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IBC Directory

Key Information

31 December 2002

Investa Property Group

Total Assets	\$2.2 billion
Gearing	27.5%
Net Tangible Asset Backing	\$1.78 per security
Funds Under Management	\$2.8 billion

Investment Activities

Investa Property Trust

26 Commercial office buildings	521,000m ²
Occupancy Rate*	98.0%
Average remaining lease term*	5.8 years

* weighted by ownership share

Business Activities

Syndicates

Investa Fourth Commercial Trust	\$59.5 million
Investa First Industrial Trust	\$52.7 million
Investa Second Industrial Trust	\$61.7 million
Investa North Sydney Property Trust	\$47.4 million
Investa Brisbane Commercial Trust	\$53.9 million
Collins Property Trust	\$48.9 million

Wholesale Funds Management

Martin Place Wholesale Fund	\$93.9 million
Investa Commercial Property Fund	\$221.2 million

Property Management

Properties Under Management	39
Licensed in New South Wales, Victoria and Queensland	

Development

Residential/Office/Industrial projects	\$104.4 million
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Corporate Property Services

Westpac Banking Corporation

ASX Trading Performance

Closing trade price	\$2.16 per security
12 month high	\$2.16 per security
12 month low	\$1.93 per security
market capitalisation	\$1.8 billion

Managing Director's Report

It is pleasing to report that for the six-month period to 31 December 2002, Investa has continued to perform strongly, consolidating its position as Australia's leading integrated property group, focussed on the commercial sector. This follows a period of substantial yet measured expansion in the Group's core activities.

The \$570 million purchase of 7 office buildings from Telstra Corporation was one of the largest transactions of its kind in the sector during the period and underscores Investa's strength and substance. Following the transaction, the Group became the largest listed office trust in Australia with total assets of approximately \$2.2 billion.

Including the Telstra portfolio, some \$870 million of acquisitions were made to support the Group's investment, funds management and development activities. These acquisitions and the performance of the group during the period reinforce the value to our investors of increasing our participation across the property value chain.

In total, \$453 million in new equity was raised during the six months at an average issue price of \$1.92 per security. The market capitalisation of the Group now stands at \$1.8 billion (based on a trading price of \$2.16 per security at 31 December 2002), putting Investa among the Top 80 of Australian listed companies. Investa is now the largest entity in the UBSW Commercial Property Trust Index.

In addition, through our involvement with the Property Council of Australia, Investa is influencing the outcome of industry issues such as corporate governance, sustainability, accounting standards, tax and other legislative changes.

Healthy distribution outlook

In light of the underlying performance of the Group and the expected benefit of the transactions undertaken during the first half, we confirm a target distribution rate for the 2003 Financial Year of 15.60 cents per security, an increase of 5.7% over the previous year. Supporting this target, earnings before revaluations and amortisation per security for the first half of the year were 8.07 cents per security, up 12.7% on the previous corresponding period. The distribution rate declared for the period was 7.7 cents per security.

Depth of management a key to the future

The strategic execution and performance of the Group have been underpinned by an experienced executive management team, enabling Investa to capitalise on those particular opportunities that satisfied our investment criteria. In these endeavours we have benefited from the experience and commitment to risk management and good governance of our Board.

Supporting Investa's growth, we have increased our staff during the six months to 125, located across four states of Australia. These additional staff range from those

directly involved in property management and finance, to human resources and development. Given their breadth of expertise, we believe the quality of our people is becoming a clear differentiator for the Group.

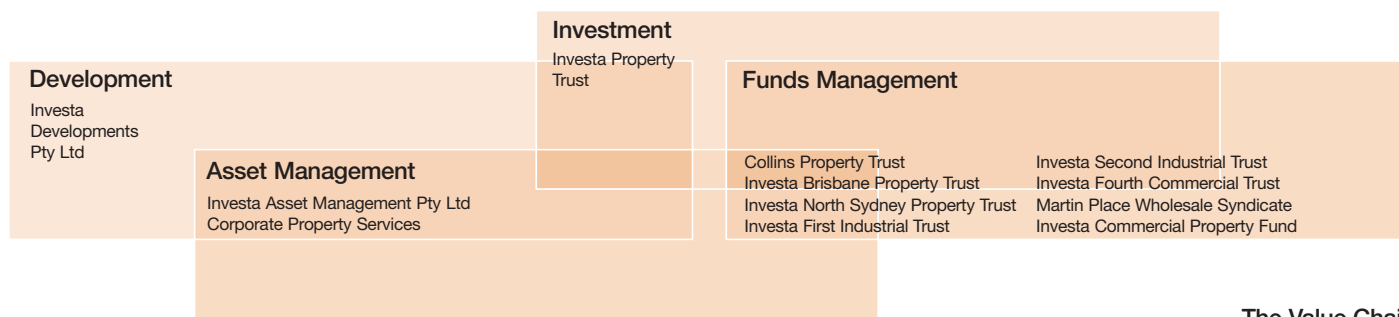
The value of leadership

We value the continuing confidence shown by investors in the building of the business. In October, Investa was awarded the Property Trust Manager of the Year Award for 2002, an award determined by a survey of the major investors in the property trust sector as to overall performance.

Investa is committed to maintaining its position as an industry leader in delivering the benefits of sustainability to our stakeholders, and we believe the reinforcement of sustainability principles across our operations will generate real benefits by improving environmental performance and financial outcomes.

Our achievements in this area were recognised in November when Investa was nominated as the leader among Australian Real Estate Trusts for the second year running by Sustainable Asset Management, an international sustainability, research and investment company.

We are implementing a program to consolidate and benchmark sustainability outcomes across the Group, aimed at ensuring that the measurement of social,





environmental and economic factors is an integral part of our business.

Strategic execution

In the last six months, a number of activities have been undertaken by the Group in pursuit of our strategic aims.

In a calculated and measured way, these have consolidated Investa's position as one of Australia's leading property investment companies. The detail of these activities is as follows.

Transaction Activity

Since concluding the \$570 million purchase of the Telstra Portfolio, we have focused on generating further value from these acquisitions across our business platform. This has centred on:

- creating and sharing in the savings in accommodation costs for Telstra,
- the launch of a further syndicate utilising interests in the Perth and Adelaide properties to generate a \$2.0 million gain, and
- the disposal of the Cairns property for \$3.5 million to realise a \$0.6 million gain.

In addition to the Telstra transaction, a number of other assets have been acquired for the investment portfolio, while others have been sold to either third parties or funds and syndicates under Investa's management.

These transactions have supported the strategic objectives of the Group, providing investment assets to expand our syndication business and to facilitate the restructuring of the wholesale fund, Investa Commercial Property Fund. These transactions included:

- The purchase of a 50% interest in Penrhyn House in Woden, ACT for \$19.3 million, the remaining interest being placed into a syndicate.
- The exchange of contracts for the purchase of 589 Collins Street, Melbourne for \$54.0 million. It is proposed that a 50% interest in this property will be syndicated later in 2003.
- The purchase of a 48% interest in Investa Sunlaw Trust for \$73.4 million as part of the restructuring of the wholesale fund, Investa Commercial Property Fund. This trust owns 50 Ann Street, Brisbane, a 50% interest in 50-52 McDougall Street, Milton and 50% of 1 Market Street, Sydney. This interest was increased to 100% in January 2003, following which

the Group's existing 50% interest in 1 Market St, Sydney and a 50% interest in 231 Elizabeth Street, Sydney were transferred into the wholesale fund.

- The exchange of contracts for the purchase of two medium density residential development sites; a 4 hectare site at Cook Avenue, Hillarys, to the north of Perth for \$4.78 million, and a 0.8 hectare site at Forbes St, West End in Brisbane for \$5.6 million.
- The exchange of contracts for the sale of 260 Queen Street, Brisbane for \$24.2 million. This sale has since been completed realising a \$1.1 million gain on valuation.

In addition to these, the final \$75 million payment was made on the completion of construction of 209 Kingsway, South Melbourne. This property was acquired part way through construction in January 2002, and is fully leased to ANZ and BMW Australia.

The total value of these transactions was over \$1 billion, with the sales, excluding 260 Queen St, (the sale of which will be brought to account in the second half of the financial year) contributing \$2.4 million in realised gains.

Acquisitions	\$ Million	Sales	\$ Million
242 Exhibition St, Melbourne, NSW	\$260.00	260 Queen St, Brisbane, QLD	\$24.20
310-322 Pitt St, Sydney, NSW	\$118.80	111-115 Grafton St, Cairns, QLD	\$3.55
231 Elizabeth St, Sydney, NSW	\$110.50	30 Pirie St, Adelaide, SA (50%)	\$39.80
30 Pirie St, Adelaide, SA	\$39.80	80 Stirling St, Perth, WA (50%)	\$29.20
80 Stirling St, Perth, WA	\$29.20		
7-13 Tomlins St, Townsville, QLD	\$8.90		
111-115 Grafton St, Cairns, QLD	\$2.80		
1 Market Street, Sydney, NSW ⁽¹⁾	\$102.50		
50 Ann St, Brisbane, QLD ⁽¹⁾	\$83.00		
50-52 McDougall St, Milton, QLD (50%) ⁽¹⁾	\$31.70		
Penrhyn House, Bowes St, Woden, ACT (50%)	\$19.30		
589 Collins St, Melbourne, VIC	\$54.00		
Cook Ave, Hillarys, WA	\$4.78		
43 Forbes St, West End, QLD	\$5.60		

⁽¹⁾ Through the purchase of a 48% interest in Investa Sunlaw Trust as at balance date and subsequently increased to 100% in January 2003.

