,388
55 Market Street, Sydney	-	178
485 Latrobe Street, Melbourne	-	10,160
241 Adelaide Street, Brisbane	-	(2,047)
32 Phillip Street, Parramatta	-	475
260 Queen Street, Brisbane	-	232
109 St Georges Terrace, Perth	-	1,488
50-60 Talavera Road, North Ryde	-	400
107-109 Mount Street, Sydney	-	-
115 Grenfell Street, Adelaide	-	-
110 George Street, Parramatta	-	(833)
255 Elizabeth Street, Sydney	-	-
Total increment on revaluation of investment property	-	22,613

Half-Year Report

Notes to and Forming Part of the Combined Financial Statements (continued)

For the half-year ended 31 December 2001

Note 10. Reserves (continued)

Share of increment of revaluation of investment property by associate	31 Dec 2001 \$'000	31 Dec 2000 \$'000
SUNPAC Property Fund	5,943	2,063
60 Martin Place, Sydney	1,065	-
Total increment on revaluation of investment property by associate	7,008	2,063
Less revaluation increment taken to revenue as reversal of previous decrement	(6,876)	(24,676)
Net increment/(decrement) recognised directly in asset revaluation reserve	132	-

Properties are now 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. The properties were previously valued annually. The properties owned by the associated entities as outlined above are valued quarterly.

Note 11. Dividends and distributions

Timing of dividends and distributions

	31 Dec 2001		31 Dec 2000	
	\$'000	Cents per stapled security	\$'000	Cents per stapled security
The dividends/distributions were paid/payable as follows:				
30 September paid	18,931	3.625	15,171	3.288
30 November paid	-	-	385 ⁽¹⁾	0.039 ⁽¹⁾
31 December payable	21,096	3.675	15,763	3.380
	40,027	7.300	31,319	6.707

⁽¹⁾ Dividends declared at 30 November 2000 was paid to the shareholders of Westpac Investment Property Limited prior to the formation of Investa Property Group.

Note 12. Non-cash financing and investing activities

Dividends/distributions satisfied by the issue of securities under the Group distribution reinvestment plan were as follows:

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
July 2000 - 4,488,853 units @ \$1.59	-	7,138
October 2000 - 4,835,332 units @ \$1.62	-	7,833
July 2001 - 3,871,000 units @ \$1.76	6,813	-
November 2001 - 3,142,359 units @ \$1.96	6,159	-
	12,972	14,971

Investa Property Group

Note 13. Investment in controlled entities

Name of entity	Country of Incorporation	Class of Share	Equity 31 Dec 2001 %	Equity 30 June 2001 %
Investa Asset Management Pty Limited	Australia	Ordinary	100	100
Investa Developments Pty Limited	Australia	Ordinary	100	–
Investa Nominees Pty Limited	Australia	Ordinary	100	–
Silverton Limited & controlled entities	Australia	Ordinary	100	–

Silverton acquisition

On 9 November 2001, Investa Developments Pty Ltd a 100% owned company of the parent entity reached an agreement to acquire 100% of the issued share capital of Silverton Limited. Under the transaction, Investa Development Pty Ltd has acquired a portfolio of commercial and industrial developments and sites in New South Wales, Victoria and Queensland, together with four parcels of residential development land for subdivision in Victoria, Queensland and Western Australia. Investa Developments Pty Ltd will acquire all of the issued shares in Silverton for \$50,946,000 subject to final settlement adjustments.

Control of Silverton Limited passed to Investa Developments Pty Ltd on 9 November 2001 with the sale of shares to be completed during February 2002.

Fair value of identified net assets of controlled entity acquired as at 9 November 2001:

Item	\$ '000
Plant and equipment	1,524
Trade debtors	1,933
Other debtors	2,667
Inventories	140,212
Cash	1,202
Bank overdraft	(775)
Borrowings	(78,000)
Payables	(6,274)
Provisions	(15,043)
	47,446
Goodwill on acquisition	5,973
Less: Deferred consideration	(2,473)
	50,946
Outflow of cash used to acquire controlled entity net of cash acquired	
Cash Consideration	50,946
Less balances acquired:	
Cash	1,202
Bank overdraft	(775)
	427
Outflow of cash	50,519

Half-Year Report

Notes to and Forming Part of the Combined Financial Statements (continued)

For the half-year ended 31 December 2001

Note 14. Events occurring after reporting date

On 15 January 2002, the company settled the acquisition of six industrial assets on behalf of the Investa First Industrial Trust. The portfolio was purchased for \$50,572,609 and includes industrial properties in Sydney, Melbourne and Brisbane. The portfolio will be sold through a retail offering with the Prospectus for the Investa First Industrial Trust having been registered with ASIC. It is expected the units will be sold down by the company and settled by the end of February 2002 at which time funds will be returned to the company in full.

