



Quarterly Update – 30 June 2008

**DISTRIBUTION OF 2.75 CENTS FOR THE PERIOD TO 30 JUNE 2008
EXCEEDS PDS FORECAST
INDEPENDENT VALUATION OF \$120M EXCEEDS PDS FORECAST
TOTAL UNITHOLDER RETURN* FOR THE PERIOD OF 21.98%**

COMPLETION OF THE IKEA CENTRE DEVELOPMENT

- Total development cost was completed in line with the original budget of \$103.65 million.
- Construction of the IKEA Store was finished ahead of the forecast completion date included in the Product Disclosure Statement (“PDS”) issued in January 2007.
- Construction of perimeter buildings providing an additional 2,900 sqm of office and retail space has now been completed in line with the original budget.
- 9 of the 10 perimeter tenancies (totalling approx 2,680sqm) are now under contract with average commencing rental exceeding the PDS forecast of \$270 per sqm.

PROPERTY VALUATION

- The IKEA Perth Store and perimeter buildings (“Property”) owned by the Fund has been independently valued at 30 June 2008 at \$120 million.
- This represents a revaluation surplus of approximately \$16.35 million compared to the final development cost which is expected to be brought to account by the Fund in June 2008.
- This valuation compares favourably to the ‘at completion’ valuation of \$110.50 million outlined in the PDS and represents an excellent outcome for investors in the Fund.

JUNE 2008 DISTRIBUTION

- A distribution of 1.75 cents per unit (“cpu”) has been paid by the Fund for the quarter ended 30 June 2008.
- Distributions totalling 2.75 cpu have now been paid by the Fund for the period ended 30 June 2008, which is higher than the PDS forecast of 2.49 cpu.
- The next distribution will be for the period ended 30 September 2008, payable in October 2008, and is expected to be at a rate consistent with the PDS forecast of 8.25 cpu for the financial year to 30 June 2009.
- Enclosed is your distribution payment advice statement for the quarter.
- Distributions for the period ended 30 June 2008 are 100% tax deferred.

FINANCIAL INDICATORS – JUNE 2008

Following the revaluation of the Property, the Fund's financial position at 30 June 2008 is expected to show the following indicators:

- External borrowings drawn to date of \$64.9 million (facility limit of \$66.3 million)
- The balance of the facility is expected to be drawn in July 2008 to meet final development cost commitments.
- Loan to value ratio on the Fund's external borrowings of 54.1% - significantly below the PDS forecast 'at completion' ratio of 60.0%.
- Net tangible asset ("NTA") backing per unit of approximately \$1.1923 – an increase of 19.23% on the allotment price of \$1.00 per unit paid by investors in March 2007.
- A total unitholder return* for the period of 21.98%.

**Increase in NTA backing per unit plus cash distributions for the period since allotment, based on a cost of \$1.00 per unit.*

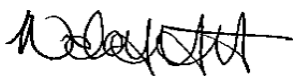
ANNUAL FINANCIAL REPORT

In accordance with statutory obligations, the annual financial report for the period to 30 June 2008 will be lodged with ASIC before 30 September 2008. A copy of this report will be made available on www.lexproperty.com.au, or can be sent to you at your request.

ANNUAL TAXATION STATEMENTS

Enclosed is your annual taxation statement for the 2007/2008 tax year. You will need the information on this taxation statement to help you complete your tax return for the year to 30 June 2008.

For further information about the Fund, please visit the website at www.lexproperty.com.au. If you have any questions regarding your investment in the Fund, please do not hesitate to contact LEX Investor Services on 1800 502 464.



Nick Wyatt
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LEX Property Management Limited