



## Quarterly Update – 31 March 2009

### MARCH 2009 DISTRIBUTION

- A cash distribution of **2.675 cents per unit** (“cpu”) has been paid by the Fund for the quarter ended 31 March 2009.
- Cash distributions for the first three quarters of the year now total 8.025 cpu and the full year forecast cash distribution remains at **10.70 cpu**, which represents a 2.9% increase on the previous year.
- Enclosed is your distribution payment advice statement for the quarter.
- Distributions for the year to 30 June 2009 are forecast to be 100% tax deferred.

### HALF YEAR FINANCIAL REPORTS

In accordance with statutory obligations, the half-yearly financial report of the Fund for the period ended 31 December 2008 has been lodged with ASIC. A copy of this report is available on the website at [www.lexproperty.com.au/lrpt\\_fund.php](http://www.lexproperty.com.au/lrpt_fund.php).

### NET TANGIBLE ASSET VALUE

As outlined in the Fund’s last Quarterly Update, the value of the Fund’s property at 31 December 2008 remained unchanged from the independent valuation at 30 June 2008 (**\$49.8 million**). The Fund’s gearing level of **49.0%** and net tangible asset (“NTA”) value per unit of **\$1.23** both also remained unchanged at 31 December 2008.

Investors should note that the NTA value of \$1.23 shown in the half yearly financial report is based on a valuation methodology adopted which the Directors consider reflects the market value of the property as at 31 December 2008. However, the underlying value of the Fund’s units may not necessarily reflect this NTA value as other market factors, such as liquidity and the impact of the current financial crisis on equity values, also need to be taken into account. Investors should therefore seek their own independent advice when considering unit values.

It is the Directors’ intention to have the property independently valued as at June 2009 and any change in value will be reflected in the NTA value at 30 June 2009.

### LEASING UPDATE

The Fund’s property comprises the IKEA Adelaide Store which is fully leased. Rental income derived by the Fund will increase over the term of the lease based on the following annual rent review arrangement in place:

- IKEA Adelaide Store – annual review at CPI plus 1%, with a market review at every 5<sup>th</sup> anniversary.

On this basis, property rent for the IKEA Adelaide Store was recently reviewed and achieved an annual increase of 4.80% with effect from 14 March 2009. With the long leasehold arrangement in place with Cebas Pty Ltd for the IKEA Adelaide Store, the Fund has a secure income base from which to continue to pay distributions to unitholders.

## DEBT MANAGEMENT

The Directors continue to adopt a conservative debt management policy which positions the Fund to provide stability for investors and includes the following key points:

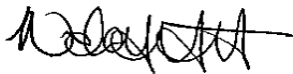
- The Fund has no debt facilities which require renegotiation in the near term;
- The term debt facility has a maturity date in April 2011;
- Interest expense on 100% of the debt drawn under this facility is fixed until the maturity date;
- The loan to value ratio of the facility is 49.0% as at 31 December 2008 (compared to the bank's requirement that this ratio should not exceed 60.0%); and
- Interest cover is 2.55 times for the half year to 31 December 2008 (compared to the bank's requirement that this ratio should not fall below 1.50 times).

## DISCLOSURE TO INVESTORS

In accordance with ASIC's Regulatory Guide 46 ("RG46"), the Responsible Entity is required to disclose certain information regarding the Fund which is aimed at improving disclosure to retail investors in unlisted registered property schemes.

The Directors are pleased to confirm that key principles such as gearing and distribution practices are addressed in this Quarterly Update and an updated commentary on each of the eight disclosure principles is available for viewing by investors on the website at [www.lexproperty.com.au/lrpt\\_fund.php](http://www.lexproperty.com.au/lrpt_fund.php).

For further information about the Fund, please visit the website at [www.lexproperty.com.au](http://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.



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