Contracts were exchanged on 31 January 2002 for the purchase of 209 Kingsway, South Melbourne by Investa South Melbourne Trust which is jointly owned by Investa Property Trust and a wholly owned subsidiary of Investa Properties Limited. The property is presently under construction and on completion in February 2003 is expected to have a value of approximately \$100 million. The purchase price of \$24.9 million reflects the value of the land and improvements constructed on 31 January 2002, with further payments pursuant to a Development Agreement with Multiplex Developments No.1 Pty Limited to be made on completion of construction. That payment is determined as net income under leases capitalised at 8% less the \$24.9 million. The Trust will receive a licence fee from settlement to completion reflecting an 8% yield on \$24.9 million.

The financial effects of these transactions have not been brought to account at 31 December 2001.

On 3 January 2002, Investa Properties Limited became the Responsible Entity of the Suncorp Metway Balanced Property Fund (see Note 6).

Directors' Declaration

The directors declare that the combined financial statements and notes set out on pages 15 to 28:

- (a) comply with Accounting Standards, and other mandatory professional reporting requirements; and
- (b) present fairly the combined entity's financial position as at 31 December 2001 and of its combined performance, as represented by the results of its combined operations and combined cash flows for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the combined entity will be able to pay its debts as and when they become due and payable.

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



I K Payne
Director
Sydney
12 February 2002

**Independent Audit Report to the stapled securityholders
of Investa Property Group**

Scope

We have audited the combined financial report of Investa Property Group (the Group) for the half-year ended 31 December 2001 as set out on pages 15 to 28 comprising Investa Property Trust and Investa Properties Limited and the entities they controlled at the end of, or during, the half-year. The directors of Investa Properties Limited (the Responsible Entity) are responsible for the combined financial report. We have conducted an independent audit of the combined financial report in order to express an opinion on it, so as to enable the Group to lodge the combined financial report with the Australian Stock Exchange.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the combined financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the combined financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the combined financial report is presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements, so as to present a view which is consistent with our understanding of the Group's combined financial position, and performance as represented by the results of its operations and its cash flows.

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


Audit opinion

In our opinion, the combined financial report of the Group presents fairly:

- (i) the combined financial position of the Group as at 31 December 2001 and the results of its combined operations, cash flows and performance for the half-year ended on that date; and
- (ii) in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements.



PricewaterhouseCoopers
Chartered Accountants



J A Dunning
Partner
Sydney
12 February 2002

Half-Year Report 31 December 2001

Investa Properties Limited

ABN 54 084 407 241

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Directors' Report

The directors of Investa Properties Limited present their report for the half-year ended 31 December 2001.

Directors

The following persons held office as directors at the date of this report:

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

All directors held office for the whole of the financial reporting period except for J L Arthur who was appointed on 2 July 2001.

Dividends

Dividends paid and payable for the half-year period ended 31 December 2001 is \$835,056 (2000:\$712,000) being 0.15 cents per share (2000: 0.1087 cents per share).

Review of operations

During the period the principal activities of the consolidated entity were property funds management and property development, operating in one geographical area, Australia.

A summary of the results is as follows:

	31 Dec 2001 (6 months) \$'000	31 Dec 2000 (3 months) \$'000
Profit from ordinary activities before income tax expense	1,504	301
Total assets	226,937	9,166
Shareholders Equity	648	46

Rounding of amounts

The Company is an entity of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded to the nearest thousand dollars in accordance with that class order unless otherwise indicated.

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



I K Payne
 Director
 Sydney
 12 February 2002

Half-Year Report

Consolidated Statement of Financial Performance

For the half-year ended 31 December 2001

	Notes	31 Dec 2001 (6 months) \$'000	31 Dec 2000 (3 months) \$'000
Revenue from operating activities	2	11,616	1,548
Distribution from associates		528	–
Interest		70	74
Total revenue from ordinary activities	3	12,214	1,622
Cost of goods sold		2,480	–
Employee expenses		4,903	391
Borrowing costs		869	26
Amortisation of intangibles		320	15
Other expenses from ordinary activities		2,138	889
Profit from ordinary activities before income tax expense	3	1,504	301
Income tax expense		464	227
Net profit attributable to members of Investa Properties Limited		1,040	74
Total changes in equity other than those resulting from transactions with owners as owners		1,040	74
		Cents	Cents
Basic earnings per share		0.19	0.04

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

Consolidated Statement of Financial Position

As at 31 December 2001

	Notes	31 Dec 2001 \$'000	30 June 2001 \$'000
Current assets			
Cash assets		7,007	644
Receivables	5	11,748	1,960
Investment in associate	7	25,937	–
Other investment	8	19,691	–
Property inventories	4	65,052	–
Total current assets		129,435	2,604
Non-current assets			
Intangible assets	6	17,210	3,398
Loans to employees		5,303	1,173
Property inventories	4	72,651	–
Property, plant and equipment		2,040	554
Deferred tax asset		298	341
Total non-current assets		97,502	5,466
Total assets		226,937	8,070
Current liabilities			
Payables		11,589	491
Income tax liabilities		8,102	434
Interest bearing liabilities	11(a)	68,000	–
Provisions	10	5,622	1,502
Total current liabilities		93,313	2,427
Non-current liabilities			
Deferred tax liabilities		6,748	–
Interest bearing liabilities	11(b)	126,228	5,200
Total non-current liabilities		132,976	5,200
Total liabilities		226,289	7,627
Net assets		648	443
Equity			
Contributed equity	12	–	–
Retained profits	13	648	443
Total equity		648	443