Investment Portfolio leasing success

Major Leasing Activity

Address	Tenant	Area m ²	Expiry
485 La Trobe St, Melbourne	PKF Australia	2,187	Sep-07
469 La Trobe St, Melbourne	Tress Cocks & Maddox	2,719	Jun-09
410 Ann St, Brisbane	MIM	1,218	Jun-07
241 Adelaide Street, Brisbane	Fastenshire Pty Ltd	509	Jan-08
1 Market St, Sydney	Argyle Partnership	780	Dec-12
1 Market St, Sydney	Strategic Capital Management	417	Sep-06
109 St Georges Tce, Perth	Dunhill Management Services	300	Jun-07

The portfolio continued to deliver earnings growth, with like for like property income increasing by 2.2% over the previous corresponding period, with the largest increases recorded in the Sydney and Melbourne assets.

Leasing activity has continued through both solid tenant retention and securing new tenancies, with over 11,000m² leased in the six months to December 2002. This leasing effort, coupled with limited expiry exposure over the last six months, has maintained portfolio occupancy at 98%.

Key areas for leasing include a number of floors at 1 Market St, Sydney, 2 floors in 109 St Georges Tce, Perth and 410 Ann St, Brisbane.

The security of the portfolios future earnings stream has been strengthened considerably, following the significant acquisition and disposal activity undertaken in the last six months. Now, only 30% of the Investment Portfolio leases expire in the next three financial years.

Softer market conditions have continued, especially in the Sydney office market. This market is expected to recover over the next 6 to 9 months, with tenant enquiries for new premises increasing over the last two months and the availability of contiguous floor space becoming more limited.

We are continuing to achieve substantial rental growth in our Melbourne assets. The Melbourne market is expected to soften in the next 12-18 months, leading to buying opportunities as exemplified by 589 Collins Street, Melbourne.

IPT Expiry Profile (by area)

■ IPT Expiry Profile (Jun 2002)
 ■ IPT Expiry Profile (Dec 2002)



Development maintains momentum

Considerable success has been achieved in development activities across Victoria, New South Wales, Queensland and Western Australia. The strategic intent of this business is a measured expansion, broadening its activities in each of these markets focusing on:

- Residential land sub-division
- Medium density housing
- Commercial and industrial projects

During the period, contracts for the sale of 176 blocks of land were completed across the Group's residential estates, realising \$22.0 million.

Estate	Sold	Average Sale Price/lot
Mill Park Lakes – VIC	96	\$89,000
Quinns Beach – WA	11	\$302,000
Manly – QLD	69	\$172,000

Contracts for the sale of a further 204 lots have been exchanged and are scheduled for settlement in the second half of this financial year.

The Group is actively seeking to replenish its residential land-bank. We believe Investa will continue to be competitive in this sector where success is likely to favour larger capitalized companies which can take opportunities to increase market share, at realistic land prices.

As part of this process, two development properties were contracted; a 4 hectare residential site at Hillarys, to the north of Perth, and a 0.8 hectare site at West End in Brisbane adjacent to Investa's existing site. A rezoning to medium density residential will be sought for both sites.

At Macquarie St, Parramatta, Council approval has been obtained for the development of a 10,000m² office building.

Discussions with a number of potential tenants have been held with the expectation that construction will commence once pre-commitments are secured representing at least 30% of the building. A key feature of this building will be its 4-star energy standard under the SEDA Building Greenhouse Rating System.

This feature clearly differentiates this building from existing buildings in the Parramatta market, an issue increasingly important to discerning companies in response to their own supply chain sustainability programs.

Syndication expansion

Collins Property Trust
Investa Brisbane Commercial Trust
Investa North Sydney Property Trust
Investa First Industrial Trust
Investa Second Industrial Trust
Investa Fourth Commercial Trust

Offering the strength of leases to Telstra and the Commonwealth Government, the Investa Fourth Commercial Trust was added to the suite of syndicates managed by Investa. The addition of this syndicate brought the total number of syndicates managed by Investa to six, representing \$324.3 million in funds under management.

Applications for this syndicate far exceeded the amount on offer and it is planned to launch Investa's seventh syndicate in the coming months.

Opportunities for individuals to invest in syndicates are regularly available and if you would like to obtain a copy of 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.

Wholesale Funds' strategic implementation

Investa Commercial Property Fund
Martin Place Wholesale Syndicate

The Group's strategy is to offer both open ended and closed end funds to suit the needs of wholesale investors. General feedback from investors is supporting this direction.

During the six months, considerable focus has been placed on the implementation of the Strategic Plan for the Investa Commercial Property Fund. This has seen a number of transactions undertaken on behalf of the Fund, together with other initiatives introduced which have resulted in broadening the asset base of the Fund. The Fund has now been included in the Mercers Unlisted Property Trust Index and the feedback from the market has been very encouraging.

Our closed end fund, Martin Place Wholesale Syndicate, has 58% of units sold and performed ahead of information memorandum forecasts.

Corporate Property Services extended to Telstra

The Corporate Property Services business continues to service the needs of Westpac Banking Corporation. It has extended its services to Telstra as part of the acquisition of that portfolio.

The services provided comprised three core competencies:

- Space Planning – workspace strategic gains,
- Guaranteed Operating Cost Savings, and
- Lease Flexibility – dealing with spare capacity.

We anticipate that these services will continue to generate tangible benefits to Telstra in the millions of dollars.

We continue to explore opportunities to extend our services to additional clients.

Asset Management coverage grows

The focus of the Asset Management business on delivering high tenant service and effective leasing strategies continued to be a core activity of the Group.

The Group is now responsible for the management of over 1,320,000m² of office and industrial premises, an area greater than Australia's fifth largest office market, Perth CBD.

This scale provides efficiency in procuring services for the portfolio. As part of this, our commitment to sustainability initiatives has been expanded to introduce sub-metering and monitoring of electricity consumption and water usage monitoring. With a relatively small amount of capital invested, these initiatives provide paybacks of around 20 months, reduce the environmental load of our properties and deal more responsibly with water resources.

Finance and capital management

	Date	Price per Security	Amount
Priority Entitlement Issue	15/08/02 & 13/09/02	\$1.89	\$330.0 million
Distribution Reinvestment Plan Placement	23/08/02	\$1.97	\$8.4 million
Distribution Reinvestment Plan	23/10/02	\$2.02	\$90.9 million
Securityholder Purchase Plan*	21/11/02	\$2.05	\$12.6 million
	30/12/02	\$2.02	\$10.7 million
Total			\$452.6 million

* Australian Securities and Investment Commission Policy stipulates that each Securityholder may participate in Securityholder Purchase Plan issues to a maximum of \$5,000 in any 12 month period

Supporting the many transactions undertaken, the Group completed a number of substantial capital raisings during the period. Each of the new equity issues was very well supported, raising a total of \$452.6 million at an average price of \$1.92 per security.

New debt facilities were also established, against which \$287.5 million was drawn upon. The gearing ratio of the Group presently stands at 27.5% with a further amount of \$83.0 million available to be drawn from existing facilities.

With interest rates moving down during much of the period, we put in place additional hedging arrangements. At 31 December, 72% of interest rate exposure was hedged, with an average duration of 3.31 years.

Conclusion

The first half of the year has been very active, reinforcing the underlying strength of Investa's integrated property platform and solid associated investor returns. All operating businesses and the Trust have performed well during the period.

With a quality executive management team firmly in place, and strong Board commitment to corporate governance, Investa is consolidating its position as one of Australia's leading providers of integrated property solutions.

In the next six-months the Group will focus on the integration of recent acquisitions, implementing property solutions, and identifying new opportunities that add to shareholder value



