



9 December 2011

«AddressBlockName»

Dear Investor,

## Update on Sale of Property

«FundName» ARSN 115 789 243

Investor number: «InvestmentNo»

As unitholders of the Fund are aware, the following resolution was passed in October 2010 at an extraordinary general meeting of unitholders:

- (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.”*

Having received clear support for this resolution from unitholders, the Directors of the Responsible Entity commenced an orderly sale process for the Fund’s property on such terms and conditions it considered to be in the best interests of unitholders.

The Directors engaged Colliers International to act as selling agent for the Fund’s Property and a sales and marketing campaign was implemented in the market place which included an Expressions of Interest (“EOI”) campaign which was scheduled to close on 18 August 2011.

At the close of this EOI campaign, the Fund was not in receipt of any formal offers for the Property.

A further period then followed in which parties showing a good level of interest were contacted by the selling agent and, as a result of this process, a formal offer to purchase the Property was received from a third party. As outlined in the September 2011 quarterly update to investors, the Directors announced that the Fund had entered into a Heads of Agreement with the third party for the conditional sale of the Property. The Heads of Agreement provided for an exclusive due diligence period of 6 weeks which commenced on 31 October 2011, with all other terms and conditions of the proposed sale subject to commercial confidentiality arrangements until execution of a Sale Contract expected to be 7 days following completion of the due diligence period.

The Directors also announced that, following the Fund entering the Heads of Agreement with the third party, the Fund was addressing the first right processes which exist with both Cebas Pty Ltd and Adelaide Airport Limited.

These first right processes have now been concluded and the Directors advise that Cebas Pty Ltd has exercised its right to purchase the Property on terms which the Directors consider are acceptable to the Fund, in the best interests of the unitholders and comparable to the open market value.

The exercise by Cebas Pty Ltd of its right to purchase the Property provides the Fund with an unconditional sale of the Property on the following key terms:

- a) A sale price of \$47.1 million.
- b) A contract preparation period of up to seven (7) weeks.
- c) A 5% deposit payable on execution of a contract of Sale.
- d) A settlement period of up to thirty (30) days.

The sale of the Property to Cebas Pty Ltd is unconditional in nature, delivers sale proceeds equivalent to the current fair market value of the Property after an extensive independent marketing campaign conducted by Colliers International and offers the potential for settlement of the sale to be achieved over a shorter timeframe.

The Directors intend to provide a further update to investors following the execution of a Contract of Sale with Cebas Pty Ltd and this update will also include preliminary details of arrangements necessary for the winding up of the Fund in accordance with the Constitution and likely timing of the distribution of the net sale proceeds following the sale of the Property to investors and remaining trading income of the Fund.

If you have any questions regarding this update or your investment please contact LEX Investor Services on 1800 502 464 or via email at [info@lexproperty.com.au](mailto:info@lexproperty.com.au).

Yours sincerely,

**LEX Property Management Limited**



Nick Wyatt

**Managing Director**