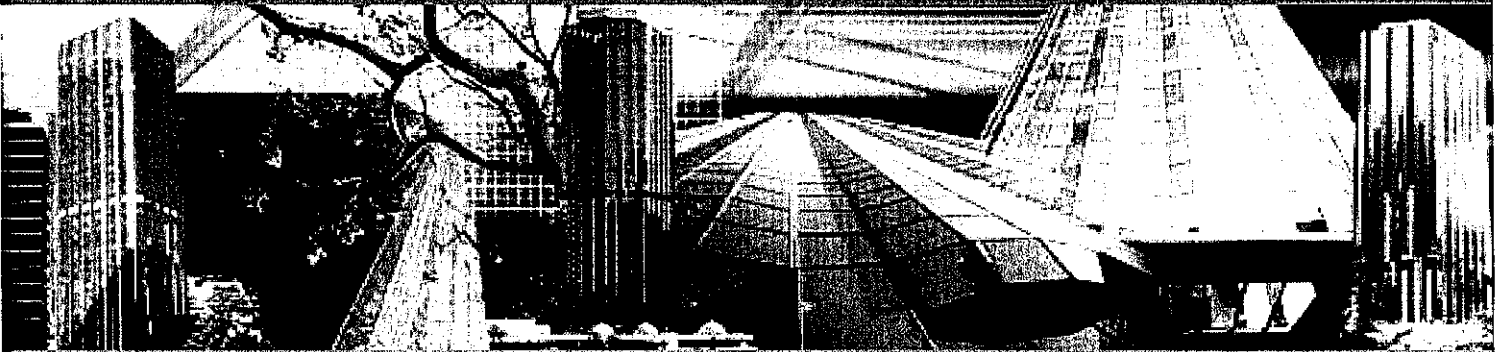


# Investors' Report

## Blue Tower Trust

Quarter ending  
31 March 2005



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## **1. Overview**

This Blue Tower Trust Investors' Report is for the quarter ending 31 March 2005.

The project continues to operate extremely well.

## **2. Leasing**

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

### **New Leases**

BankWest	Ground 152 square metres	A new five (5) year lease negotiated
EOS JV	Levels 2, 5 1,923 square metres	A new six (6) month term negotiated, with option of a further three and a half (3½) years
5 Star Shipping	Level 6 195 square metres	A new five (5) year lease negotiated
Tribeca	Level 11 640 square metres	A new seven (7) year lease negotiated

## **3. Financial Results**

Attached at Appendices 1 and 2 is the Balance Sheet as at 31 March 2005 and Profit and Loss Statement to 31 March 2005.

The project's profit before tax for the period ending 31 March 2005 is \$885,847. 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 prior year figures are from the date of acquisition (28 November 2003) to 31 March 2004.

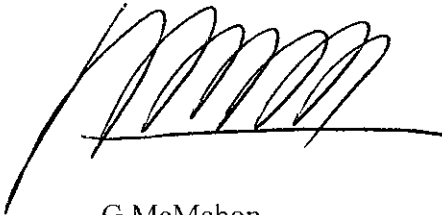
The "6% coupon payments" for the March 2005 quarter were paid to the project's investors on 18 April 2005. For tax purposes these payments are non-taxable as they represent a partial repayment of capital invested.

#### 4. Building Refurbishment

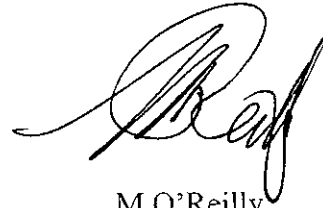
All of the building services are operating well.

The replacement of the building's three air-conditioning cooling towers was completed under budget prior to Christmas 2004.

There is unlikely to be any major capital expenditure works in 2005.

A stylized, cursive handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

G McMahon  
18 April 2005

A stylized, cursive handwritten signature in black ink, featuring a large initial 'R' and a long horizontal stroke.

M O'Reilly  
18 April 2005

## Appendix 1

Balance Sheet as at 31 March 2005

# Balance Sheet

## Blue Tower Trust

As At 31 March 2005

	\$
<b><u>UNITHOLDERS' FUNDS</u></b>	
UNITS ISSUED AND PAID UP	27,910,507
RETAINED EARNINGS	531,923
PROFIT CURRENT YEAR	885,847
<b>TOTAL UNITHOLDERS' FUNDS</b>	<b><u>29,328,277</u></b>
<b><u>ASSETS</u></b>	
<b>CURRENT ASSETS</b>	
<b>CASH</b>	
Monies held in Trust - Property Manager	70,953
Monies held in Trust - Public Trustee	960,346
<b>TOTAL CASH</b>	<b><u>1,031,299</u></b>
<b>RECEIVABLES</b>	
Trade Debtors	258,522
Income Receivable	452,364
<b>TOTAL RECEIVABLES</b>	<b><u>710,886</u></b>
<b>OTHER CURRENT ASSETS</b>	
Prepayments	584,689
<b>TOTAL OTHER CURRENT ASSETS</b>	<b><u>584,689</u></b>
<b>TOTAL CURRENT ASSETS</b>	<b><u>2,326,874</u></b>
<b>NON CURRENT ASSETS</b>	
<b>PROPERTY PLANT AND EQUIPMENT</b>	
Property Investments held directly	121,508,326
<b>TOTAL PROPERTY PLANT AND EQUIPMENT</b>	<b><u>121,508,326</u></b>
<b>OTHER NON CURRENT ASSETS</b>	
Formation Expenses	295,117
Accumulated Amortisation - Formation Expenses	(78,660)
Borrowing Expenses	1,775,396
Accumulated Amortisation - Borrowing Expenses	(468,968)
<b>TOTAL OTHER NON CURRENT ASSETS</b>	<b><u>1,522,885</u></b>
<b>TOTAL NON CURRENT ASSETS</b>	<b><u>123,031,211</u></b>
<b>TOTAL ASSETS</b>	<b><u>125,358,085</u></b>

