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1. Overview

This Blue Tower Trust Investors' Report is for the quarter ending 30 September 2005.

The project continues to operate extremely well.



2. Leasing

Leasing activity for the September 2005 quarter is summarised as follows:-

New Leases

EOS JV	Levels 2, 5 1,923 square metres	Option exercised for a further three (3) years
Jellinbah	Level 7 516 square metres	A renewal of the lease for five (5) years negotiated
Ergon Energy	Levels 31 & 32 2,176 square metres	A new lease for seven (7) years negotiated
Securities Institute	Level 13 393 square metres	A renewal of the lease for five (5) years negotiated
AGL Pipelines	Level 30 1,088 square metres	A new lease for seven (7) years negotiated

3. Financial Results

Attached at Appendices 1 and 2 is the Balance Sheet as at 30 September 2005 and Profit and Loss Statement to 30 September 2005.

The project's profit before tax for the period ending 30 September 2005 is \$331,319. The project is operating in accordance with expectations.

The profit and loss statement is presented in the format of actual current year figures compared to prior year figures which is standard practice for a listed property trust.

The 6% per annum distributions for the September 2005 quarter were paid to the project's Investors on 21 October 2005. For tax purposes these payments are non-taxable as they represent a partial repayment of capital invested.

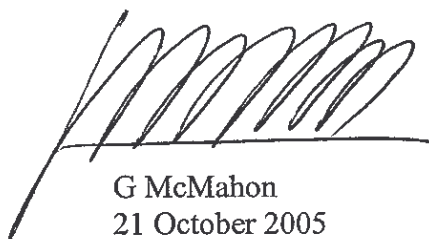
The Annual Report for 2004/5, which included the audited statutory accounts, was distributed to all Investors in late September 2005.




4. Building Refurbishment

All of the building services are operating well.

There is unlikely to be any major capital expenditure works during the remainder of 2005.



G McMahon
21 October 2005



M O'Reilly
21 October 2005

Appendix 1

Balance Sheet as at 30 September 2005

Balance Sheet

Blue Tower Trust

As At 30 September 2005

	\$
<u>UNITHOLDERS' FUNDS</u>	
Units Issued and Paid Up	26,564,205
Asset Revaluation Reserve	29,759,628
Retained Earnings	2,157,713
Profit Current Year	331,319
TOTAL UNITHOLDERS' FUNDS	<u>58,812,865</u>
<u>ASSETS</u>	
CURRENT ASSETS	
CASH	
Monies held in Trust - Custodian	<u>778,926</u>
TOTAL CASH	<u>778,926</u>
RECEIVABLES	
Trade Debtors	124,463
Income Receivable	<u>618,704</u>
TOTAL RECEIVABLES	<u>743,167</u>
OTHER CURRENT ASSETS	
Prepayments	<u>1,315,676</u>
TOTAL RECEIVABLES	<u>1,315,676</u>
TOTAL CURRENT ASSETS	<u>2,837,768</u>
NON CURRENT ASSETS	
PROPERTY PLANT AND EQUIPMENT	
Property Investments held directly	<u>152,102,826</u>
TOTAL PROPERTY PLANT AND EQUIPMENT	<u>152,102,826</u>
OTHER NON CURRENT ASSETS	
Formation Expenses	295,117
Accumulated Amortisation - Formation Expenses	(108,177)
Borrowing Expenses	1,775,396
Accumulated Amortisation - Borrowing Expenses	<u>(644,936)</u>
TOTAL OTHER NON CURRENT ASSETS	<u>1,317,400</u>
TOTAL NON CURRENT ASSETS	<u>153,420,226</u>
TOTAL ASSETS	<u>156,257,995</u>

Balance Sheet

Blue Tower Trust

As At 30 September 2005

	\$
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
ACCOUNTS PAYABLE	
Accrued Expenses	1,421,328
Prepaid Income	<u>723,803</u>
TOTAL ACCOUNTS PAYABLE	<u>2,145,131</u>
TOTAL CURRENT LIABILITIES	<u>2,145,131</u>
NON CURRENT LIABILITIES	
LOANS	
Bank Loan	<u>95,300,000</u>
TOTAL LOANS	<u>95,300,000</u>
TOTAL NON CURRENT LIABILITIES	<u>95,300,000</u>
TOTAL LIABILITIES	<u>97,445,131</u>
NET ASSETS	<u>58,812,865</u>

Appendix 2

Profit and Loss Statement to 30 September 2005

Profit & Loss Statement

Blue Tower Trust

For the Period Ending 30 September 2005

	<u>SEPT 2005</u>	<u>SEPT 2004</u>	<u>VARIANCE</u>
INCOME			
INTEREST REVENUE	3,469	36,495	(33,026)
RENTAL REVENUE	3,188,155	2,858,104	330,051
TOTAL INCOME	<u>3,191,625</u>	<u>2,894,599</u>	<u>297,024</u>
EXPENSES			
OPERATING EXPENSES	2,860,306	2,704,678	(155,628)
TOTAL EXPENSES	<u>2,860,306</u>	<u>2,704,678</u>	<u>(155,628)</u>
NET PROFIT	<u>331,319</u>	<u>189,921</u>	<u>141,396</u>

Expense Analysis

Blue Tower Trust

For the Period Ending 30 September 2005

	<u>SEPT 2005</u>	<u>SEPT 2004</u>	<u>VARIANCE</u>
EXPENSES			
OPERATING EXPENSES			
Accounting Fees	0	750	750
Airconditioning Expenses	103,758	89,900	(13,858)
Amortisation of Formation Expenses	14,758	10,739	(4,019)
Amortisation of Borrowing Costs	88,930	88,770	(160)
Asset Management Fees	150,000	150,000	-
Audit Fees	8,375	10,750	2,375
Bank Charges	5	117	112
Cleaning	18,750	11,284	(7,466)
Consultancy Fees	7,171	26,963	19,792
Custodian Fees	6,899	6,300	(599)
Electricity	37,857	23,281	(14,576)
Fees & Licences	1,064	319	(745)
Finance Charges - Loans	23,063	22,812	(251)
Fire Protection	11,624	23,821	12,197
Gardening	1,520	850	(670)
Guarantee Fees	25,100	25,000	(100)
Insurance	49,490	54,750	5,260
Interest Paid - Bank	1,813,036	1,720,651	(92,385)
Interest Paid - Other	15,474	0	(15,474)
Land Tax	54,240	54,240	-
Leasing Expenses	53,088	750	(52,338)
Legal Costs	3,269	10,361	7,092
Lift Expenses	73,200	72,603	(597)
Miscellaneous Expenses	5,421	2,241	(3,180)
Pest Control	0	690	690
Printing & Stationery	0	3,346	3,346
Property Management Fees	54,750	37,186	(17,564)
Public Relations	0	933	933
Rates	138,712	150,166	11,454
Repairs and Maintenance	62,820	74,889	12,069
Security	37,932	27,151	(10,781)
Telephone & Fax	0	3,067	3,067
TOTAL OPERATING EXPENSES	<u>2,860,306</u>	<u>2,704,678</u>	<u>(155,626)</u>