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

Half-Year Report

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2001

	Notes	31 Dec 2001 (6 months) \$'000	31 Dec 2000 (3 months) \$'000
Cash flows from operating activities			
Cash received from operations		13,455	3,330
Cash payments for operations		(5,928)	(1,677)
Interest received		70	63
Borrowing costs paid		(326)	-
Income taxes paid		(275)	(67)
Net cash inflow from operating activities		6,996	1,649
Cash flows from investing activities			
Payments for intangibles		(8,159)	(3,500)
Payment for property, plant & equipment		(135)	-
Payment for due diligence costs		(1,627)	-
Loans to employees		(4,130)	-
Payment for purchase of controlled entity	9	(50,519)	-
Payments for investment in associate		(30,937)	-
Payment for other investment		(19,691)	-
Sale of investment in associate		5,000	-
Repayment of share capital		-	(10,050)
Net cash (outflow) from investing activities		(110,198)	(13,550)
Cash flows from financing activities			
Repayment of borrowings		(15,475)	-
Repayment of borrowings from related entity		(5,000)	-
Proceeds from borrowings from related entity		127,728	3,500
Proceeds from borrowings		3,000	-
Dividends paid		(688)	-
Net cash inflow from financing activities		109,565	3,500
Net increase / (decrease) in cash held		6,363	(8,401)
Cash at the beginning of the reporting period		644	9,944
Cash at the end of the reporting period		7,007	1,543

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 2001

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

This general purpose consolidated financial report for the interim Half Year Reporting period ended 31 December 2001 has been prepared in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2001 and any public announcements made by Investa Properties Limited 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.

The accounting policies adopted are consistent with those of the previous financial year and corresponding period ended 31 December 2000, unless stated otherwise below.

(a) Revenue recognition

Revenue is recognised for the major business initiatives as follows:

i) Rent and property management fees

Rent and property management fees are brought to account on an accruals basis and, if not received at balance date is reflected in the Statement of Financial Position as a receivable.

ii) Interest and investment income

Interest and investment income is brought to account on an accruals basis and, if not received at balance date is reflected in the Statement of Financial Position as a receivable.

iii) Development projects

Revenue is recognised on settlement of contract for sale.

iv) Residential properties

Revenue is recognised on settlement of contract for sale.

(b) Inventory

i) Valuation

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development costs, holding costs, interest on funds borrowed, and is after crediting, where applicable, rental income relating to such projects during the development period. A provision is raised when it is believed that the costs incurred will not be recovered on the ultimate sale of the property. When a development is completed borrowing costs and other holding costs are expensed as incurred.

ii) Classification

Amounts are disclosed as current where it is anticipated that the assets will be disposed of within 12 months after balance date.

(c) Amortisation of intangible assets

Amortisation is calculated on a straight line basis to write off net costs of each intangible asset over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on an annual basis for all intangible assets. The expected useful lives are as follows:

Corporate property services establishment costs	20 years
Goodwill – developments	5 years
Payment for management rights	20 years

Half-Year Report

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2001

Note 1. Basis of preparation of half-year financial report (continued)

(d) Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess 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.

(e) 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 statement of financial performance when receivable.

(f) Rounding

The Company is an entity 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.

Note 2. Revenue from operating activities

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Sales of property inventory	2,863	–
Management fees	8,234	1,548
Rent	394	–
Other revenue	125	–
	11,616	1,548

Note 3. Segment Information

	Property Funds Management \$'000	Property Development \$'000	Consolidated \$'000
Half-year ended 31 December 2001			
Revenue from ordinary activities	9,351	2,863	12,214
Segment result	1,121	383	1,504
3 month period ended 31 December 2000			
Revenue from ordinary activities	1,622	–	1,622
Segment result	301	–	301

Note 4. Property Inventories

	31 Dec 2001 \$'000	30 June 2001 \$'000
Current – land held for resale	65,052	–
Non-current – land held for resale	72,651	–

Investa Properties Limited

Note 5. Receivables

	31 Dec 2001 \$'000	30 June 2001 \$'000
Management fees	461	1,285
Investment income	653	-
Trade receivables	6,055	-
Prepayments	271	45
Other	4,308	630
	11,748	1,960

Note 6. Intangible Assets

	31 Dec 2001 \$'000	30 June 2001 \$'000
Corporate property services establishment costs	3,500	3,500
Less: accumulated amortisation	(190)	(102)
	3,310	3,398
Goodwill - development ⁽¹⁾	5,973	-
Less: accumulated amortisation	(199)	-
	5,774	-
Payment for management rights ⁽²⁾	8,159	-
Less: accumulated amortisation	(33)	-
	8,126	-
	17,210	3,398

⁽¹⁾ Represents goodwill for the purchase of Silverton Limited.

⁽²⁾ Represents the payment to acquire the management rights to the Suncorp Metway Balanced Property Fund.

