



*Artist's impression of the IKEA Adelaide retail store.
This building is an asset of the Trust.*

LEX Retail Property Trust

ARSN 115 789 243

Overview

This is a unique opportunity to participate as an investor in a well located Adelaide retail property with construction scheduled for completion in March 2006. The property is leased to Cebas Pty Ltd ("Cebas"), the IKEA franchisee for South Australia and Western Australia.

LEX Retail Property Trust ("LEX" or the "Trust") will develop and own the new IKEA store with a long term (15 year) lease to Cebas plus renewal options.

This opportunity may be attractive to investors with attractive income returns, tax advantaged distributions and potential for capital growth.

Private superannuation funds may be eligible for this investment.

Key Investment Features

- Capital returns of 9.0% per annum during the remainder of the construction period scheduled to end 31 March 2006.
- Forecast 9.5% per annum income distribution in the first full financial year after completion (30th June 2007).
- 100% tax deferral on forecast income distributions for the PDS forecast period.
- Distributions paid quarterly.
- Long lease (15 years) with annual rent reviews to CPI plus 1% and market reviews in the fifth and tenth years. The rental at reviews cannot be reduced lower than the rent in the preceding year.
- Conditional loan facility of \$27.1m agreed with National Australia Bank. This facility provides for a maximum LVR of 60% on the projected cost at completion.
- Interest rate hedging policies will be implemented to limit the interest rate payable on term debt funding in line with the fund's forecast.
- Capital growth potential supported by the quality and location of the property, the long term lease, and the rental growth through rental review structure.
- Tenant will retail internationally recognised IKEA branded furniture and home furnishings from the store.
- The Tenant is responsible for all operating expenses including maintenance and repairs and items of a structural or capital nature having regard to fair wear and tear of the property.
- The Responsible Entity management team has experience in property funds management and retail operations.
- Guaranteed maximum construction cost minimises the risk of cost overruns.

Key Property Features

- Construction commenced in April 2005, and is on target to meet the scheduled completion date in March 2006.
- Combined showroom and warehouse and will also include a 400-seat family restaurant and child-care facilities.
- Largest single tenant store in South Australia with floor space of approximately 23,500sqm.
- Retail operations will use the highly developed IKEA retailing concept with an experienced Australian franchisee, Cebas, which already operates a successful IKEA store in Perth, Western Australia.
- Dimensions and design of the store in accordance with IKEA's worldwide store development standards.
- Tenant responsible for management and costs associated with the retail fit out of the new store.

Forecast
9.5%*
Tax Deferred Income
Potential for Capital
Growth

* Based on the forecast returns of the Trust for the first full financial year after store opening (30 June 2007).

INDICATIVE KEY OFFER DATES

Offer Open Date	Friday 9 September 2005
Offer Close Date	Friday 21 October 2005
Expected Date For Allotment of Units	Wednesday 26 October 2005

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Property Financials

The property has been independently valued on an "at completion" basis at \$45.1m. This was based upon a capitalisation rate of 9.0% of the net property income.

The total cost of construction of the store is not expected to exceed \$41.0m. This cost is supported by a Deed of Guarantee provided by the founding unitholder of LEX, The Queensgate Trust.

The market value at completion of \$45.1m provides a projected revaluation surplus of \$4.1m at lease commencement which will accrue to the benefit of all Unitholders in LEX.

Leasehold Site Arrangements

The site is subleased by LEX from Adelaide Airport Limited ("AAL"). AAL holds the site under a long term lease from the Commonwealth of Australia ("Commonwealth"). The initial period of the ground lease expires in 2048, with LEX having an option to renew for a further period of 49 years subject to AAL renewing its head lease with the Commonwealth.

Commencing ground rent payable to AAL for the site is reviewed at CPI annually. Following practical completion of construction works, the ground rent payable by LEX is passed through to the Tenant in full.

Trust Summary

Total Funds Raised	\$43.8 million
- Proceeds From Offer of Units	\$18.0 million (18 million units)
- Pre-Offer Unitholder Funds	\$0.1 million (2.8 million units)
- Loan Funds Drawn	\$25.7 million
Gearing (Max)	60% LVR at completion
Independent Market Valuation On Completion	\$45.1 million
Issue Price Per Unit	\$1.00
Number Of Units To Be Issued	18.0 million
Minimum Investment	\$20,000
Additional Investment Above \$20,000	Multiples of \$1,000
Net Asset Backing Per Unit At Completion	\$0.94
Distribution Frequency	Quarterly
Growth Strategy	LPML has a clear and focused strategy to protect and grow unitholder value. If the Trust is presented with any opportunity similar to the IKEA Adelaide store with a strong lease covenant and income streams, consideration will be given to expanding the size of the Trust.
Eligible For Superannuation Funds To Invest	Yes

Long Term Investment

Investments in LEX should be regarded as long term and illiquid as there is no formal secondary market, and investors have no right to require that their investment be purchased or redeemed by the Responsible Entity.

LEX is structured as an unlisted property trust and it is the Responsible Entity's intention to consider the future strategy for the property by 31st October 2010. The strategic alternatives to be presented to a meeting of unitholders may include the sale of the property. Under the terms of the Subunderlease, Cebas has the first right of refusal to purchase the Property at independent market value.

A strategic review of the Trust will be commenced by 31st July 2010 to enable investors to have an opportunity to exit their investment in the Trust should they wish to do so.

The Responsible Entity will review the investment regularly and may recommend to investors that the property be sold before 31st October 2012 if it is considered to be in the best interests of investors.

Offer Details

LEX Property Management Limited ("LPML") is the Responsible Entity of the LEX Retail Property Trust (ARSN 115 789 243) ("LEX" or the "Trust") and the issuer of Units offered in a Product Disclosure Statement ("PDS") dated 9 September 2005. LPML is the holder of Australian financial services licence number 282675. The PDS relates to the Offer of 18,000,000 Units in the Trust at a subscription price of \$1.00 each.

Allotment or issues of securities will be made only on receipt of an application form attached to a copy of the PDS for LEX Retail Property Trust, dated 9 September 2005 which has been lodged with the Australian Securities and Investments Commission.

Before you consider making any investment in the Trust it is recommended that you read the PDS in its entirety and if necessary consult your financial advisor or other professional advisor.

A copy of the PDS is available from the Responsible Entity through the company's website or by contacting:

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