## **Balance Sheet**

### **Blue Tower Trust**

As At 31 March 2005

	\$
<b><u>LIABILITIES</u></b>	
<b>CURRENT LIABILITIES</b>	
<b>ACCOUNTS PAYABLE</b>	
Trade Creditors	66,753
Accrued Expenses	1,441,306
Building Refurbishment Prepayment	256,419
Prepaid Income	565,329
<b>TOTAL ACCOUNTS PAYABLE</b>	<u>2,329,807</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,329,807</u>
<b>NON CURRENT LIABILITIES</b>	
<b>LOANS</b>	
Bank Loan	93,700,000
<b>TOTAL LOANS</b>	<u>93,700,000</u>
<b>TOTAL NON CURRENT LIABILITIES</b>	<u>93,700,000</u>
<b>TOTAL LIABILITIES</b>	<u>96,029,807</u>
<b>NET ASSETS</b>	<u>29,328,277</u>

## Appendix 2

### Profit and Loss Statement to 31 March 2005



## Profit & Loss Statement

### Blue Tower Trust

For the Period Ending 31 March 2005

	<u>MAR 2005</u>	<u>MAR 2004 *</u>	<u>VARIANCE</u>
<b>INCOME</b>			
INTEREST REVENUE	55,117	48,029	7,088
RENTAL REVENUE	9,056,524	3,886,948	5,169,576
<b>TOTAL INCOME</b>	<u>9,111,641</u>	<u>3,934,977</u>	<u>5,176,664</u>
<b>EXPENSES</b>			
OPERATING EXPENSES	8,225,794	3,572,879	(4,652,915)
<b>TOTAL EXPENSES</b>	<u>8,225,794</u>	<u>3,572,879</u>	<u>(4,652,915)</u>
<b>NET PROFIT</b>	<u>885,847</u>	<u>362,099</u>	<u>523,749</u>

\* The prior year figures are from the date of acquisition (28 November 2003) to 31 March 2004.

## Income Analysis

### Blue Tower Trust

For the Period Ending 31 March 2005

	<u>MAR 2005</u>	<u>MAR 2004*</u>	<u>VARIANCE</u>
<b>OTHER INCOME</b>			
Interest Received - Bank	55,105	48,029	7,076
Interest Received - Other	12	-	12
Rent Received	8,878,427	3,687,756	5,190,671
Outgoings Recovered	178,097	199,192	(21,095)
<b>TOTAL OTHER INCOME</b>	<u>9,111,641</u>	<u>3,934,977</u>	<u>5,176,664</u>
<b>TOTAL OTHER INCOME</b>	<u>9,111,641</u>	<u>3,934,977</u>	<u>5,176,664</u>

\* The prior year figures are from the date of acquisition (28 November 2003) to 31 March 2004.

## Expense Analysis

### Blue Tower Trust

For the Period Ending 31 March 2005

	<u>MAR 2005</u>	<u>MAR 2004*</u>	<u>VARIANCE</u>
<b>EXPENSES</b>			
<b>OPERATING EXPENSES</b>			
Accounting Fees	820	0	(820)
Airconditioning Expenses	287,347	133,730	(153,617)
Amortisation of Formation Expenses	39,998	18,646	(21,352)
Amortisation of Borrowing Costs	266,919	115,457	(151,462)
Asset Management Fees	450,000	204,932	(245,068)
Audit Fees	24,250	0	(24,250)
Bank Charges	188	420	232
Cleaning	27,823	22,090	(5,733)
Consultancy Fees	74,938	14,048	(60,890)
Custodian Fees	19,837	0	(19,837)
Electricity	82,866	22,224	(60,642)
Fees & Licences	625	7	(618)
Finance Charges - Loans	68,938	32,188	(36,750)
Fire Protection	57,696	9,804	(47,892)
Gardening	3,103	1,133	(1,970)
Guarantee Fees	75,000	33,333	(41,667)
Insurance	111,398	82,075	(29,323)
Interest Paid - Bank	5,262,638	2,338,302	(2,924,336)
Land Tax	168,508	73,509	(94,999)
Leasing Expenses	12,363	0	(12,363)
Legal Costs	25,052	0	(25,052)
Lift Expenses	222,867	95,024	(127,843)
Miscellaneous Expenses	4,295	2,742	(1,553)
Pest Control	690	1,747	1,057
Printing & Stationery	6,776	548	(6,228)
Property Management Fees	99,186	36,743	(62,443)
Public Relations	933	0	(933)
Rates	463,492	202,594	(260,898)
Repairs and Maintenance	273,324	83,239	(190,085)
Security	86,151	48,344	(37,807)
Telephone & Fax	7,774	0	(7,774)
<b>TOTAL OPERATING EXPENSES</b>	<u>8,225,794</u>	<u>3,572,879</u>	<u>(4,652,915)</u>

\* The prior year figures are from the date of acquisition (28 November 2003) to 31 March 2004.