



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

Dear Madam

INVESTA PROPERTY GROUP YEAR END RESULTS
Business Momentum Continuing to Build

Investa Property Group is pleased to announce its results for the year ended 30 June 2003.

The 2003 financial year has produced an outstanding result, delivering upon IPG's strategy of leveraging the property value chain to maximise returns for IPG investors.

The Investment Portfolio contributed 82% of Group Earnings Contribution¹ with the Services and Development businesses and short term investments contributing 18%.

Earnings² per security were up 9.4% over last year, and distributions up 5.8%.

Investa has reinforced and extended its position as a leader in the office sector, with Group assets increasing 76% to \$2.6 billion. Assets under management also increased by over \$1 billion to \$3.2 billion reflecting a good level of growth across operating divisions of the Group.

	Actual 2003	Actual 2002	Change
Revenue	\$413.8 million	\$204.7 million	+ 102.1%
Earnings²	\$131.8 million	\$84.9 million	+ 55.2%
Earnings per Security²	16.28 cents	14.88 cents	+ 9.4%
Distribution per Security	15.60 cents	14.75 cents	+ 5.8%
NTA per security	\$1.81	\$1.73	+ 4.6%

1 Earnings after tax and before revaluations, interest, amortisation and depreciation

2 Earnings after tax and before revaluations and amortisation

The Financial Statements for Investa Property Group, Investa Property Trust and Investa Properties Limited are attached together with the Appendix 4E and a Summary Distribution Statement.

SERVICES³, DEVELOPMENT AND SHORT TERM INVESTMENTS

In line with the strategic target of generating 15-20% of Earnings¹ from business activities, the Services and Development businesses and short-term investments contributed 18% to overall Group Earnings, up from 13% the previous year.

Residential subdivision activities made the greatest contribution to Development Earnings, with satisfactory margins on costs and expanded inventory, reinforcing confidence in the consistency of Development Earnings going forward. Leveraging the structure of the Group, a commercial development at North Ryde was commenced and sold into one of the Group's syndicates. This is a tangible demonstration of the Group's value chain strategy as manufacturer/manager/distributor, where development profits have been confirmed and ongoing management fee streams secured.

INVESTMENTS

The Investment Portfolio continued to make a solid contribution to the increase in Group Earnings, contributing 82% of total Group Earnings Contribution and delivering a 2.6% increase in like for like property income.

Dominating the increase in investment revenue has been transaction activity with over \$1 billion in investment transactions undertaken during the year. The effect of this has been to substantially broaden the diversification aspects of the portfolio, blending opportunities to acquire long term leased buildings (such as was the case with the Telstra portfolio) and buildings representing repositioning opportunities (589 Collins St, Melbourne).

The purchase of the seven properties from Telstra Corporation again highlights how Investa works across the property value chain to extract value for its stakeholders. Through the management, syndication and on-sale of a number of those properties, up front profits and fees of \$7.2million were generated during the year and ongoing annuity streams established of \$2million. The ongoing annuity includes Investa's 30% share of outgoings savings achieved for Telstra during the year, which amounted to \$3.0 million, \$2.0 million higher than the amount guaranteed to Telstra under the terms of the acquisition.

The average lease term of the portfolio now stands at 5.1 years, and occupancy levels remain high at 97.7% with a relatively flat profile of expiry risk looking forward.

Lease Expiry Profile (by area)

Year ending June	2004	2005	2006	2007	2008	2009	2010+
Percentage of Portfolio Expiring	%	%	%	%	%	%	%
	10.1	10.0	13.3	11.8	14.5	5.0	33.1

CAPITAL MANAGEMENT

The equities market has supported the Group, with new equity of \$556 million issued during the year. This included Australia's first "Jumbo Entitlement Issue" undertaken by a stapled security, a number of private placements, \$50million raised through the Group's Distribution Reinvestment Plan and \$11 million through the Security Holder Purchase Plan.

Growth was also supported by additional debt and the extension of the Group's AAA and new AA+ rated Commercial Mortgage Backed Securities Programme. This includes funding of Investa's initial 8.4% stake in Principal Office Fund which was acquired on 21 May 2003.

³ The Services business comprises funds management, asset management and corporate property services.

At 30 June 2003, Group gearing was 32.9%. Interest rates on approximately 80% of outstanding debt is hedged with the weighted average term being 4.1 years and the weighted average interest rate, including margin, being 6.0% per annum.

CONCLUSION

In the 2½ years since commencement as a stapled security, Investa has established:

- a substantial and sound operational infrastructure;
- an excellent reputation for identifying and delivering major acquisitions; and
- a proven quality, innovative management team.

Looking forward, the Group continues to invest in its operating platform, building on the principles of good governance and quality management. The Group will pursue opportunities aligned with its strategy in a considered manner, while retaining a key focus on day to day performance.

Distributions are forecast to increase to 16.2 cents per security in the 2004 financial year.

For further information, please contact Chris O'Donnell on (02) 8226 9301, Graham Monk on (02) 8226 9304 or Andrew Junor on (02) 8226 9305.

Yours sincerely



CHRIS O'DONNELL
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