Chris O'Donnell
Managing Director

Investment Portfolio Details

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	102,500	Dec 02 7.63%	10.00% 7.75%	3,680m ² 12.4%	29,752 666
255 Elizabeth St Sydney	Sept '94	153,000	Mar 01 7.50%	10.25% 7.75%	193m ² 0.7%	28,455 148
55 Market St Sydney	July '98	138,000	Jun 02 7.50%	10.35% 7.75%	1,013m ² 4.5%	22,613 49
60 Martin Pl Sydney ⁽¹⁾	Nov '99	92,500	Dec 02 6.90%	10.25% 7.50%	NIL	28,385 82
231 Elizabeth St Sydney ⁽¹⁾	Aug '02	57,500	June '02 7.25%	10.00% 8.00%	NIL	23,269 80
310 Pitt St Sydney	Nov '02	120,000	June '02 7.75%	10.25% 8.50%	NIL	29,159 -
80 Pacific Hwy North Sydney ⁽¹⁾	Apr '01	45,375	Mar 01 7.50%	10.50% 8.00%	NIL	13,696 86
73 Miller St North Sydney	Jun '97	90,000	Jun 02 7.75%	10.50% 8.25%	NIL	14,703 159
110 George St Parramatta	Oct '97	66,500	Jun 02 9.30%	10.75% 9.25%	512m ² 2.4%	20,976 347
32 Phillip St Parramatta	Nov '99	21,100	Sep 00 8.50%	10.75% 8.75%	NIL	6,759 104
50 – 60 Talavera Rd North Ryde	Nov '99	31,400	Dec 00 8.75%	11.00% 9.75%	NIL	11,323 128
Victoria						
242 Exhibition St Melbourne	Aug '02	261,000	Jun '02 7.50%	9.75% 8.00%	124m ² 0.19%	65,539 346
485 LaTrobe St Melbourne	Sept '98	111,000	Jun 02 8.50%	10.25% 8.75%	NIL	34,045 208
469 LaTrobe St Melbourne	July '88	53,100	Jun 02 9.50%	10.75% 9.75%	NIL	19,830 47
420 St Kilda Rd Melbourne	Dec '86	27,000	Jun 01 9.00%	11.00% 10.00%	399m ² 3.8%	10,534 135
209 Kingsway South Melbourne ⁽¹⁾	Jan '02	50,000	Aug 02 8.00%	10.20% 8.50%	NIL	25,027 750
Queensland						
410 Ann Street Brisbane	Nov '87	62,500	Jun 01 9.25%	11.25% 10.25%	2,499m ² 12.2%	20,488 693
241 Adelaide St Brisbane	Sept '98	17,000	Dec 02 9.75%	10.50% 9.00%	226m ² 3.0%	7,412 76
50 Ann Street Brisbane ⁽²⁾	Dec 02	83,000	Dec 02 8.75	10.22% 9.00%	NIL	25,519 119
Kings Row Office Park Milton ^(1,2)	Dec 02	31,700	Dec 02 9.00%	10.10% 9.50%	1,104m ² 5.3%	20,710 41
Australian Capital Territory						
62 Northbourne Ave Canberra	Feb '88	27,500	Jun 02 9.75%	11.50% 10.25%	NIL	9,964 110
64 Northbourne Ave Canberra	July '94	16,100	Jun 02 10.00%	11.50% 10.50%	521m ² 8.0%	6,508 35
73 Northbourne Ave Canberra	May '94	17,000	Dec 00 9.35%	11.00% 10.25%	NIL	6,237 86
Bowes St Woden, Canberra ⁽¹⁾	Dec '02	19,300	Sept 02 9.25%	10.75% 9.50%	NIL	12,624 131
South Australia						
115 Grenfell St Adelaide	May '89	26,500	Mar 01 10.50%	12.75% 11.00%	219m ² 1.6%	13,895 38
Western Australia						
109 St Georges Tce Perth	Nov '99	25,500	Jun 02 9.00%	11.75% 9.25%	1,076m ² 9.40%	14,032 79
Total Portfolio					11,567m² 2.0%*	521,454 5,119

⁽¹⁾ 50% interest

⁽²⁾ Held through Investa Sunlaw Trust. This trust was 48% owned by Investa Property Trust at 31 December 2002, increasing to 100% at 31 January 2003.

* weighted by ownership

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 company, Investa Properties Limited.

TFN Information

The Group is obligated to deduct tax at the top marginal rate plus Medicare levy from distributions paid to Australian resident securityholders who have supplied their Tax File Number or Exemption.

Voting Rights

The voting rights are one vote per stapled security.

Purchase and Sales of Securities

Investa Property Group is listed on the 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 Services Pty Limited. Please contact the Register in writing to change the manner in which distributions are received or 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 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.

Half-Year Report

31 December 2002

Investa Property Group

Consisting of the combined reports of Investa Property Trust ARSN 088 705 882
and Investa Properties Limited ABN 54 084 407 241

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Half-Year Report

Investa Property Group

Directors' Report

The directors of Investa Properties Limited present their report for the Investa Property Group (the 'Group') for the half-year ended 31 December 2002.

This report includes the combined results of Investa Properties Limited (IPL) and Investa Property Trust (IPT) for the half-year ended 31 December 2002.

Directors

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

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

J I Messenger was appointed to the board on 15 August 2002.

P J Carney passed away on 7 August 2002.

Principal activities

During the period, the principal 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 2002 were \$62,238,333 (2001: \$40,027,230) which is equivalent to 7.7 cents per stapled security to the stapled securityholders (2001: 7.3 cents per stapled security). All dividends were fully franked.

Review of operations

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

	31 December 2002	31 December 2001
	\$'000	\$'000
Total revenue from ordinary activities	161,748	67,211
Net profit after company tax attributable to securityholders of Investa Property Group (including net revaluation increments)	58,552	44,586
Transfer of net valuation increments to asset revaluation reserve	–	(6,876)
Transfer from contributed equity to amounts available for distribution	6,807	2,801
Amounts available for distribution brought forward from previous period	3,141	1,403
Dividends & distributions paid and payable	(62,238)	(40,027)
Amounts available for distribution carried forward at 31 December	6,262	1,887
Total value of Group assets at 31 December	2,211,771	1,419,145

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.



I K Payne

Director

Sydney

31 January 2003

Half-Year Report

Investa Property Group

Discussion and Analysis on Combined Financial Statements

For the half-year ended 31 December 2002

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 2002.

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

Combined Statement of Financial Performance

Before adjustment for net increases in property valuations, underlying net profit of the Group increased from \$37,710,000 to \$58,552,000, an increase of 55% on prior corresponding period.

This growth in earnings reflects the increase in operating revenue in both the Company and the Trust, with the Trust contributing 65% of revenue before proceeds from sales of investments and the Company 35%, increasing from 14% in the corresponding period. Total Group revenue was \$161,748,000, comprising \$83,034,000 from property and unit trust investments, \$34,407,000 from the operating activities of the Company and total interest income of \$2,367,000.

Trust revenue has increased 42% to \$82,931,000, driven by rental income increasing by 36.4% to \$65,450,000, reflecting the increased property portfolio due to acquisitions, including the purchase of a property portfolio acquired from Telstra during the period, and market rental reviews. During the period there have not been any revaluation increments recorded in the Statement of Financial Performance as all previous revaluation decrements have been reversed. Distributions from associates (unit trust investments) also contributed to the increased revenue reflecting new investments in associates made during the period, including Penrhyn House Trust, Investa South Melbourne Trust and Investa Sunlaw Trust.

Total Company revenue for the half-year ended 31 December 2002 included the following:

- Sales of investments totalling \$41,941,000 relating to the sale of a 50% interest in Stirling and Pirie Trusts (\$38,392,000) to a syndicate managed by Investa, and a property in Cairns (\$3,550,000)
- sales of property inventory of \$26,669,000, including residential lots at Manly, Queensland \$11,026,000, Quinns Beach, Western Australia \$3,121,000, Turner Street, Melbourne \$1,984,000 and Mills Park, Melbourne \$8,538,000. (2001–\$2,863,000);
- fee revenue of \$3,542,000 from Westpac Banking Corporation in respect of the corporate property services contract (2001–\$4,113,000);
- syndicate establishment and management fees of \$1,770,000 (2001–\$354,000, management fees only), include fees in respect of the launch of a new retail property syndicate, being the Investa Fourth Commercial Trust and due to the receipt of an underwriting fee from a previously launched syndicate, the Investa First Industrial Trust. Ongoing management fees were received from other syndicates launched in previous reporting periods;
- management fees of \$1,115,000 in respect of wholesale property trusts being Martin Place Trust and Investa Sunlaw Trust (2001 – \$427,000);
- property management fees of \$2,268,000 as operations expanded in NSW and Victoria and then to Queensland in March 2002 (2001 – \$1,295,000);
- expense recovery and management fees from the vendor of Silverton Limited of \$2,250,000 for the management of property sale agreements executed prior to the acquisition (2001 – \$529,000); and
- rental income from completed developments prior to sale of \$525,000 (2001–\$394,000 nil); and rental income from 3 properties of \$4,909,000(2001–nil)

Higher operating expenses, including rates and taxes, property outgoing and repairs and maintenance, compared with the corresponding period, reflected the increase in the property portfolio.

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

The distribution for the period increased 5.5% to 7.70 cents per stapled security from 7.30 cents per stapled security for the previous corresponding period. This comprised a distribution of 6.75 cents per unit from the Trust and a fully franked dividend from the Company of 0.95 cents per share.

Earnings per Stapledsecurity (EPS) for the half-year ended 31 December 2002 of 7.83 cents includes the sale of a 50% interest in Pirie Street Trust and Stirling Street Trust and the sale of the property in Cairns. Excluding these non-recurring items the underlying EPS is 7.59 cents, an increase of 9.7% on the corresponding period (6.92 cents). The increase in underlying EPS (before revaluations) is due to growth in the business including the impact of the acquisition of the development business, the acquisition of the Telstra portfolio and greater investment income earned by the Group.

In total, \$62,238,000 was distributed, leaving \$6,262,000 available for distribution in future periods.

Combined Statement of Financial Position

Total assets within the Group increased 51% from \$1,466,160,000 at 30 June 2002 to \$2,211,771,000 at 31 December 2002, due mainly to the acquisition of 7 properties from Telstra and a 50% interest in 209 Kingsway, Melbourne and Penrhyn House, Canberra, coupled with a net revaluation increment of \$2,667,000 in investment properties held by the Trust recognised directly in the asset revaluation reserve.

The property development inventory comprises a portfolio of commercial/industrial developments and sites and four parcels of residential development land. The value of this inventory at 31 December 2002 was \$104,405,203, decreasing from \$117,565,000 as at 30 June 2002 reflecting sales during the period.

The Group also made investments in both Investa Sunlaw Trust and Investa Commercial Property Fund, holding 48% and 100% of the issued units respectively, along with a 55% interest in the property located at 7-10 Tomlins Street, Townsville and a 50% interest in the Pirie Street Trust and Stirling Street Trust. It is intended that all investments will be sold down to external investors within the next 12 months.

