



## Quarterly Update – 30 June 2011

### JUNE 2011 DISTRIBUTION

- The Fund has paid a cash distribution of **3.25 cents per unit** (“cpu”) for the quarter ended 30 June 2011.
- Full year cash distributions total **11.80 cpu**, representing a 4.9% increase on the previous year, and an increase from the previous annual forecast of 11.40 cpu set out in the March Quarterly Update.
- Distributions for the year to 30 June 2011 are forecast to be approximately 48% tax deferred.
- Your quarterly distribution payment statement is enclosed.

### PROPERTY VALUATION

The valuation of the IKEA Adelaide Store (“Property”) owned by the Fund, for determining fair value as at 30 June 2011, remains unchanged from the 30 June 2010 independent valuation (\$47 million).

### NET TANGIBLE ASSET VALUE

The Fund’s unaudited net tangible asset (“NTA”) value per unit is \$1.09 at 30 June 2011, unchanged from last year.

Investors should note that this unaudited NTA value of \$1.09 is based on a methodology adopted which the Directors consider reflects the fair value of the property as at 30 June 2011. However, the underlying value of the Fund’s units may not necessarily reflect this NTA value as other market factors also need to be taken into account. Investors should therefore seek their own independent advice when considering unit values.

### DEBT RATIOS – JUNE 2011

- Gearing ratio – 51.9%
- Gearing covenant – not to exceed 60%
- Interest cover – 2.75 times
- Interest cover covenant – not to fall below 1.90 times
- External debt – \$24.4 million

The Fund remains in full compliance with all debt facility covenants.

### PROPERTY SALE PROCESS

As outlined in the March Quarterly Update, the Directors have commenced an orderly sale process for the Fund’s Property.

The Directors have engaged Colliers International to act as selling agent for the Fund’s Property. A sales and marketing campaign has commenced and is based on an Expressions of Interest (“EOI”) Campaign which is scheduled to close on Thursday 18 August 2011.

Subject to prevailing market conditions, and concluding the procedural and commercial aspects of the first right processes which exist with both Cebas Pty Ltd and Adelaide Airport Limited, the Directors expect to conclude the sale process as soon as practicable after the EOI campaign closes.

## 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.

The property rent for the IKEA Adelaide Store increased by 3.55% with effect from 14 March 2011 and, at 30 June 2011, there is a period of approximately 9.7 years remaining on the initial lease term.

## DISCLOSURE TO INVESTORS

In accordance with ASIC's Regulatory Guide 46 ("RG46"), the Responsible Entity has disclosed certain key principles such as gearing and distribution practices of the Fund 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).

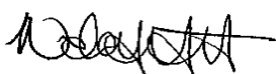
## ANNUAL FINANCIAL REPORT

In accordance with statutory obligations, the Fund's annual financial report for the year ended 30 June 2011 will be lodged with ASIC before 30 September 2011. A copy of this report will be made available on the website, [www.lexproperty.com.au](http://www.lexproperty.com.au) as soon as it is lodged with ASIC, or can be sent to you at your request.

## ANNUAL TAXATION STATEMENTS

Your annual taxation statement for the 2010/2011 tax year is expected to be completed and sent to you by 31 August 2011. You will need the information on this taxation statement to help you complete your tax return for the year to 30 June 2011 and this statement will also include confirmation of the tax deferred and taxable income components of your annual distributions.

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.



**Nick Wyatt**  
Managing Director  
**LEX Property Management Limited**  
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