

Kareelya Investments Limited

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24 August, 2004

Company Announcements Platform
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

WESTRALIA PROPERTY TRUST RESULTS 30 JUNE 2004

First stage of diversification strategy completed – forecast result achieved

The Directors of Kareelya Investments Limited, the Responsible Entity for the Westralia Property Trust, today announced a profit of \$850,000 for the year ended 30 June 2004, which was ahead of forecast and an increase of 170% on the profit earned last year.

The distribution for the year was 6.44 cents per unit 100% tax advantaged.

The highlights of the year included the acquisition of the Trust's first commercial property at City Central at 166 Murray Street Mall, Perth CBD for \$60.6m and profit generated from the sale of part of the tourism portfolio.

The Trust has achieved the first stage of its growth strategy of diversifying its income sources and increasing the assets of the Trust. Westralia now has a property portfolio of \$112m with commercial / retail comprising 54% of the portfolio.

"We are delighted to have acquired arguably one of Perth's best CBD assets. The property provides the Trust with both commercial and retail income streams supported by leases with the Federal Government and Woolworths" said Mr Brett Jackson, Chief Executive Officer.

The result includes one month's rental from City Central which was purchased on an initial passing yield of 7.5%. Since settlement, the building has now become fully tenanted with the key retail tenant surpassing turnover rental thresholds.

In keeping with the corporate strategy of reducing the Trust's tourism weighting the Directors are continuing to work towards achieving this objective while growing the Trust's property portfolio.

For further information please contact David Hinton or Brett Jackson

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brett Jackson', is written over a long, thin horizontal line that extends across the width of the signature area.

Brett Jackson
Chief Executive Officer

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

24 August 2004

1 Results

	% change	30 June 2004	30 June 2003
		\$'000	\$'000
Revenue from ordinary activities	365%	7,128	1,532
Profit from ordinary activities after tax attributable to members	170%	850	315
Net profit attributable to members	170%	850	315
Distribution to unitholders			
Total amount – 100% tax advantaged		1,301	645
Cents per unit		6.44 cents	3.94 cents
Basic earnings per unit		3.70 cents	2.07 cents
Diluted earnings per unit		3.70 cents	2.07 cents

The record date for determining distribution entitlements is the last business day of the quarter.

The WST Distribution Reinvestment Plan (DRP) is currently in operation, the last date for receipt of election notices is the last day of each quarter.

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2 Commentary on Results

Significant transactions during the year included:

- Acquisition of 166 Murray Street Mall, Perth for \$60.6m. The acquisition was financed by the issue of 41,666,667 units at 72 cents raising \$30.0m and the balance by debt of \$33.8m inclusive of transaction costs.
- Rights issue for 2,939,640 units raising \$2.0m on 1 June 2004. These funds were used to retire debt, purchase assets and provide working capital.
- Subdivision and sale of Dunsborough land with sale proceeds of \$4.0m and contributing profit before outside equity interests of \$2.0m (\$1.0m after outside equity interests).

Results

The profit for the year of \$850,000 was in line with the forecast result included in the April 2004 Product Disclosure Statement of \$845,000 and compares favourably with the profit generated in the previous year of \$315,000.

The revenue for the year increased by \$5,596,000 to \$7,128,000. The increase in revenue includes \$4,000,000 proceeds from the sale of the Dunsborough land and increased rental income due to the opening of the Broadwater Hotel at Kalgoorlie, and one month's rental from 166 Murray Street Mall, Perth.

Financial position

Total assets of the Trust increased \$65.4m to \$119.3m. As part of the Trust's strategy to diversify its property portfolio the following assets were acquired:

- \$60,651,000 acquisition of 166 Murray St Mall, Perth
- \$936,000 acquisition of a further 6% interest in the Pagoda Hotel Property Syndicate (PHPS) increasing the holding to 80%, together with the acquisition of further hotel suites. PHPS now owns 28 (of 101) strata suites at the Broadwater Pagoda Resort Hotel
- \$593,000 acquisition of a further 23% interest in the Pagoda Fixed Term Property Syndicate (PFTPS) increasing the interest to 53%.