In order to assist in the funding of the properties acquired from Telstra and other Group acquisitions, a new bridging facility was established, with \$267,000,000 being outstanding at 31 December 2002, increasing the Group debt on 30 June 2002 by 90% to \$608,000,000. The gearing for the Group increased to 27%, up from 22% at 30 June 2002.

During the half-year, the Group raised \$452,332,000 from the issue of new equity securities. This comprised institutional placements (\$420,842,000), reinvestment of dividends (\$20,842,000) under the Distribution Reinvestment Plan and \$10,648,000 raised through the Group's Security Purchase Plan.

The net tangible assets backing for the Group increased to \$1.78 at 31 December 2002 per security, from \$1.73 per security at 30 June 2002.

Combined Statement of Cash Flows

Cash flows from operating activities increased 85% on prior period reflecting the increase in net profit after tax for the Group and increased cash receipts in the course of operations, due to higher rental receipts and development settlements.

The Group acquired seven properties during the period and a 50% interest in Penrhyn House, Canberra as well as completing the purchase of 209 Kingsway, Melbourne generating a cash outflow of \$811,897,000. During the period, the Group also sold 111-115 Grafton Street, Cairns along with a 50% interest in Pirie Street Trust and Stirling Street Trust resulting in cash inflows of \$41,941,000.

Net debt inflows of \$287,500,000 were predominantly driven by the funding required to purchase the property portfolio from Telstra along with other Company acquisitions. A total of \$431,490,000 cash was received in equity to facilitate the Groups acquisitions.

Half-Year Report

Investa Property Group

Combined Statement of Financial Performance

For the half-year ended 31 December 2002

	Notes	31 December 2002 \$'000	31 December 2001 \$'000
Revenue from operating activities			
Revenue from operating activities		105,291	57,117
Proceeds on disposal of investments		41,941	–
Share of distribution from associates		12,149	9,598
Interest revenue		2,367	496
Total revenue from ordinary activities	2	161,748	67,211
Cost of goods sold		(16,915)	(2,480)
Property outgoing		(13,575)	(8,620)
Employee expenses		(8,159)	(4,903)
Repairs and maintenance		(1,584)	(947)
Borrowing costs		(15,469)	(7,883)
Amortisation of intangibles		(1,789)	(1,285)
Book value of investments sold		(39,488)	–
Net increment on revaluation of investment properties	6(b)	–	6,876
Other expenses from ordinary activities		(2,765)	(2,919)
Profit from ordinary activities before income tax expense	2	62,004	45,050
Company income tax expense		(3,452)	(464)
Net profit after company income tax expense attributable to stapled securityholders of Investa Property Group		58,552	44,586
Net increase in asset revaluation reserve	6(b)	2,667	132
Total revenues, expenses and valuation adjustments attributable to stapled securityholders of Investa Property Group recognised directly in equity		2,667	132
Total changes in equity other than those resulting from transactions with stapled securityholders as owners		61,219	44,718
Distributions paid and payable	7	62,238	40,027
		Cents	Cents
Distributions paid and payable in cents per stapled security	7	7.70	7.30
Basic and diluted earnings per stapled security		7.83	8.19
Basic and diluted earnings per stapled security (before revaluation)		7.83	6.92
Basic and diluted earnings per stapled security (before revaluation and amortisation)		8.07	7.16

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

Combined Statement of Financial Position

As at 31 December 2002

	Notes	31 December 2002 \$'000	30 June 2002 \$'000
Current assets			
Cash assets		28,785	22,873
Receivables		24,786	39,969
Loan to related entity		5,875	29,577
Other investments	3	351,078	45,629
Property inventories		22,742	39,561
Total current assets		433,266	177,609
Non-current assets			
Deferred tax asset		3,037	1,643
Intangibles		49,565	51,847
Property, plant and equipment		1,088	1,177
Loans to employees		9,274	5,561
Property inventories		81,664	78,004
Investment properties	4	1,633,877	1,150,319
Total non-current assets		1,778,505	1,288,551
Total assets		2,211,771	1,466,160
Current liabilities			
Payables		17,886	14,670
Current tax liabilities		8,656	7,080
Provisions	5	35,695	25,964
Total current liabilities		62,237	47,714
Non-current liabilities			
Interest bearing liabilities		608,000	320,500
Deferred tax liability		5,213	4,490
Total non-current liabilities		613,213	324,990
Total liabilities		675,450	372,704
Net assets		1,536,321	1,093,456
Equity			
Contributed equity	6(a)	1,480,827	1,043,750
Reserves	7(b)	49,232	46,565
Amounts available for distribution	7(a)	6,262	3,141
Total equity		1,536,321	1,093,456

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

Half-Year Report

Investa Property Group

Combined Statement of Cash Flows

For the half-year ended 31 December 2002

	Notes	31 December 2002 \$'000	31 December 2001 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		132,333	58,407
Cash payments in the course of operations		(55,496)	(16,946)
Interest received		5,044	510
Distributions from associates		14,450	9,454
Borrowing costs paid		(15,589)	(7,683)
Income taxes paid		(6)	(275)
Net cash inflow from operating activities		80,736	43,467
Cash flows from investing activities			
Payment for purchase of controlled entity, net of cash acquired		–	(50,519)
Payment for purchase of intangible assets		–	(8,159)
Payment for investments		(210,078)	(31,215)
Payment for investment properties		(601,819)	(19,691)
Proceeds from sale of investment		41,941	5,000
Loans to employee share plan		(3,712)	(4,130)
Payment for property, plant and equipment		(116)	(135)
Refund (Payment) for due diligence costs		976	(1,627)
Capital expenditure on investment properties		(2,158)	(2,676)
Net cash (outflow) from investing activities		(774,966)	(113,152)
Cash flows from financing activities			
Repayment of borrowings		(94,700)	(268,475)
Proceeds from borrowings		382,200	20,000
Proceeds from issue of units		431,490	132,056
Payment for costs associated with issue of units		(8,679)	(4,044)
Proceeds from commercial bond issue		–	249,405
Borrowings to related entities		(6,391)	–
Repayments of borrowing from related entity		27,390	–
Payment for costs associated with issue of commercial notes		–	(1,018)
Dividends/distributions paid		(31,168)	(23,651)
Net cash inflow from financing activities		700,142	104,273
Net increase in cash held		5,912	34,588
Cash at the beginning of the financial period		22,873	12,098
Cash at the end of the financial period		28,785	46,686
Non-cash financing and investing activities	9	21,073	12,972

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

Notes to the Combined Financial Statements

For the half-year ended 31 December 2002

Note 1. Basis of Preparation of Combined Financial Report

This general purpose combined financial report for the interim half-year reporting period ended 31 December 2002 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 of the Australian Accounting Standards Board.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2002 and any announcements made by Investa Property Group during the interim reporting period 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.

Unless otherwise stated the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2. Segment Information

	Property Funds Management \$'000	Property Development \$'000	Consolidated \$'000
Half-year ended 31 December 2002			
Revenue from ordinary activities ⁽¹⁾	137,079	24,669	161,748
Segment ordinary profit	54,250	7,754	62,004
Half-year ended 31 December 2001			
Revenue from ordinary activities	64,348	2,863	67,211
Segment ordinary profit	44,667	383	45,050

⁽¹⁾ Includes \$41,941,000 proceeds on sale of investments.

Note 3. Current Assets – Other investments Unlisted property trusts

	31 December 2002 \$'000	30 June 2002 \$'000
Martin Place Trust	25,937	25,937
Investa Sunlaw Trust ⁽¹⁾	–	19,692
Investa South Melbourne Trust	51,425	–
Pirie Street Trust	20,940	–
Stirling Street Trust	15,448	–
SUNPAC Property Fund	102,029	–
Properties		
Kings Row, Brisbane	32,886	–
Lysaght Street, Brisbane	11,666	–
7-10 Tomlins Street, Townsville	9,325	–
260 Queen Street, Brisbane ⁽²⁾	23,060	–
231 Elizabeth Street, Sydney	58,362	–
	351,078	45,629

⁽¹⁾ Investa Sunlaw Trust is disclosed as a non-current asset in the current period.

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

Half-Year Report

Investa Property Group

Notes to the Combined Financial Statements

For the half-year ended 31 December 2002

Note 4. Non-current assets – investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
Non current assets				
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	23,981
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	75,764
50-60 Talavera Road, North Ryde, NSW *	Offices/Freehold	100%	01/11/99	32,743
32 Philip Street, Parramatta, NSW	Offices/Freehold	100%	01/11/99	21,784
55 Market Street, Sydney, NSW *	Offices/Freehold	100%	31/07/98	122,183
241 Adelaide Street, Brisbane, QLD	Offices/75 yrs Leasehold	100%	10/09/98	21,194
410 Ann Street, Brisbane, QLD *	Offices/Freehold 120 yr leasehold	100%	23/11/87	57,890
260 Queen Street, Brisbane, QLD	Offices/Freehold	100%	01/11/99	23,974
469 Latrobe Street, Melbourne, VIC *	Offices/Freehold	100%	01/07/88	81,245
485 Latrobe Street, Melbourne, VIC *	Offices/Freehold	100%	10/09/98	91,058
420 St Kilda Road, Melbourne, VIC	Offices/Freehold	100%	12/12/86	24,686
109 St Georges Terrace, Perth, WA	Offices/Freehold	100%	01/11/99	24,916
Total Parent				653,486
Investment in controlled entities				
Investa Real Property Growth Trust				
115 Grenfell Street, Adelaide, SA *	Offices/Freehold	100%	04/05/89	49,535
110 George Street, Parramatta, NSW *	Offices/Freehold	50%	02/10/97	67,101
		50%	15/12/98	
Investa Sunlaw Trust		48%	11/11/02	73,389
Total–Investa Real Property Growth Trust				190,025
Lizabeth Trust				
255 Elizabeth Street, Sydney, NSW*	Offices/Freehold	50%	21/09/94	172,607
		10%	11/12/98	
		40%	01/11/99	
Total – Lizabeth Trust				172,607

