



Quarterly Update – 30 September 2010

SEPTEMBER 2010 DISTRIBUTION

- Cash distribution of **2.85 cents per unit** (“cpu”) paid for the September 2010 quarter.
- Annualised* cash distribution forecast of **11.40 cpu** represents a 1.3% increase on the previous year (11.25 cpu).
- Distributions for the year to 30 June 2011 forecast to be approximately **51% tax deferred**.
- Your quarterly distribution payment statement is enclosed.

**Based on the continuing operations of the Fund for the full financial year to 30 June 2011. The cash distribution forecast will change should the Resolution be approved and a sale transaction completed before 30 June 2011.*

NOTICE OF EXTRAORDINARY GENERAL MEETING OF UNITHOLDERS

You will have recently received a Notice of an Extraordinary General Meeting of Unitholders (**Notice**) to be held on Thursday 28 October 2010.

As outlined in the Notice, the purpose of the meeting is to determine the future strategy of the Trust by considering the following Resolution will be put as a special resolution to Unitholders at the meeting:

- (a) *“That the Responsible Entity be authorised to investigate and pursue a sale of the Trust’s property comprising the leasehold interest in, and ownership of the structures at the IKEA Adelaide Store, 397 Sir Donald Bradman Drive, Adelaide Airport, Adelaide, South Australia (**Property**) on or before 31 October 2012 on terms which the Responsible Entity considers are in the best interests of Unitholders of the Trust; and*
- (b) *“That the termination of the Trust on a date to be determined by the Responsible Entity shortly after the conclusion of the sale of the Property and the winding up of the Trust in accordance with the Trust Constitution and the Corporations Act be authorised.”*

Additional information concerning the Resolution is contained in the Explanatory Statement which accompanies and forms part of the Notice and the Directors of the Responsible Entity recommend that Unitholders vote in favour of the Resolution.

Voting on the Resolution at the meeting is at the discretion of Unitholders. The Directors encourage all Unitholders to vote and, if you are unable to attend the meeting in person, the Directors encourage you to complete the Proxy Form (which was enclosed with the Notice) and return it to LEX Investor Services by post, email to info@lexproperty.com.au or fax to 08 9446 2911 to be received no later than 10am on Tuesday 26 October 2010.

If the Resolution is approved at the meeting, the Directors intend to pursue a sale of the Trust’s Property by commencing an orderly sale process which will be conducted on terms which it considers to be in the best interests of Unitholders and it is intended to complete such a sale by 31 October 2012.

If during the sale process, a sale of the Property at a sale price which the Directors believe reflects the Property’s fair market value is not achieved, a further meeting of Unitholders will be convened on or before 31 October 2012.

FUND PERFORMANCE

The full year audited results to 30 June 2010 were published in line with details provided in the last Quarterly Update issued to investors.

As set out in the Audited Financial Report, on 28 September 2010 the Responsible Entity successfully completed the refinancing of the Trust's debt facility with National Australia Bank Limited which was due to mature in March 2011.

The Fund remains in full compliance with all of its banking covenants and the Directors confirm the following key points in relation to the Trust's refinanced debt facility:

- A maturity date no earlier than 31 December 2012;
- A loan to value ratio not to exceed 60%; and
- An interest cover covenant not to fall below 1.90 times.

The refinanced debt facility terms contain no requirement for the Trust to implement an interest rate risk management strategy on any portion of the debt facility. 100% of the Trust's debt is presently subject to fixed interest rate arrangements expiring in April 2011. The Directors will determine an appropriate interest rate risk management strategy to apply from April 2011 once the outcome of the forthcoming meeting is confirmed.

No significant changes to operating conditions were experienced during the quarter and the following key measures remain unchanged since 30 June 2010:

- Net tangible asset backing per unit of \$1.09; and
- Gearing on the Fund's external debt of 51.9% (bank covenant requires this not to exceed 60%).

The Directors will continue to diligently manage the Trust and the Trust's Property with a view to commencing an orderly sale process as set out in the Notice or, if the Resolution is not approved, managing the continuing operations of the Trust on an "as-is" basis.

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.

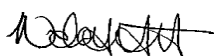
Key principles such as gearing and distribution practices are addressed in this Quarterly Update and an updated commentary on each of the eight disclosure principles is available for viewing by investors on the website at www.lexproperty.com.au/lrpt_fund.php.

ANNUAL FINANCIAL REPORT

In accordance with statutory obligations, the Annual Financial Report for the year ended 30 June 2010 has been lodged with ASIC.

A copy of this report is available through our website at www.lexproperty.com.au/lrpt_fund.php or can be sent to you on request.

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

Managing Director

LEX Property Management Limited

20 October 2010