



LEX PROPERTY MANAGEMENT LIMITED

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19 April 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 an update on the Property, together with details of the March 2006 Quarter payment to Unitholders.

PROPERTY UPDATE

Practical Completion of the Property, the IKEA Adelaide superstore adjacent to Adelaide Airport, occurred on 14 March 2006. This was achieved two weeks ahead of the original target date of 31 March 2006 after extensive work by all concerned with the development project and a smooth transition from base building to fitout works in each area during a staged handover process to the tenant.

The development cost of the Property at completion will be finalised during the quarter ending 30 June 2006 and is not expected to exceed the development budget of \$41.0 million.

The IKEA franchisee, Cebas Pty Ltd, took full occupancy of the Property from the date of Practical Completion and commenced the payment of rent from that date. This has enabled the Trust to distribute the resultant net income for March 2006 in this quarter's payment to Unitholders.

The tenant has commenced its pre-opening marketing campaign and the IKEA superstore will be formally opened to the public and commence trading on 20 April 2006. All of the tenant's operational staff have been recruited and the commercial build-up of the interior of the store successfully completed by the tenant in time for the grand opening.

MARCH 2006 QUARTER PAYMENT TO UNITHOLDERS

Enclosed is your payment advice for the quarter ended 31 March 2006. This payment includes both a return of capital and a distribution of income.

Return of Capital

As outlined in the Product Disclosure Statement ("PDS") dated 9 September 2005, with rental income not derived from the Property until Practical Completion of the Property, initial cash payments to Unitholders are paid by way of a capital return. Your payment for this quarter therefore includes a return of capital of 1.8108 cents per unit.

Income Distribution

The Trust generated income for the period from 14 March 2006 to 31 March 2006. Your payment for this quarter therefore includes a total cash distribution of 0.4087 cents per unit based on the net income of the Trust before non cash adjustments.

I look forward to updating you next quarter on progress following the opening of the IKEA Adelaide superstore and commencement of trading by the tenant. In the meantime, if you have any questions regarding your investment in the Trust, please do not hesitate to contact Investor Services on 1800 502 464.

Yours sincerely,

LEX Property Management Limited

Nick Wyatt
Managing Director