Note 7. Investment in Associate

	31 Dec 2001 \$'000	30 June 2001 \$'000
Investment in Martin Place Trust	25,937	-
	25,937	-

On 2 October 2001, Investa Properties Limited established the Martin Place Trust which purchased 50% of the units in 60 Martin Place Unit Trust which owns 100% of the property located at 60 Martin Place, Sydney. The units held by the company at 31 December 2001 represents 42% of the issued units for Martin Place Trust. The remaining 58% of units have already been sold to wholesale investors and it is the expectation that the units still held by the company will also be sold down to external investors.

Half-Year Report

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2001

Note 8. Other Investment

	31 Dec 2001 \$'000	30 June 2001 \$'000
Suncorp Metway Balanced Property Fund	19,691	-
	19,691	-

On 3 January 2002, Investa Properties Limited became the Responsible Entity of the Suncorp Metway Balanced Property Fund which manages \$248million of commercial property assets. These assets include 100% of the State Law Building, Brisbane, 100% of Kings Row Office Park, Brisbane and a 50% interest in 1 Market Street, Sydney. As part of the transaction on 28 November 2001, Investa Properties Limited purchased \$19.7million of units in Suncorp Metway Balanced Property Fund, representing approximately 8% of the units on issue. Under the terms of the agreement with Suncorp Metway, Investa Properties Limited will sell down to external wholesale investors all the units in Suncorp Metway Balanced Property Fund which are owned by Suncorp Metway entities, with the exception of \$75million of the units which will be retired through a new debt facility within the fund. The company is expecting to sell down these units by 19 January 2003 (including Investa Properties Limited's existing holding of \$19.7million). Any units remaining unsold by 19 January 2003 will be purchased by the company.

Note 9. Investment in controlled entities

Name of entity	Country of Incorporation	Class of Share	Equity 31 Dec 2001 %	Equity 30 June 2001 %
Investa Asset Management Pty Limited	Australia	Ordinary	100	100
Investa Developments Pty Limited	Australia	Ordinary	100	-
Investa Nominees Pty Limited	Australia	Ordinary	100	-
Silverton Limited & controlled entities	Australia	Ordinary	100	-

Silverton acquisition

On 9 November 2001, Investa Developments Pty Ltd a 100% owned company of the parent entity reached an agreement to acquire 100% of the issued share capital of Silverton Limited. Under the transaction, Investa Development Pty Ltd has acquired a portfolio of commercial and industrial developments and sites in New South Wales, Victoria and Queensland, together with four parcels of residential development land for subdivision in Victoria, Queensland and Western Australia. Investa Developments Pty Ltd will acquire all of the issued shares in Silverton for \$50,946,000 subject to final settlement adjustments.

Control of Silverton Limited passed to Investa Developments Pty Ltd on 9 November 2001 with the sale of shares to be completed in February 2002.

Investa Properties Limited

Note 9. Investment in controlled entities (continued)

Fair value of identified net assets of controlled entity acquired as at 9 November 2001:

Item	\$'000
Plant and equipment	1,524
Trade debtors	1,933
Other debtors	2,667
Inventories	140,212
Cash	1,202
Bank overdraft	(775)
Borrowings	(78,000)
Payables	(6,274)
Provisions	(15,043)
	47,446
Goodwill on acquisition	5,973
Less: Deferred consideration	(2,473)
Cash consideration	50,946
Outflow of cash used to acquire controlled entity net of cash acquired	
Cash Consideration	50,946
Less balances acquired:	
Cash	1,202
Bank overdraft	(775)
	427
Outflow of cash	50,519

Note 10. Provisions

	31 Dec 2001 \$'000	30 June 2001 \$'000
Dividends	574	427
Employee entitlements	1,291	1,075
Other	3,757	-
	5,622	1,502

Note 11. Interest bearing liabilities

	31 Dec 2001 \$'000	30 June 2001 \$'000
11(a) Current – interest bearing liabilities		
Bills of exchange facility – secured	68,000	-
	68,000	-
11(b) Non-current – interest bearing liabilities		
Cash advance facility – secured	3,500	5,200
Loans from Investa Property Trust – unsecured	122,728	-
	126,228	5,200

Bills of exchange facility

A bills of exchange facility for \$70,000,000 was acquired as part of the purchase of Silverton Limited. This facility will be renegotiated within 12 months.

Half-Year Report

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2001

Note 12. Contributed Equity

	31 Dec 2001 \$'000	30 June 2001 \$'000
(a) Contributed equity		
Opening balance ⁽¹⁾	–	–
Placement of shares	–	–
Dividends reinvested	–	–
Security Participation Plan	–	–
Closing balance ⁽¹⁾	–	–
(b) Number of shares		
Opening balance	515,490	456,999
Placement of shares	66,883	46,321
Dividends reinvested	7,013	12,170
Security Participation Plan	3,476	–
Closing balance	592,862	515,490

⁽¹⁾ The total value of shares issued by Investa Properties Limited at 31 December 2001 and 30 June 2001 was \$100.

