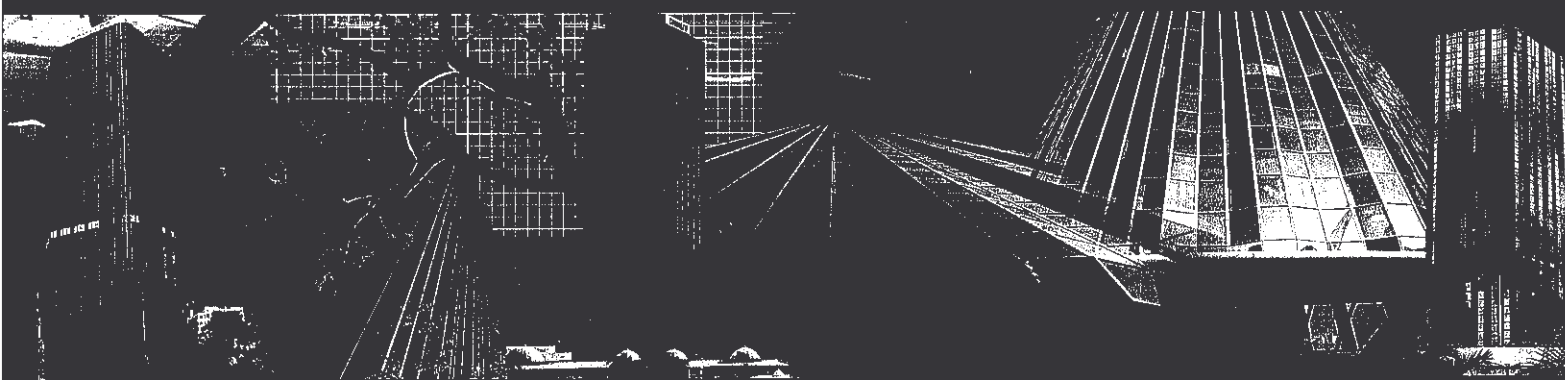


Blue Tower Trust Investors' Report

Quarter ending
31 March 2006





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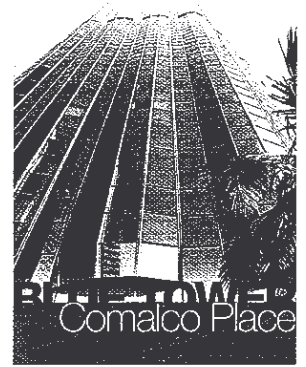
Appendices

1. Balance Sheet as at 31 March 2006
2. Income Statement to 31 March 2006



ABN 50 090 257 480

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Australian Financial Services Licence No: 229287



1. Overview

This Blue Tower Trust ("Trust") Investors' Report is for the quarter ending 31 March 2006.

The project continues to operate extremely well.

2. Leasing

The building was fully leased as at 31 March 2006.

3. Financial Results

Attached at Appendices 1 and 2 is the Balance Sheet as at 31 March 2006 and Income Statement to 31 March 2006.

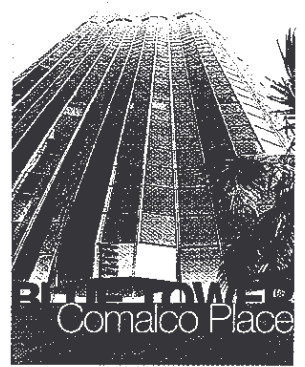
These unaudited management accounts have been prepared under International Financial Reporting Standards ("IFRS") that became effective for the Trust on 1 July 2005.

The accounting classification of the Trust's unitholders' equity under IFRS is uncertain i.e. debt or equity. This issue will be resolved in the coming months. The attached accounts show unitholders' equity in the equity section of the Balance Sheet.

The project's profit before tax for the period ending 31 March 2006 is \$11,349,665 which includes the December 2005 property revaluation increment of \$8,510,720. The property is shown in the accounts at \$176.5 million in accordance with a Directors' valuation as at 31 December 2005.

The Income 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 prior year figures have been presented under Australian Generally Accepted Accounting Principles ("AGAAP") and under IFRS which replaced AGAAP from 1 July 2005.

The 6% per annum distributions for the March 2006 quarter were paid to the project's Investors on 28 April 2006. For tax purposes these payments are non-taxable as they represent a partial repayment of equity invested.



4. Building Refurbishment

All of the building services are operating well.

There is unlikely to be any major capital expenditure works during 2006.

5. Extraordinary General Meeting

At an Extraordinary General Meeting held on 28 April 2006, unitholders voted in favour of amending the Trust Deed and the Asset Management Agreement as detailed in the Notice of Extraordinary General Meeting dated 28 March 2006.