continued over

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

Independent Valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 31/12/02 \$'000	Consolidated book value 30/06/02 \$'000
30/06/02	27,500	P Harding, Knight Frank	27,500	27,500
31/03/02	16,100	A Martin, AAPI, JLL Advisory	16,120	16,100
31/12/00	17,000	P Dempsey, FAPI, Arthur Andersen	17,134	17,134
30/06/02	90,000	A Richard, FAPI, CB Richard Ellis	90,281	90,000
30/09/00	31,400	R Lawrie, AAPI, JLL Advisory	31,403	31,400
30/09/00	21,100	A Martin, AAPI, JLL Advisory	21,100	21,100
30/06/02	138,000	D Castles, AAPI, Landmark White	138,139	138,000
31/12/02	17,000	J Porter, AAPI, CBRE	17,000	18,100
30/06/01	62,500	C Chatwood, AAPI, JLL Advisory	62,771	62,610
31/03/01	23,000	W Wiermann, AAPI, JLL Advisory	–	23,070
30/06/02	53,100	J Perillo, AAPI, Knight Frank	53,243	53,100
30/06/02	111,000	G Longden, FAPI, JLL Advisory	111,000	111,000
30/06/01	27,000	C Plant, JLL Advisory	27,159	27,159
30/06/02	25,500	S Nuttall, AAPI, JLL Advisory	25,642	25,500
			638,492	661,773
31/03/01	26,500	James Pledge, AAPI, Knight Frank	27,363	26,680
30/06/02	66,500	M Caruana, FAPI, Knight Frank	66,588	66,500
–	–	–	73,389	–
			167,340	93,180
31/03/01	153,500	A Pannifex, AAPI, Knight Frank	154,882	154,447
			154,882	154,447

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

Half-Year Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the half-year ended 31 December 2002

Note 4. Non-current assets – investment properties (continued)

Property	Type	Ownership	Acquisition date	Cost including all additions
Investment in controlled entities (continued)				
Connect Property Trust				
242 Exhibition Street, Melbourne, VIC	Offices/Freehold	100%	19/08/02	274,518
231 Elizabeth Street, Sydney, NSW	Offices/Freehold	50%	19/08/02	58,362
310 Pitt Street, Sydney, NSW	Offices/Freehold	100%	08/10/02	125,484
Total – Connect Property Trust				458,364
Total investment in controlled entities				820,996
Investments in associates				\$'000
60 Martin Place Unit Trust				
60 Martin Place, Sydney, NSW	Offices/Freehold	50%	01/11/99	79,745
80 Pacific Highway Trust				
80 Pacific Highway, North Sydney, NSW	Offices/Freehold	50%	04/05/01	45,743
Investa South Melbourne Trust				
209 Kingsway, Melbourne, VIC	Offices/Freehold	50%	31/01/02	51,425
Penrhyn House Trust				
Penryhn House, Woden, ACT	Offices/Freehold	50%	06/12/02	20,601
Investa Brisbane Commercial Trust				
		20%	08/05/01	4,820
Total investment in associates				202,334
Total non-current investment				1,676,816

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

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

Independent Valuation date	Independent valuation amount	Independent valuer	Consolidated book value 31/12/02	Consolidated book value 30/06/02
30/06/02	261,000	A Pannifex, AAPI, FPDSavilles	274,518	–
30/06/02	57,500	A Pannifex, FAPI, FPDSavills	58,362	–
30/06/02	120,000	A Pannifex, FAPI, FPDSavills	125,484	–
			458,364	–
			780,586	247,627
	\$'000		\$'000	\$'000
30/09/02	92,500	M S Smallhorn, FAPI, JLL Advisory	92,208	88,325
31/03/01	45,375	M S Smallhorn, FAPI, JLL Advisory	45,745	45,745
01/08/02	50,000	G Longden, FAPI, JLL Advisory	51,425	–
01/09/02	19,300	P Harding, Knight Frank	20,601	–
–	–	–	4,820	4,820
			214,799	240,919
			1,633,877	1,150,319

Half-Year Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the half-year ended 31 December 2002

Note 5. Provisions

	31 December 2002 \$'000	30 June 2002 \$'000
Distributions and dividends	32,609	22,381
Employee entitlements	1,795	1,337
Other	1,291	2,246
	35,695	25,964

Note 6. Contributed equity

(a) Paid up capital

	No. of Securities '000	31 December 2002 \$'000	No. of Securities '000	30 June 2002 \$'000
Investa Property Trust	836,143	1,464,417	600,822	1,043,191
Investa Properties Limited	836,143	16,410	600,822	559
Total value of securities issued		1,480,827		1,043,750

(b) Reconciliation of contributed equity

	Investa Property Trust		Investa Properties Limited	
	No. of units '000	\$'000	No. of shares '000	\$'000
At 31 December 2002				
Opening balance	600,822	1,043,191	600,822	559
Issue of securities	219,715	406,118	219,715	14,955
Distributions reinvested	10,334	20,077	10,334	765
Costs for issue of securities	–	(8,406)	–	(273)
Transfer to distributable income	–	(6,807)	–	–
Security Participation Plan	5,272	10,244	5,272	404
Closing balance	836,143	1,464,417	836,143	16,410

	Investa Property Trust		Investa Properties Limited*	
	No. of units '000	\$'000	No. of shares '000	\$'000
At 30 June 2002				
Opening balance	515,490	892,971	515,490	–
Issue of securities	66,884	125,522	66,884	–
Distributions reinvested	14,972	28,385	14,972	559
Costs for issue of securities	–	(5,648)	–	–
Transfer to distributable income	–	(4,573)	–	–
Security Participation Plan	3,476	6,534	3,476	–
Closing balance	600,822	1,043,191	600,822	559

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

Note 7. Reserves	31 December 2002		31 December 2001	
(a) Amounts available for distribution	\$'000		\$'000	
Opening balance	3,141		1,403	
Profit attributable to securityholders of Investa Property Group before transfer from reserves	58,552		44,586	
Revaluation increments transferred to asset revaluation reserve	–		(6,876)	
Transfer from contributed equity	6,807		2,801	
Dividends/distribution paid and payable	(62,238)		(40,027)	
Closing balance	6,262		1,887	
(b) Reserves	31 December 2002		31 December 2001	
	\$'000		\$'000	
Asset revaluation reserve				
Opening balance	46,565		(6,876)	
Increment on revaluation of investment properties	2,667		132	
Transfer from distributable income	–		6,876	
Closing balance	49,232		132	
Share of increment on revaluation of investments				
241 Adelaide Street, Brisbane	(1,173)		–	
SUNPAC Property Fund	–		5,943	
Investa Sunlaw Trust	256		–	
60 Martin Place, Sydney	3,584		1,065	
Total increment on revaluation of investments	2,667		7,008	
Less revaluation increment taken to revenue as reversal of previous decrement	–		(6,876)	
Net increment/(decrement) recognised directly in asset revaluation reserve	2,667		132	
Properties are valued on a rotational basis whereby approximately one-third of the assets are valued each year, with a period no longer than 3 years.				
Note 8. Dividends and distributions	31 December 2002		31 December 2001	
	\$'000	Cents per stapled security	\$'000	Cents per stapled security
Timing of dividends and distributions	The dividends/distributions were paid/payable as follows:			
30 September paid	29,629	3.80	18,931	3.62
31 December payable	32,609	3.90	21,096	3.68
	62,238	7.70	40,027	7.30

Half-Year Report

Investa Property Group

Notes to the Combined Financial Statements (continued)

For the half-year ended 31 December 2002

Note 9. Non-cash financing and investing activities	31 December 2002	31 December 2001
	\$'000	\$'000
Dividends/distributions satisfied by the issue of securities under the Group distribution reinvestment plan were as follows:		
August 2002–4,278,224 @\$1.97 (July 2001–3,871,000 units @\$1.76)	8,428	6,813
November 2002–6,168,511 @\$2.05 (November 2001–3,142,359 units @\$1.96)	12,645	6,159
	21,073	12,972

Note 10. Events occurring after reporting date

On 31 January 2003, Investa Real Property Growth Trust, a wholly owned sub trust of Investa Property Trust increased its investment in Investa Sunlaw Trust (formerly Investa Commercial Property Fund) to 100% with the purchase of the remaining 52% of units on issue from Suncorp Metway entities for a consideration of \$77.8 million. Investa Sunlaw Trust owns 100% of 50 Ann Street, Brisbane, has a 50% interest in 50-52 McDougall Street (Kings Row) and a 50% interest in SUNPAC Property Fund which owns the property located at 1 Market Street, Sydney.

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

On 23 January 2003 Investa Property Group completed a \$74.4 million capital raising to assist in funding the acquisition of 589 Collins Street, Melbourne and for general working capital requirements.