Note 13. Retained Profits

	31 Dec 2001 \$'000	30 June 2001 \$'000
Retained profits at the beginning of the period	443	684
Net profit attributable to members of Investa Properties Limited	1,040	992
Dividends provided for or paid	(835)	(1,233)
Retained profits at the end of the period	648	443

Note 14. Dividends

	31 Dec 2001 \$'000	31 Dec 2001 CPS	31 Dec 2000 \$'000	31 Dec 2000 CPS
Timing of Dividends				
30 September paid	261	0.0500	–	–
30 November paid	–	–	385 ⁽¹⁾	0.0385
31 December payable	574	0.1000	327	0.0702
	835	0.1500	712	0.1087

⁽¹⁾ Dividends declared at 30 November 2000 was paid to the shareholders of Westpac Investment Property Limited prior to the formation of Investa Property Group.

Note 15. Events occurring after reporting date

On 15 January 2002, the company settled the acquisition of six industrial assets on behalf of the Investa First Industrial Trust. The portfolio was purchased for \$50,572,609 and includes industrial properties in Sydney, Melbourne and Brisbane. The portfolio will be sold through a retail offering with the Prospectus for the Investa First Industrial Trust having been registered with ASIC. It is expected the units will be sold down by the company and settled by the end of February 2002 at which time funds will be returned to the company in full.

Contracts were exchanged on 31 January 2002 for the purchase of 209 Kingsway, South Melbourne by Investa South Melbourne Trust which is jointly owned by Investa Property Trust and a wholly owned subsidiary of Investa Properties Limited. The property is presently under construction and on completion in February 2003 is expected to have a value of approximately \$100 million. The purchase price of \$24.9 million reflects the value of the land and improvements constructed on 31 January 2002, with further payments pursuant to a Development Agreement with Multiplex Developments No.1 Pty Limited to be made on completion of construction. That payment is determined as net income under leases capitalised at 8% less the \$24.9 million. The Trust will receive a licence fee from settlement to completion reflecting an 8% yield on \$24.9 million.

The financial effects of these transactions have not been brought to account at 31 December 2001.

On 3 January 2002, Investa Properties Limited became the Responsible Entity of the Suncorp Metway Balanced Property Fund (see Note 8).

Half-Year Report

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 32 to 41:

- (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 consolidated entity's financial position as at 31 December 2001 and of its performance, as represented by the results of its operations and its cash flows, for the period ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (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.

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



I K Payne
Director
Sydney
12 February 2002

**Independent Audit Report to the members
of Investa Properties Limited**

Scope

We have audited the financial report of Investa Properties Limited (the Company) for the half-year ended 31 December 2001 as set out on pages 32 to 42. The Company's directors are responsible for the financial report which includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of, or during, the half-year. We have conducted an independent audit of the financial report in order to express an opinion on it, so as to enable the Company to lodge the financial report with the Australian Securities & Investments Commission.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows.

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

Audit opinion

In our opinion, the financial report of the Company is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2001 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.



PricewaterhouseCoopers
Chartered Accountants



J A Dunning
Partner
Sydney
12 February 2002

Half-Year Report 31 December 2001

Investa Property Trust

ARSN 088 705 882

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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 2001.

Directors

The following persons held office as directors at the date of this report:

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

All directors held office for the whole of the financial reporting period except for J L Arthur who was appointed on 2 July 2001.

Principal activities

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

Distributions

Distributions totalling \$39,192,174 (7.15 cents per unit) were paid and payable by the Trust for the half-year ended 31 December 2001 (31 December 2000: \$30,607,000 equivalent to 6.5976 cents per unit).

Review of operations

The performance of the Trust was as follows:

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Net profit (including net revaluation of investment properties)	43,545	53,194
Income carried forward	960	2,843
Transfer from contributed equity	2,801	160
Net transfers to reserves	(6,876)	(24,676)
Amount available for distribution	40,430	31,521
Distribution paid and payable	39,192	30,607
Value of Trust assets at 31 December 2001	1,315,772	1,090,492

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
 12 February 2002

Half-Year Report

Consolidated Statement of Financial Performance

For the half-year ended 31 December 2001

	Notes	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Rent		47,994	44,955
Distribution from associates		9,070	6,730
Interest		1,077	389
Total revenue from ordinary activities		58,141	52,074
Property outgoings		(9,915)	(9,645)
Repairs and maintenance		(946)	(1,390)
Borrowing costs		(7,665)	(9,279)
Amortisation of intangibles		(965)	(160)
Other expenses from ordinary activities		(1,981)	(3,082)
Increment on revaluation of investment properties	6(a)	6,876	24,676
Net profit		43,545	53,194
Net increase in asset revaluation reserve	6(a)	132	-
Total revenues, expenses and valuation adjustments attributable to unitholders of Investa Property Trust recognised directly in equity		132	-
Total changes in equity other than those resulting from transactions with unitholders as owners		43,677	53,194
Distribution paid and payable	4	39,192	30,607
Distribution paid and payable per unit (CPU)	4	7.15	6.59
Basic earnings per unit (CPU)		8.00	11.43
Basic earnings per unit (before revaluation)		6.73	6.15
Basic earnings per unit (before revaluation and amortisation)		6.91	6.18

