



LEX PROPERTY MANAGEMENT LIMITED

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18 January 2006

Dear Investor,

LEX Retail Property Trust

The Directors of LEX Property Management Limited, the responsible entity of the LEX Retail Property Trust ("Trust"), are pleased to provide notification of the first distribution for the Trust.

RETURN OF CAPITAL

Enclosed is your payment advice for the period from allotment to 31 December 2005. The return of capital has been paid at the rate of 1.6274 cents per unit which represents an annualised rate of 9.00% on your original investment.

As outlined in the Product Disclosure Statement ("PDS") dated 9 September 2005, as rental income will not be derived from the Property until Practical Completion of the Property which is due on 31 March 2006, the initial cash distribution payments to Unitholders from the date of Allotment through to Practical Completion of the Property will be paid by way of a capital return. The annualised rate of 9.00% at which the payment has been calculated is consistent with that forecast in the PDS.

DEVELOPMENT PROGRESS

The development of the Property adjacent to the Adelaide Airport, which will be leased to the IKEA franchisee Cebas Pty Ltd continues to be on budget and on time. The tenant has commenced some fitout works within the warehouse section and Practical Completion of the Property continues to be on track against the target date of 31 March 2006.

The tenant has commenced its recruiting programme for some 400 staff, the majority of which will be recruited locally from Adelaide. Extensive training of staff is underway to ensure they are in readiness for the operational start date of 1 May 2006.

If you have any questions in regard to your investment in the Trust please contact investor services on 1800 502 464.

Yours sincerely

LEX PROPERTY MANAGEMENT LIMITED

Nick Wyatt
Managing Director