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

Directors' Declaration

The directors declare that the combined financial statements and notes set out on pages 14 to 24:

- (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 2002 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
31 January 2003

PricewaterhouseCoopers

Darling Park Tower 2
201 Sussex Street
GPO Box 2650
SYDNEY NSW 1171
Telephone: (02) 8266 0000
Facsimile: (02) 8266 9999
DX 77 Sydney

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

Audit opinion

In our opinion, the financial report, set out on pages 14 to 24:

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

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

Scope and summary of our role

The financial report – responsibility and content

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

The auditor's role and work

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

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the Company's financial position, and its performance as represented by the results of its operations and cash flows.

The procedures included:

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

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

Half-Year Report

Investa Property Group

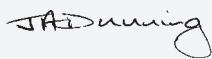
Independence

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

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



PricewaterhouseCoopers
Chartered Accountants



J A Dunning

Partner

Sydney

31 January 2003

Half-Year Report

31 December 2002

Investa Properties Limited

ABN 54 084 407 241

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Half-Year Report

Investa Properties Limited

Directors' Report

The directors of Investa Properties Limited present their report together with the consolidated financial report of the Company and its controlled entities (together the "consolidated entity") for the half-year ended 31 December 2002.

Directors

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

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

J I Messenger was appointed to the board on 15 August 2002.

P J Carney passed away on 7 August 2002.

Dividends

Dividends paid and payable for the half-year period ended 31 December 2002 are \$7,662,000 (2001:\$835,000) being 0.95 cents per share (2001:0.15 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 December 2002 \$'000	31 December 2001 \$'000
Total revenue from ordinary activities	106,069	12,214
Net profit after tax	8,700	1,040
Profit attributable to outside equity interests	(497)	–
Profit attributable to members of Investa Properties Limited	8,203	1,040
Retained profits brought forward	2,943	443
Dividend paid and payable	(7,662)	(835)
Retained profits at 31 December	3,484	648
Total assets	327,496	226,937

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
31 January 2003

Discussion and Analysis on the Consolidated Financial Statements

For the half-year ended 31 December 2002

The results for the half-year ended 31 December 2002 include the full impact of the acquisition of the development operations in November 2001, adding a significant property development capability and inventory to the company. For the half-year ended 31 December 2002, property development operations contributed \$7,754,000 to profit before tax.

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

Overall profit for the company before taxation was \$12,152,000 compared to \$1,504,000 in the previous corresponding period. This increase is primarily driven by the increase in profit on sales of development inventory of \$7,371,000 and profits earned on the disposal of unit trust investments and a further property of \$2,709,000. In addition the company also earned \$1,344,000 in distribution income.

Dividends paid and payable of \$7,662,000 have increased from \$835,000 in 2001, driven by the increase contribution from the development operations. Earnings per share increased from 0.19 cents per share in December 2001 to 1.16 cents per share in December 2002.

Total revenue for the half-year ended 31 December 2002 was \$106,069,000 compared to \$12,214,000 in 2001, with the main contributions in the half-year to 31 December 2002 coming from:

- Proceeds from sales of investments totalling \$61,891,000 relating to sale of units in Investa Sunlaw Trust (\$19,949,000), a 50% interest in Stirling and Pirie Trusts (\$38,392,000) and a property in Cairns (\$3,550,000);
- sales of property inventory of \$26,669,000, including Manly, Queensland of \$11,026,000, Quinns Beach, Western Australia of \$3,121,000, Turner Street, Melbourne \$1,984,000 and Mills Park, Melbourne \$8,538,000. (2001 – \$2,863,000);
- management fees of \$961,000 from Investa Property Trust (2001 – \$1,199,000);
- fee revenue of \$3,542,000 from Westpac Banking Corporation in respect of the corporate property services contract (2001 – \$4,113,000);
- syndicate establishment and management fees of \$1,770,000 (2001 – \$354,000, management fees only), including fees in respect of the launch of a new retail property syndicate being the Investa Fourth Commercial Trust and due to the receipt of an underwriting fee from a previously launched syndicate the Investa First Industrial Trust. Ongoing management fees were received from syndicates launched in previous reporting periods;
- management fees of \$1,115,000 in respect of wholesale property syndicates, being Martin Place Trust, Investa Sunlaw Trust and Sunpac Property Fund (2001 – \$427,000);
- distribution income from investments which increased to \$1,997,000 including distributions from Martin Place Trust, Investa Sunlaw Trust and Investa South Melbourne Trust (2001 – \$653,000);
- property management fees of \$2,268,000 driven by operations expanded in NSW and Victoria and then to Queensland in March 2002 (2001 – \$1,295,000);
- expense recovery and management fees from the vendor of Silverton Limited of \$2,250,000 for the management of property sale agreements executed prior to the acquisition (2001 – \$529,000);
- rental income from completed developments prior to sale of \$525,000 (2001 – \$394,000); and rental income from 4 properties held in Cairns, Townsville, Adelaide and Perth in of \$4,909,000 (2001 – nil); and
- interest income of \$248,000 (2001 – \$70,000).

Total expenses for the six months ended 31 December 2002 were \$93,917,000, an increase of \$83,207,000. This increase was made up as follows:

- the book value of investments sold in Grafton Street Cairns and 50% interest in Stirling Street Perth, Pirie Street, Adelaide and units in Investa Sunlaw Trust of \$59,180,000;
- increased cost of goods sold of \$14,435,000 in 2002. Substantially more property was sold and 2001 results were only from 9 November 2001;
- increased employee expenses of \$2,997,000 as operations expanded during 2002 coupled with the full impact of 6 month expenses in 2002 including development operations. 2001 only include development operations from 9 November 2001;

Half-Year Report

Investa Properties Limited

Discussion and Analysis on the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2002

- Higher borrowing costs of \$4,924,000, an increase of \$4,055,000 in 2002 due to additional funding required to fund the growth in investments;
- Inclusion of property related expenses of \$1,091,000 as the consolidated entity held property in Cairns, Townsville, Adelaide, and Perth during 2002. (2001 – nil);
- Other expenses increased by \$831,000 due to expansion of operations; and
- increased amortisation and depreciation of \$618,000 as operations expanded and results were for a full 6 month period versus lesser period in 2001.

Consolidated Statement of Financial Position as at 31 December 2002

The Consolidated Statement of Financial Position for Investa Properties Limited at 31 December 2002 reflects the significant increase in activity of the Company since 1 July 2002. Total assets have increased from \$224,421,000 in June 2002 to \$327,496,000 in December 2002.

The major contributor to the increase in assets was the acquisition of a number of property investments as the Group prepares itself for expansion. These acquisitions totaled \$163,863,000 and comprised of:

• a 50% interest in 209 Kingsway, Melbourne	\$51,425,000
• a 55% interest in 7-13 Tomlins Street, Townsville	\$ 5,129,000
• a 55% interest in 111-115 Grafton Street, Cairns	\$ 1,645,000
• 30 Pirie Street, Adelaide	\$41,883,000
• 80 Stirling Street, Perth	\$30,895,000
• a 50% interest in Kings Row, Brisbane	\$32,886,000

In addition, the company also sold its interests in the following investments for a total of \$61,890,000:

- Investa Sunlaw Trust (formerly Investa Commercial Property Fund) to a related entity in November 2002 for \$19,949,000;
- 50% of its interest in Pirie Street Trust and Stirling Street Trust for \$22,042,398 and \$16,348,159 respectively to Investa Fourth Commercial Trust on 6 December 2002; and
- 111-115 Grafton Street, Cairns for \$3,550,000 on 30 December 2002.

The expansion of the company was primarily funded by loans from Investa Property Trust, a related entity. Investa Property Trust provided loans amounting to \$243,316,000 out of a total of \$274,317,000 as at 31 December 2002.

In order to assist in funding the acquisitions, the Company raised \$15,851,000 through share issues and the dividend reinvestment plan.

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

Significant movements in cash flow reflect the expansion activity of the company during the period.

Net cash flow from operating activities increased to \$28,911,000 in 2002, an increase of \$21,915,000, mainly attributable to:

- Increased receipts from customers of \$52,518,000 of which \$46,664,000 relates to sales of property inventory, including prior period receipt of \$16,000,000 from sale of inventory to Investa Second Industrial Trust, a related entity;
- Payments to suppliers increased by \$34,013,000 including payments in respect of costs relating to property inventories of \$22,252,000 and general operating expenses of the company;
- Distributions received increased to \$4,836,000 as the consolidated entity investments increased providing additional distribution revenue;
- Borrowing costs paid increased by \$1,850,000.

Consolidated Statement of Cash Flows for the half-year ended 31 December 2002 (continued)

Net outflows from investing activities reduced on the corresponding period due to proceeds on disposal of investments of \$58,340,000. This was offset by the company acquiring interests in the following investments totalling \$163,863,000:

- | | |
|------------------------------------|---|
| • Pirie St, Adelaide | \$41,884,000 in August 2002 |
| • Stirling St, Perth | \$30,894,000 in August 2002. |
| • Grafton St, Cairns | \$1,645,000 in August 2002. |
| • Tomlin St, Townsville | \$5,129,000 in August 2002. |
| • Investa Commercial Property Fund | \$84,311,000 in November and December 2002. |

To facilitate the funding of these investment activities, the consolidated entity increased its borrowings primarily from Investa Property Trust, a related entity, by \$176,012,000. However, following the sale of the investments described above and using part of the proceeds from share capital raised, it was able to reduce the borrowing from Investa Property Trust by \$79,104,000.

The strong operational cash flow also enabled the consolidated entity to repay a net \$20,500,000 in external debt, leaving it with external debt of \$31,000,000 which relates to its development operations.

Through placements and the shareholder participation plan, the consolidated entity was able to raise a net \$15,077,000 which was used to repay related party borrowings.