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

Consolidated Statement of Financial Position

As at 31 December 2001

	Notes	31 Dec 2001 \$'000	30 June 2001 \$'000
Current assets			
Cash assets		39,679	11,454
Receivables		15,035	11,564
Loans to related entities	3	122,728	–
Total current assets		177,442	23,018
Non-current assets			
Investment properties	2	1,101,813	1,091,885
Intangibles		36,517	37,481
Total non-current assets		1,138,330	1,129,366
Total assets		1,315,772	1,152,384
Current liabilities			
Payables		5,726	5,063
Interest bearing liabilities	7(a)	–	80,000
Provision for distribution	4	20,522	17,266
Total current liabilities		26,248	102,329
Non-current liabilities			
Interest bearing liabilities	7(b)	257,000	163,000
Total non-current liabilities		257,000	163,000
Total liabilities		283,248	265,329
Net assets		1,032,524	887,055
Equity			
Contributed equity	5	1,031,154	892,971
Reserves	6(a)	132	(6,876)
Amounts available for distribution	6(b)	1,238	960
Total equity		1,032,524	887,055

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

Half-Year Report

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2001

	Notes	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		47,151	44,080
Cash payments in the course of operations		(13,254)	(13,495)
Interest received		477	389
Distributions from associates		9,454	6,621
Borrowing costs paid		(7,357)	(8,499)
Net cash inflow from operating activities		36,471	29,096
Cash flows from investing activities			
Capital expenditure on investment properties		(2,676)	(2,345)
Loans to related entities		(127,728)	-
Repayment of loans by related parties		5,000	-
Payments for investments in associates		(278)	-
Payments for intangible assets		-	(35,772)
Net cash outflow from investing activities		(125,682)	(38,117)
Cash flows from financing activities			
Proceeds from issue of units		132,056	33,850
Payment for costs associated with issue of units		(4,044)	-
Proceeds from borrowings		17,000	-
Proceeds from issue of commercial notes		249,405	-
Payment for costs associated with issue of commercial notes		(1,018)	-
Repayment of borrowings		(253,000)	(15,000)
Distributions paid		(22,963)	(15,167)
Net cash inflow from financing activities		117,436	3,683
Net increase/(decrease) in cash held		28,225	(5,338)
Cash at the beginning of the reporting period		11,454	14,844
Cash at the end of the reporting period		39,679	9,506
Non-cash financing and investing activities	4	12,973	14,971

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 2001

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

This general purpose consolidated Financial Report for the half-year ended 31 December 2001 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 2001 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.

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

Half-Year Report

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2001

Note 2. Non-current assets – Investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
Investa Property Trust				
62 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	26/02/88	28,744
64 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	01/07/94	23,648
73 Northbourne Avenue, Canberra, ACT*	Offices 99 yr leasehold	100%	06/05/94	23,324
73 Miller Street, North Sydney, NSW*	Offices/Freehold	100%	12/06/97	74,436
50-60 Talavera Road, North Ryde, NSW*	Offices/Freehold	100%	01/11/99	32,739
32 Philip Street, Parramatta, NSW	Offices/ Freehold	100%	01/11/99	21,784
55 Market Street, Sydney, NSW*	Offices/ Freehold	100%	31/07/98	121,881
241 Adelaide Street, Brisbane, QLD	Offices/ 75 yrs Leasehold	100%	10/09/98	21,102
410 Ann Street, Brisbane, QLD*	Offices/Freehold 120 yr leasehold	100%	23/11/87	57,684
260 Queen Street, Brisbane, QLD	Offices/ Freehold	100%	01/11/99	23,983
469 Latrobe Street, Melbourne, VIC*	Offices/ Freehold	100%	01/07/88	80,813
485 Latrobe Street, Melbourne, VIC*	Offices/ Freehold	100%	10/09/98	90,866
420 St Kilda Road, Melbourne, VIC	Offices/ Freehold	100%	12/12/86	24,566
109 St Georges Terrace, Perth, WA	Offices/ Freehold	100%	01/11/99	24,645
Total Parent				651,215
Investment in controlled entities				
Investa Real Property Growth Trust				
115 Grenfell Street, Adelaide, SA*	Offices/Freehold	100%	04/05/89	48,847
110 George Street, Parramatta, NSW*	Offices/Freehold	50%	02/10/97	67,101
		50%	15/12/98	
Total-Investa Real Property Growth Trust				115,948
Lizabeth Trust				
255 Elizabeth Street, Sydney, NSW*	Offices/Freehold	50%	21/09/94	155,219
		10%	11/12/98	
		40%	01/11/99	
Total-Lizabeth Trust				155,219
Total				922,382
Investments in associates				
60 Martin Place Unit Trust				
60 Martin Place, Sydney, NSW	Offices/Freehold	50%	01/11/99	79,745
SUNPAC Property Fund*				
1 Market Street, Sydney, NSW	Offices/Freehold	50%	09/01/96	81,534
80 Pacific Highway Trust				
80 Pacific Highway, North Sydney, NSW		50%	04/05/01	45,743
Investa Brisbane Commercial Trust				
		20%	08/05/01	4,820
Total-associates				211,842
Total				1,134,224

* These properties and units are used as security for the issue of commercial notes referred to in Note 7.