These acquisitions were financed by equity raised during the year of \$32.0m and net additional borrowings of \$37.5m. The majority of the increase in borrowings was associated with the acquisition of 166 Murray St Mall, Perth.

Gearing ratio (interest bearing liabilities divided by total tangible assets) increased to 51% from 44% at the previous year end.

Interest bearing liabilities have increased from \$23,431,000 to \$60,903,000 of which \$37,000,000 is fixed against interest rate movements in excess of 12 months.

Distributions to unitholders

Distributions of income were paid or payable quarterly at the rate of 6.44 cents per annum. The June quarter distribution was paid on 21 July 2004.

Future developments

Consistent with the stated investment strategy, the Trust will seek to enhance its investment portfolio by acquiring further properties and diversifying the sources of its rental income.

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3 Consolidated Statement of Financial Performance

Note	2004 \$'000	2003 \$'000
REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES		
Rental income	2,635	612
Less property related expenses	(356)	(109)
Net property income	2,279	503
Other trust revenue		
Net profits accounted for using the equity method	53	66
Interest income		
- Related parties	209	460
- Other persons	111	386
Proceeds from disposal of property	4,000	-
Other income from ordinary activities	120	8
Other trust expenses		
Responsible entity fees	(267)	(106)
Amortisation of intangibles	(46)	(53)
Carrying amount of property sold	(2,030)	-
Interest and borrowing costs	(2,118)	(645)
Selling expenses	-	(113)
Write down of prospectus costs	(280)	-
Other expenses	(288)	(230)
NET PROFIT	1,743	276
NET (PROFIT) / LOSS ATTRIBUTABLE TO OUTSIDE EQUITY INTERESTS	(893)	39
NET PROFIT ATTRIBUTABLE TO MEMBERS OF WESTRALIA PROPERTY TRUST	850	315
Increase in Asset Revaluation Reserve	-	1,000
TOTAL REVENUE, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO UNITHOLDERS AND RECOGNISED DIRECTLY IN UNITHOLDERS' FUNDS	-	1,000
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH UNITHOLDERS AS UNITHOLDERS	850	1,315

DISTRIBUTION STATEMENT OF THE TRUST

Net operating profit	850	315
Net transfer to unitholders' funds	(219)	-
Transfer from reserve	670	330
Distributions paid or payable	1,301	645

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4 Consolidated Statement of Financial Position

	Note	2004 \$'000	2003 \$'000
CURRENT ASSETS			
Cash assets		1,253	3,450
Receivables		5,197	5,100
Other assets		363	256
TOTAL CURRENT ASSETS		6,813	8,806
NON CURRENT ASSETS			
Investments		111,645	43,926
Intangible assets		507	993
Other assets		312	233
TOTAL NON-CURRENT ASSETS		112,464	45,152
TOTAL ASSETS		119,277	53,958
CURRENT LIABILITIES			
Payables		2,113	6,021
Interest bearing liabilities	11	10,590	2,790
TOTAL CURRENT LIABILITIES		12,703	8,811
NON-CURRENT LIABILITIES			
Interest bearing liabilities		50,313	20,641
TOTAL NON-CURRENT LIABILITIES		50,313	20,641
TOTAL LIABILITIES		63,016	29,452
NET ASSETS		56,261	24,506
UNITHOLDERS' FUNDS			
Parent entity interest			
- Contributed equity		48,201	17,520
- Reserves		-	670
- Accumulated losses	7	(819)	(1,038)
Total parent entity interest in equity		47,382	17,152
Outside equity interests		8,879	7,354
TOTAL UNITHOLDERS' FUNDS		56,261	24,506
NTA/Unit		\$0.73	\$0.86
Units on issue ('000)		64,454	18,823

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5 Consolidated Statement of Cash Flows