Cash at the end of the period totalled \$15,832,000, with development operations contributing \$13,408,000 due to the settlement of residential property sales in late December 2002.

Half-Year Report

Investa Properties Limited

Consolidated Statement of Financial Performance

For the half-year ended 31 December 2002

	Notes	31 December 2002 \$'000	31 December 2001 \$'000
Revenue from ordinary activities	2	106,069	12,214
Cost of goods sold		(16,915)	(2,480)
Employee expenses		(8,159)	(5,162)
Property outgoings & repairs and maintenance		(1,091)	–
Borrowing costs		(4,924)	(869)
Amortisation of intangibles and depreciation		(996)	(378)
Book value of investments sold		(59,180)	–
Other expenses from ordinary activities		(2,652)	(1,821)
Profit from ordinary activities before income tax expense	3	12,152	1,504
Income tax expense		(3,452)	(464)
Net Profit		8,700	1,040
Net profit attributable to outside equity interests		(497)	–
Net profit attributable to members of Investa Properties Limited		8,203	1,040
Total changes in equity other than those resulting from transactions with owners as owners		8,203	1,040
		Cents	Cents
Basic and diluted earnings per share		1.16	0.19

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

Consolidated Statement of Financial Position

As at 31 December 2002

	Notes	31 December 2002 \$'000	30 June 2002 \$'000
Current assets			
Cash assets		15,832	11,203
Receivables		11,258	25,353
Other investments	4	167,627	45,629
Property inventories		22,742	39,561
Total current assets		217,459	121,746
Non-current assets			
Intangible assets		14,974	16,290
Loans to employees		9,274	5,561
Property inventories		81,664	78,004
Property, plant and equipment		1,088	1,177
Deferred tax asset		3,037	1,643
Total non-current assets		110,037	102,675
Total assets		327,496	224,421
Current liabilities			
Payables		6,672	7,920
Income tax liabilities		8,656	7,080
Provisions		7,203	7,843
Total current liabilities		22,531	22,843
Non-current liabilities			
Deferred tax liabilities		5,213	4,490
Loans from related entities		243,316	142,086
Interest bearing liabilities		31,000	51,500
Total non-current liabilities		279,529	198,076
Total liabilities		302,060	220,919
Net assets		25,436	3,502
Equity			
Contributed equity	5	16,410	559
Outside equity interest	6	5,542	–
Retained profits	7	3,484	2,943
Total equity		25,436	3,502

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

Half-Year Report

Investa Properties Limited

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2002

	Notes	31 December 2002 \$'000	31 December 2001 \$'000
Cash flows from operating activities			
Cash received from operations		65,973	13,455
Cash payments from operations		(39,941)	(5,928)
Distributions received		4,836	–
Interest received		225	70
Borrowing costs paid		(2,176)	(326)
Income taxes paid		(6)	(275)
Net cash inflow from operating activities		28,911	6,996
Cash flows from investing activities			
Payments for intangibles		–	(8,159)
Payment for property, plant & equipment		(116)	(135)
Refund/(payment) for due diligence costs		976	(1,627)
Loans to employees		(3,712)	(4,130)
Payment for purchase of controlled entity		–	(50,519)
Payments for investments		(163,863)	(50,628)
Proceeds from sale of investments		58,340	5,000
Net cash (outflow) from investing activities		(108,375)	(110,198)
Cash flows from financing activities			
Repayment of borrowings		(23,500)	(15,475)
Proceeds from borrowings		3,000	3,000
Proceeds from issue of shares		15,350	–
Payment of share issue costs		(273)	–
Repayment of borrowings from related entity		(79,104)	(5,000)
Proceeds from borrowings from related entity		176,013	127,728
Dividends paid		(7,393)	(688)
Net cash inflow from financing activities		84,093	109,565
Net increase in cash held		4,629	6,363
Cash at the beginning of the reporting period		11,203	644
Cash at the end of the reporting period		15,832	7,007
Non cash financing and investing activities	8	765	–

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

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2002

Note 1. Basis of preparation of half-year financial report

This general purpose consolidated financial report for the interim half-year reporting period ended 31 December 2002 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 2002 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.

Unless otherwise stated the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period ended 31 December 2001.

Note 2. Revenue from ordinary activities

	31 December 2002 \$'000	31 December 2001 \$'000
Sales of property inventory	24,669	2,863
Management fees	9,906	7,705
Rent	5,434	394
Distribution and dividend income	1,997	653
Interest	248	70
Proceeds on disposal of investments	61,890	–
Other revenue	1,925	529
	106,069	12,214

Note 3. Segment information

Half-year ended 31 December 2002	Property Funds Management \$'000	Property Development \$'000	Consolidated \$'000
Revenue from ordinary activities ⁽¹⁾	81,400	24,669	106,069
Segment ordinary profit	4,398	7,754	12,152

Half-year ended 31 December 2001	Property Funds Management \$'000	Property Development \$'000	Consolidated \$'000
Revenue from ordinary activities	9,351	2,863	12,214
Segment ordinary profit	1,121	383	1,504

⁽¹⁾ Includes \$61,890,000 proceeds on sale of investments.

Half-Year Report

Investa Properties Limited

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2002

Note 4. Current Assets – Other investments

	31 December 2002 \$'000	30 June 2002 \$'000
Unlisted property trusts		
Martin Place Trust	25,937	25,937
Investa Sunlaw Trust	–	19,692
Investa South Melbourne Trust	51,425	–
Pirie Street Trust	20,940	–
Stirling Street Trust	15,448	–
Properties		
Kings Row, Brisbane	32,886	–
Lysaght Street, Brisbane	11,666	–
7-10 Tomlins Street, Townsville	9,325	–
	167,627	45,629

Note 5. Contributed equity

	31 December 2002 \$'000	30 June 2002 \$'000
(a) Contributed equity		
Opening balance	559	–
Issue of shares	14,955	–
Issue costs	(273)	–
Dividends reinvested	765	559
Security Participation Plan	404	–
Closing balance	16,410	559
(b) Number of shares	'000	'000
Opening balance	600,822	515,490
Issue of shares	219,715	66,884
Dividends reinvested	10,334	14,972
Security Participation Plan	5,272	3,476
Closing balance	836,143	600,822

Note 6. Outside equity interest

	31 December 2002 \$'000	30 June 2002 \$'000
Interest in:		
Share capital	5,542	–
	5,542	–

The outside equity interest represents a 45% interest in Townsville Trust and Cairns Trust held by Investa Real Property Growth Trust a wholly owned sub trust of Investa Property Trust.

Note 7. Retained profits

	31 December 2002 \$'000	30 June 2002 \$'000
Retained profits at the beginning of the period	2,943	443
Net profit attributable to members of Investa Properties Limited	8,203	8,790
Dividends provided for or paid	(7,662)	(6,290)
Retained profits at the end of the period	3,484	2,943

Note 8. Dividends

	31 December 2002		31 December 2001	
	\$'000	CPS	\$'000	CPS
Timing of dividends				
30 September paid	3,900	0.50	261	0.05
31 December payable	3,762	0.45	574	0.10
	7,662	0.95	835	0.15

Dividends actually paid or satisfied by issue of shares under the dividend reinvestment plan during the half-year were:

	31 December 2002 \$'000	31 December 2001 \$'000
Paid in cash	7,393	688
Satisfied by issue of shares	765	-
	8,158	688

Note 9. Events occurring after reporting date

On 23 January 2003 Investa Property Group completed a \$74.4 million capital raising to assist in funding the acquisition of 589 Collins Street, Melbourne and for general working capital requirements. Of this amount \$2.8 million or 3.7% has been allocated to the Company.

The financial effect of this transaction has not been brought to account at 31 December 2002.

Half-Year Report

Investa Properties Limited

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 29 to 37:

- (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 2002 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

31 January 2003

PricewaterhouseCoopers

Darling Park Tower 2
201 Sussex Street
GPO Box 2650
SYDNEY NSW 1171
Telephone: (02) 8266 0000
Facsimile: (02) 8266 9999
DX 77 Sydney

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

Audit opinion

In our opinion, the financial report, set out on pages 29 to 38:

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

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

Scope and summary of our role

The financial report – responsibility and content

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

The auditor's role and work

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

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the Company's financial position, and its performance as represented by the results of its operations and cash flows.

The procedures included:

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

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

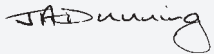
Independence

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

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



PricewaterhouseCoopers
Chartered Accountants



J A Dunning
Partner
Sydney
31 January 2003

Half-Year Report

31 December 2002

Investa Property Trust

ARSN 088 705 882

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Half-Year Report

Investa Property Trust

Directors' Report

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

Directors

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

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

J I Messenger was appointed to the board on 15 August 2002.

P J Carney passed away on 7 August 2002.

Principal activities

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

Distributions

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

Review of operations

The performance of the Trust was as follows:

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

Rounding of amounts to nearest thousand dollars

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

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



I K Payne
Director

Sydney
31 January 2003

Discussion and Analysis of the Consolidated Financial Statements

Consolidated Statement of Financial Performance

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

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

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

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

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

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

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

Consolidated Statement of Financial Position

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

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

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

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

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

Consolidated Statement of Cash Flows

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

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

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

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

Half-Year Report

Investa Property Trust

Consolidated Statement of Financial Performance

For the half-year ended 31 December 2002

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

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

Consolidated Statement of Financial Position

As at 31 December 2002

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

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

Half-Year Report

Investa Property Trust

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2002

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

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

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2002

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

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

This interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly this report should be read in conjunction with the Annual Report for the year ended 30 June 2002 and any public announcements made by Investa Property Trust during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The units in Investa Property Trust are 'stapled' to the shares in Investa Properties Limited. From 1 December 2000, all transactions in either security can only be in the form of transactions in Investa Property Group stapled securities.