Properties not independently valued during the last 12 months are carried at directors' valuation at 31 December 2001.

Investa Property Trust

Independent Valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 31/12/01 \$'000	Consolidated book value 30/06/01 \$'000
30/06/01	25,800	A Hall, GAPI, Arthur Andersen	25,800	25,800
31/03/01	12,000	A Martin, AAPI, JLL Advisory	12,010	12,000
31/12/00	17,000	P Dempsey, FAPI, Arthur Andersen	17,134	17,115
31/12/00	76,000	TM Phelan, FAPI, Knight Frank	77,410	76,758
30/09/00	31,400	R Lawrie, AAPI, JLL Advisory	31,400	31,400
30/09/00	21,100	A Martin, AAPI, JLL Advisory	21,100	21,100
30/06/01	130,000	K Goddard, FAPI, Knight Frank	130,015	130,000
30/09/00	18,400	D Mohr, AAPI, CB Richard Ellis	19,012	18,952
30/06/01	62,500	C Chatwood, AAPI, JLL Advisory	62,565	62,500
31/03/01	23,000	W Wiermann, AAPI, JLL Advisory	23,070	23,005
31/12/00	42,100	R Scrivener, FAPI-FRICS, Arthur Andersen	42,318	42,158
30/09/00	101,000	S L Bourke, AAPI, CB Richard Ellis	101,074	101,074
30/06/01	27,000	C Plant, JLL Advisory	27,039	27,000
30/09/00	23,750	GN Kennedy, FAPI, JLL Advisory	25,019	23,812
			614,966	612,674
31/03/01	26,500	James Pledge, AAPI, Knight Frank	26,681	26,675
31/12/00	66,500	W M Retallick, Bec FAPI, Knight Frank	66,752	66,527
			93,433	93,202
31/03/01	153,500	A Pannifex, AAPI Knight Frank	153,712	153,594
			153,712	153,594
			862,111	859,470
31/12/01	88,500	Hamish Roth, AAPI, JLL Advisory	88,196	87,130
30/09/01	101,250	SH Fairfax, MRICS, AAPI, CB Richard Ellis	100,943	95,000
31/03/01	45,375	MS Smallhorn, FAPI, JLL Advisory	45,743	45,465
-	-	-	4,820	4,820
			239,702	232,415
			1,101,813	1,091,885

Half-Year Report

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2001

Note 3. Loans to related entities

	31 Dec 2001 \$'000	30 June 2001 \$'000
Unsecured loans		
Investa Properties Limited ⁽¹⁾	16,403	-
Investa Nominees Pty Limited ⁽¹⁾	45,629	-
Investa Developments Pty Limited ⁽²⁾	60,696	-
	122,728	-

These loans arise as new capital is principally sourced by Investa Property Trust and loaned to Investa Properties Limited (or its subsidiaries) as required to support their investment activities. Under this arrangement the loans forwarded are at times non-interest bearing.

⁽¹⁾ These loans accrue interest at market rates and are repayable on demand.

⁽²⁾ This loan does not presently accrue interest and is repayable on demand.

Note 4. Distribution paid and payable

	31 Dec 2001 \$'000	31 Dec 2001 CPU	31 Dec 2000 \$'000	31 Dec 2000 CPU
Timing of distributions				
The distributions were paid/ payable as follows:				
30 September	18,670	3.575	15,171	3.2875
31 December	20,522	3.575	15,436	3.3101
	39,192	7.150	30,607	6.5976

The 31 December 2001 distribution is due to be paid on 28 February 2002.

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

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
Paid in cash	22,963	15,020
Satisfied by issue of units	12,973	14,971
	35,936	29,991

Note 5. Contributed Equity

	31 Dec 2001 \$'000	30 June 2001 \$'000
(a) Contributed equity		
Opening balance	892,971	791,132
Issue of units	145,028	100,490
Costs for issue of units	(4,044)	(81)
Loss on sale of investment property	-	(82)
Transfer to distributable income	(2,801)	(2,519)
Transfer from asset revaluation reserve	-	4,031
Closing balance	1,031,154	892,971

Investa Property Trust

Note 5. Contributed Equity (continued)

(b) Number of units	'000	'000
Opening balance	515,490	456,999
Placement of units	66,883	46,321
Distributions reinvested	7,013	12,170
Security Participation Plan	3,476	-
Closing balance	592,862	515,490

Note 6. Reserves

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
(a) Asset revaluation reserve		
Opening balance	(6,876)	(58,910)
Increment on revaluation of investment properties	132	-
Transfer from distributable income	6,876	24,676
Closing balance	132	(34,234)