G McMahon
28 April 2006

M O'Reilly
28 April 2006

Appendix 1

Balance Sheet as at 31 March 2006

Blue Tower Trust
Balance Sheet
As At 31 March 2006

	\$
<u>UNITHOLDERS' FUNDS</u>	
Units Issued and Paid Up	25,666,671
Hedging (SWAP) Reserve	(865,027)
Retained Earnings	47,837,662
Profit Current Year	11,349,665
TOTAL UNITHOLDERS' FUNDS	<u><u>83,988,971</u></u>
<u>ASSETS</u>	
CURRENT ASSETS	
CASH	
Monies held in Trust - Property Manager	155,042
Monies held in Trust - Custodian	948,599
TOTAL CASH	<u>1,103,641</u>
RECEIVABLES	
Trade Debtors	139,494
Income Receivable	2,584,281
TOTAL RECEIVABLES	<u>2,723,775</u>
OTHER CURRENT ASSETS	
Prepayments	1,302,193
TOTAL OTHER CURRENT ASSETS	<u>1,302,193</u>
TOTAL CURRENT ASSETS	<u>5,129,609</u>
NON CURRENT ASSETS	
PROPERTY PLANT AND EQUIPMENT	
Property Investments held directly	175,581,346
Lease incentives - Fitout Contribution	935,530
Accumulated Amortisation - Fitout Contribution	(110,496)
TOTAL PROPERTY PLANT AND EQUIPMENT	<u>176,406,380</u>
TOTAL NON CURRENT ASSETS	<u>176,406,380</u>
TOTAL ASSETS	<u><u>181,535,989</u></u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
ACCOUNTS PAYABLE	
Trade Creditors	78,780
Accrued Expenses	1,489,806
Prepaid Income	132,429
TOTAL ACCOUNTS PAYABLE	<u>1,701,015</u>
TOTAL CURRENT LIABILITIES	<u>1,701,015</u>
NON CURRENT LIABILITIES	
LOANS	
Prepaid Income	1,172
Bank Loan	96,000,499
Less: Net Borrowing Costs	(1,020,695)
Hedging (SWAP) Loan Reserve	865,027
TOTAL LOANS	<u>95,846,003</u>
TOTAL NON CURRENT LIABILITIES	<u>95,846,003</u>
TOTAL LIABILITIES	<u><u>97,547,018</u></u>
NET ASSETS	<u><u>83,988,971</u></u>

Appendix 2

Income Statement to 31 March 2006

Blue Tower Trust

Income Statement

For the Period Ending 31 March 2006

	<u>MAR 2006</u> Under IFRS	<u>MAR 2005</u> Under IFRS	<u>MAR 2005</u> Under AGAAP	<u>Variance Notes</u>
INCOME				
INTEREST REVENUE	15,131	55,117	55,117	
RENTAL REVENUE	11,126,995	9,314,993	9,056,524	
OTHER INCOME	8,718,258	-	-	Refer Section 3
TOTAL INCOME	<u>19,860,385</u>	<u>9,370,110</u>	<u>9,111,641</u>	
EXPENSES				
OPERATING EXPENSES	8,510,720	8,185,800	8,225,794	
TOTAL EXPENSES	<u>8,510,720</u>	<u>8,185,800</u>	<u>8,225,794</u>	
NET PROFIT	<u>11,349,665</u>	<u>1,184,310</u>	<u>885,847</u>	

Blue Tower Trust

Expense Analysis

For the Period Ending 31 March 2006

	<u>MAR 2006</u>	<u>MAR 2005</u>	<u>MAR 2005</u>	<u>Variance Notes</u>
	<u>Under IFRS</u>	<u>Under IFRS</u>	<u>Under AGAAP</u>	
EXPENSES				
OPERATING EXPENSES				
Accounting Fees	0	820	820	
Airconditioning Expenses	374,758	287,347	287,347	
Amortisation of Formation Expenses	0	0	39,998	
Amortisation of Borrowing Costs	273,137	266,919	266,919	
Asset Management Fees	586,586	450,000	450,000	From increase in property valuation
Audit Fees	64,100	24,250	24,250	Some 2005 audit fees included in 2006
Bank Charges	117	188	188	
Cleaning	50,392	27,823	27,823	
Consultancy Fees	23,768	74,938	74,938	
Custodian Fees	26,409	19,837	19,837	
Electricity	72,887	82,866	82,866	
Fees & Licences	4,405	625	625	
Finance Charges - Loans	68,688	68,938	68,938	
Fire Protection	41,846	57,696	57,696	
Gardening	3,800	3,103	3,103	
Guarantee Fees	41,767	75,000	75,000	
Insurance	152,767	111,398	111,398	
Interest Paid - Bank	5,285,744	5,262,638	5,262,638	
Interest Paid - Other	19,405	0	0	
Land Tax	147,961	168,508	168,508	
Leasing Expenses	109,300	12,363	12,363	Significantly more leasing activity in YTD March 2006
Legal Costs	33,045	25,052	25,052	
Lift Expenses	220,369	222,867	222,867	
Miscellaneous Expenses	15,848	4,295	4,295	
Pest Control	930	690	690	
Printing & Stationery	0	6,776	6,776	
Property Management Fees	164,389	99,186	99,186	Property management internalised during 2006
Public Relations	0	933	933	
Rates	468,769	463,492	463,492	
Repairs and Maintenance	144,678	273,324	273,324	
Security	114,854	86,151	86,151	
Telephone & Fax	0	7,774	7,774	
TOTAL OPERATING EXPENSES	<u>8,510,720</u>	<u>8,185,800</u>	<u>8,225,798</u>	