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

Half-Year Report

Investa Property Trust

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2002

Note 2. Investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
Current assets				
260 Queen Street, Brisbane, QLD ⁽¹⁾	Offices/Freehold	100%	01/11/99	23,974
Townsville Trust	Offices/Freehold	45%	11/11/02	4,196
SUNPAC Property Fund 1 Market Street, Sydney, NSW	Offices/Freehold	50%	09/01/96	81,534
231 Elizabeth Street, Sydney, NSW	Offices/Freehold	50%	19/08/02	58,362
Total current assets				168,066
Non current assets				
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	23,981
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	75,764
50-60 Talavera Road, North Ryde, NSW *	Offices/Freehold	100%	01/11/99	32,743
32 Philip Street, Parramatta, NSW	Offices/Freehold	100%	01/11/99	21,784
55 Market Street, Sydney, NSW *	Offices/Freehold	100%	31/07/98	122,183
241 Adelaide Street, Brisbane, QLD	Offices/75 yrs Leasehold	100%	10/09/98	21,194
410 Ann Street, Brisbane, QLD *	Offices/Freehold 120 yr leasehold	100%	23/11/87	57,890
260 Queen Street, Brisbane, QLD	Offices/Freehold	100%	01/11/99	23,974
469 Latrobe Street, Melbourne, VIC *	Offices/Freehold	100%	01/07/88	81,245
485 Latrobe Street, Melbourne, VIC *	Offices/Freehold	100%	10/09/98	91,058
420 St Kilda Road, Melbourne, VIC	Offices/Freehold	100%	12/12/86	24,686
109 St Georges Terrace, Perth, WA	Offices/Freehold	100%	01/11/99	24,916
Total Parent				653,486
Investment in controlled entities				
Investa Real Property Growth Trust				
115 Grenfell Street, Adelaide, SA *	Offices/Freehold	100%	04/05/89	49,535
110 George Street, Parramatta, NSW *	Offices/Freehold	50%	02/10/97	67,432
		50%	15/12/98	
Investa Sunlaw Trust		48%	11/11/02	73,389
Total-Investa Real Property Growth Trust				190,356

continued over

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

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

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

Independent Valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 31/12/02 \$'000	Consolidated book value 30/06/02 \$'000
31/03/01	23,000	W Wiermann, AAPI, JLL Advisory	23,060	–
–	–	–	4,196	–
30/06/02	102,500	A Pannifex, AAPI, FPDSavilles	102,029	–
30/06/02	57,500	A Pannifex, AAPI, FPDSavilles	58,362	–
			187,647	–
30/06/02	27,500	P Harding, Knight Frank	27,500	27,500
31/03/02	16,100	A Martin, AAPI, JLL Advisory	16,120	16,100
31/12/00	17,000	P Dempsey, FAPI, Arthur Andersen	17,134	17,134
30/06/02	90,000	A Richard, FAPI, CB Richard Ellis	90,281	90,000
30/09/00	31,400	R Lawrie, AAPI, JLL Advisory	31,403	31,400
30/09/00	21,100	A Martin, AAPI, JLL Advisory	21,100	21,100
30/06/02	138,000	D Castles, AAPI, Landmark White	138,139	138,000
31/12/02	17,000	J Porter, AAPI, CBRE	17,000	18,100
30/06/01	62,500	C Chatwood, AAPI, JLL Advisory	62,771	62,610
31/03/01	23,000	W Wiermann, AAPI, JLL Advisory	–	23,070
30/06/02	53,100	J Perillo, AAPI, Knight Frank	53,243	53,100
30/06/02	111,000	G Longden, FAPI, JLL Advisory	111,000	111,000
30/06/01	27,000	C Plant, JLL Advisory	27,159	27,159
30/06/02	25,500	S Nuttall, AAPI ASIA, CB Richard Ellis	25,642	25,500
			638,492	661,773
31/03/01	26,500	James Pledge, AAPI, Knight Frank	27,363	26,680
30/06/02	66,500	M Caruana, FAPI, Knight Frank	66,588	66,500
–	–	–	73,389	–
			167,340	93,180

Half-Year Report

Investa Property Trust

Notes to the Combined Financial Statements (continued)

For the half-year ended 31 December 2002

Note 2. Investment properties (continued)

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000
Investment in controlled entities (continued)				
Lizabeth Trust				
255 Elizabeth Street, Sydney, NSW*	Offices/Freehold	50%	21/09/94	172,607
		10%	11/12/98	
		40%	01/11/99	
Total – Lizabeth Trust				172,607
Connect Property Trust				
242 Exhibition Street, Melbourne, VIC	Offices/Freehold	100%	19/08/02	274,518
231 Elizabeth Street, Sydney, NSW	Offices/Freehold	50%	19/08/02	58,362
310 Pitt Street, Sydney, NSW	Offices/Freehold	100%	08/10/02	125,484
Total – Connect Property Trust				458,364
Total investment in controlled entities				821,327
Investments in associates				
60 Martin Place Unit Trust				
60 Martin Place, Sydney, NSW	Offices/Freehold	50%	01/11/99	80,282
SUNPAC Property Fund*				
80 Pacific Highway Trust				
80 Pacific Highway, North Sydney, NSW	Offices/Freehold	50%	04/05/01	45,743
Investa South Melbourne Trust				
209 Kingsway, Melbourne, VIC	Offices/Freehold	50%	31/01/02	51,425
Penrhyn House Trust				
Penrhyn House, Woden, ACT	Offices/Freehold	50%	06/12/02	20,601
Investa Brisbane Commercial Trust				
		20%	08/05/01	4,820
Total investment in associates				202,871
Total non-current investment				1,677,684
Total Investment				1,845,750

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

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

Independent Valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 31/12/02 \$'000	Consolidated book value 30/06/02 \$'000
31/03/01	153,500	A Pannifex, AAPI, Knight Frank	154,882	154,447
			154,882	154,447
30/06/02	261,000	A Pannifex, AAPI, FPDSavilles	274,518	–
30/06/02	57,500	A Pannifex, FAPI, FPDSavills	58,362	–
30/06/02	120,000	A Pannifex, FAPI, FPDSavills	125,484	–
			458,364	–
			780,586	247,627
30/09/02	92,500	P A Dempsey, FAPI, Ernst & Young	92,208	88,325
31/03/01	45,375	M S Smallhorn, FAPI, JLL Advisory	45,745	45,745
01/08/02	50,000	G Longden, FAPI, JLL Advisory	51,425	–
01/09/02	19,300	P Harding, Knight Frank	20,601	–
–	–	–	4,820	4,820
			214,799	240,919
			1,633,877	1,150,319
			1,821,524	1,150,319

Half-Year Report

Investa Property Trust

Notes to the Combined Financial Statements (continued)

For the half-year ended 31 December 2002

Note 3. Distributions paid and payable

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

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

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

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

Note 4. Contributed equity

(a) Contributed equity

	31 December 2002	30 June 2002
	\$'000	\$'000
Opening balance	1,043,191	892,971
Issue of units	436,439	160,441
Costs for issue of units	(8,407)	(5,648)
Transfer to distributable income	(6,806)	(4,573)
Closing balance	1,464,417	1,043,191

(b) Number of units

	'000	'000
Opening balance	600,822	515,490
Issue of units	219,715	66,882
Distributions reinvested	10,334	14,974
Security Participation Plan	5,272	3,476
Closing balance	836,143	600,822

Note 5. Reserves

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

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

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

Note 6. Segment information

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

Half-Year Report

Investa Property Trust

Notes to the Combined Financial Statements (continued)

For the half-year ended 31 December 2002

Note 7. Events occurring after reporting date

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

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

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

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

Note 8. Contingent liabilities

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

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 44 to 54:

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

In the directors' opinion:

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

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



I K Payne

Director

Sydney

31 January 2003

PricewaterhouseCoopers

Darling Park Tower 2
201 Sussex Street
GPO Box 2650
SYDNEY NSW 1171
Telephone: (02) 8266 0000
Facsimile: (02) 8266 9999
DX 77 Sydney

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

Audit opinion

In our opinion, the financial report, set out on pages 44 to 54:

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

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

Scope and summary of our role

The financial report – responsibility and content

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

The auditor's role and work

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

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, The Trust Constitution and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the Trust's financial position, and its performance as represented by the results of its operations and cash flows.

The procedures included:

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

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

Half-Year Report

Investa Property Trust

Independence

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

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



PricewaterhouseCoopers
Chartered Accountants



J A Dunning
Partner
Sydney
31 January 2003

Directory

Investa Properties Limited

Registered Office

Level 17, 135 King Street
Sydney NSW 2000

Telephone

(02) 8226 9300

Directors

Ian Payne (Chairman) Non Executive
Chris O'Donnell, Managing Director
John Arthur, Non Executive
Shaun Mays, Non Executive
John Messenger, Non Executive
Deborah Page, Non Executive

Company Secretary

Brian McGary

Auditors

PricewaterhouseCoopers
Chartered Accountants
201 Sussex Street
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
GPO Box 7045
Sydney NSW 1115

Telephone

1800 635 323 Toll free
613 9611 5988 International

Facsimile

(02) 8234 5050

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

Website www.investa.com.au