Increases/(decreases) on revaluation of investment properties

55 Market Street, Sydney	-	178
73 Miller Street, North Sydney	-	3,388
32 Phillip Street, Parramatta	-	475
50-60 Talavera Road, North Ryde	-	400
485 Latrobe Street, Melbourne	-	10,160
469 Latrobe Street, Melbourne	-	7,443
420 St Kilda Road, Melbourne	-	-
410 Ann Street, Brisbane	-	1,760
241 Adelaide Street, Brisbane	-	(2,047)
260 Queen Street, Brisbane	-	232
62 Northbourne Avenue, Canberra	-	-
64 Northbourne Avenue, Canberra	-	-
73 Northbourne Avenue, Canberra	-	(31)
109 St Georges Terrace, Perth	-	1,488
255 Elizabeth Street, Sydney	-	-
110 George Street, Parramatta	-	(833)
115 Grenfell Street, Adelaide	-	-

Revaluation of investments in associates

SUNPAC Property Fund	5,943	2,063
60 Martin Place Unit Trust	1,065	-

Total increment on revaluation of investment properties	7,008	24,676
Less revaluation increment taken to revenue as reversal of previous decrement	(6,876)	(24,676)

Net increment/(decrement) recognised directly in asset revaluation reserve

132	-
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Properties are now 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. The properties were previously valued annually. The properties owned by the associated entities as outlined above are valued quarterly.

Half-Year Report

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2001

Note 6. Reserves (continued)

	31 Dec 2001 \$'000	31 Dec 2000 \$'000
(b) Amounts available for distribution		
Amounts available for distribution at the beginning of the financial period	960	2,843
Net profit	43,545	53,194
Transfer from contributed equity	2,801	160
Transfer to asset revaluation reserve	(6,876)	(24,676)
Distributions provided for or paid	(39,192)	(30,607)
	1,238	914
Amounts available for distribution at the end of the financial period	1,238	914

Note 7. Interest bearing liabilities

	31 Dec 2001 \$'000	30 June 2001 \$'000
Secured liabilities		
(a) Current liabilities		
Cash advance facilities	–	80,000
	–	80,000
(b) Non-current liabilities		
Commercial notes	250,000	–
Cash advance facilities	7,000	163,000
Total secured liabilities	257,000	243,000
(c) Limits		
Commercial notes	250,000	–
Cash advance facilities	75,000	247,000
Total facilities	325,000	247,000
Used at balance date	257,000	243,000
Unused at balance date	68,000	4,000

Commercial notes

On 28 November 2001, the Trust issued \$250,000,000 of commercial notes in the form of commercial mortgage backed securities. The notes have been issued for a term of 5 years and consist of a fixed rate tranche of \$100,000,000 with a coupon rate of 6% per annum payable semi-annually and a floating rate tranche of \$150,000,000 at the 90 day BBSW rate plus a margin of 0.43%. The notes have been rated 'AAA' by Standard & Poors and are secured by first mortgages over investment property as detailed in Note 2. The floating tranche has been fully hedged through the use of interest rate swaps.

Cash advance facilities

A \$75,000,000 facility has been established with the Commonwealth Bank of Australia and is secured by the assets of the Trust.

Note 8. 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 9. Events occurring after reporting date

Contracts were exchanged on 31 January 2002 for the purchase of 209 Kingsway, South Melbourne by Investa South Melbourne Trust which is jointly owned by Investa Property Trust and a wholly owned subsidiary of Investa Properties Limited. The property is presently under construction and on completion in February 2003 will have a value of approximately \$100 million. The purchase price of \$24.9 million reflects the value of the land and improvements constructed as at 31 January 2002, with further payments pursuant to a Development Agreement with Multiplex Developments No.1 Pty Limited to be made on completion of construction. That payment is determined as net income under leases capitalised at 8% less \$24.9 million payment. The Trust will receive a licence fee from settlement to completion reflecting an 8% yield on the \$24.9 million payment.

Note 10. 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.

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 46 to 55:

- (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 2001 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 2001.

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



I K Payne

Director

Sydney

12 February 2002

Half-Year Report

Independent Audit Report to the Unitholders of Investa Property Trust

Scope

We have audited the financial report of Investa Property Trust (the Trust) for the half-year ended 31 December 2001 as set out on pages 46 to 55. The directors of Investa Properties Limited (the Responsible Entity) are responsible for the financial report which includes the consolidated financial statements of the consolidated entity comprising the Trust and the entities it controlled at the end of or during, the half-year. We have conducted an independent audit of the financial report in order to express an opinion on it, so as to enable the directors of the Responsible Entity to lodge the financial report with the Australian Securities & Investments Commission.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements and the Corporations Act 2001 and the Trust Constitution (as amended), so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows.

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

Audit opinion

In our opinion, the financial report of the Trust is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2001 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) the Trust Constitution (as amended); and
- (c) other mandatory professional reporting requirements.



PricewaterhouseCoopers
Chartered Accountants



J A Dunning
Partner
Sydney
12 February 2002

Directory

Investa Properties Limited

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Level 17, 135 King Street
Sydney NSW 2000

Directors

Ian Payne (Chairman) Non Executive
Chris O'Donnell, Managing Director
Peter Carney, Non Executive
Shaun Mays, Non Executive
John Arthur, Non Executive

Company Secretary

Brian McGarry

Auditors

PricewaterhouseCoopers
Chartered Accountants
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Sydney NSW 2000

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If you are interested in receiving details of further opportunities to invest in property syndicates, please contact Investa Property Group on (02) 8226 9300.

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