	Note	2004 \$'000	2003 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent received		2,435	685
Interest received		668	436
Other income received		157	77
GST collected		971	1,009
GST paid		(867)	(1,156)
Property expenses paid		(322)	(109)
Responsible entity fees paid		(236)	(106)
Interest and borrowing costs paid		(2,389)	(359)
Other expenses paid		(304)	(290)
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	113	187
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property		(56,795)	(9,450)
Proceeds from sale of investments		357	289
Proceeds from sale of loan books		-	3,459
Payments for equity accounted investments		-	(1,872)
Purchase of controlled entity		-	(1,215)
Advances from related parties		1,500	-
Repayment of advances from related parties		(1,494)	-
Repayment of advances to related parties		2,678	402
Advances to related parties		(2,941)	(1,998)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(56,695)	(10,385)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		17,567	3,587
Unit issue costs		(390)	(921)
Distributions paid		(591)	(422)
Proceeds from borrowings		38,133	12,423
Repayment of borrowings		(334)	(2,360)
NET CASH FLOWS FROM FINANCING ACTIVITIES		54,385	12,307
NET INCREASE/(DECREASE) IN CASH HELD		(2,197)	2,109
Add opening cash brought forward		3,450	1,341
CLOSING CASH CARRIED FORWARD		1,253	3,450

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6 Profit and losses

	2004 \$'000	2003 \$'000
Net profit includes the following specific profit and loss items:		
Proceeds from disposal of property	4,000	-
Carrying amount of property sold	(2,030)	-
Profit on sale of land	<u>1,970</u>	<u>-</u>
Write down of prospectus costs	<u>280</u>	<u>-</u>

7 Accumulated losses

Balance at the beginning of the year	(1,038)	(1,038)
Net profit	850	315
Transfer from reserve	670	330
Distributions	(1,301)	(645)
Closing balance	<u>(819)</u>	<u>(1,038)</u>

8 Unit holder returns

	2004 \$'000	2004 Distribution cents per unit
Distribution dates:		
27 October 2003	307	1.61
21 January 2004	311	1.61
21 April 2004	316	1.61
21 July 2004	367	1.61
Total distribution paid	<u>1,301</u>	<u>6.44</u>

The above distributions were 100% tax advantaged.

Details of distribution reinvestment plan

The distribution reinvestment plan (DRP) allows unitholders to elect to re invest their distribution into new units of the Trust. The price of units issued under the DRP is the closing market price of units on the day before the distribution is declared. The value of distributions re invested in the year to 30 June 2004 was \$843,121 (2003: \$135,318) which resulted in the issue of 1,025,986 units (2003: 141,251).

The latest date for receipt of an election notice for participation in the DRP is the record date for each distribution which is the last day of each quarter.

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9 Details of entities over which control has been gained during the financial year

Name: Pagoda Fixed Term Property Syndicate (PFTPS) 31 May 2004

	2004 \$'000
Receivables	64
Properties	4,390
Total assets	4,454
Payables	(109)
Interest bearing liabilities	(2,000)
Fair value of assets acquired	2,345
Value attributable to outside equity interests	(815)
	1,530
Consideration	1,530
WST units issued in exchange for PFTPS units	(593)
Investment in PFTPS at 31 May 2004	(937)
Cash paid for controlled entity, net of cash acquired	-

WST's indirect holding in PFTPS increased from 30.22% to 52.83%.

10 Reconciliation of operating profit to net cash flow from operating activities:

	2004 \$'000	2003 \$'000
Net profit	1,743	276
Equity accounted revenue	(53)	(66)
Distribution from associates	44	77
Amortisation	46	195
Prospectus costs written off	280	-
Profit on sale of land	(1,970)	-
(Increase) / decrease in receivables	184	(559)
(Increase) / decrease in prepayments	(186)	92
Increase in creditors	25	172
Net cash flow from operating activities	113	187

Significant non-cash transactions

- i) The Trust issued 15,277,777 units at 72 cents as part consideration for the acquisition of 166 Murray Street Mall, Perth.
- ii) Issue of units under the distribution reinvestment plan as noted above.

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11 Interest bearing liabilities - current

The Directors believe that interest bearing liabilities falling due within the next twelve months can be extended or re-financed on similar terms.

12 Segment information

The principal activity of the Trust is to invest in income producing properties located in Australia.

13 Other information

This report is based upon financial statements which are in the process of being audited.

Issued by order of the Directors of Kareelya Investments Limited.

Graeme Goff
Company Secretary

Date 24 August 2004