

▶ Westralia Property Management Limited

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26 February 2007

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

Dear Sir

Westralia Property Trust - Results for the period ending 31 December 2006

Please find as follows the Appendix 4D for the period ending 31 December 2006, including discussion and analysis of the Trust's results.

Yours sincerely

On behalf of the Board



Peter Hall
Director

WESTRALIA PROPERTY TRUST
AND ITS CONTROLLED ENTITIES

Discussion and Analysis of 31 December 2006
Half Yearly Report

Financial Results

The reported net profit attributable to unitholders of the Westralia Property Trust for the half-year ended 31 December 2006 was \$3,704,000. Included within this result was a fair value increment of \$4,000,000 in respect of 166 Murray Street, Perth and costs associated with the sale of \$675,000.

Revenue and expenses

Revenue and other income from continuing operations was in line with the previous period after allowing for the market value adjustment on 166 Murray Street, Perth.

Balance Sheet

The net debt since 30 June 2006 has been reduced by \$1,070,000 to \$58,700,000.

The gearing ratio (net debt divided by total tangible assets excluding cash) at 31 December 2006 was 54%, down from 57% at 30 June 2006.

Investment properties increased by \$4,000,000 due to the market value increment of 166 Murray Street, Perth.

Cash Flow

Overall cash inflow was \$188,000 for the half-year.

Operating cash inflow for the six months to 31 December 2006 was \$125,000.

Financing activities produced an outflow of \$65,000 compared to an inflow of \$45,000 in the previous corresponding period. This is a result of the Trusts ongoing debt reduction policy.

Distributions to unitholders

The Trust has not paid a distribution to unitholders in the period.

The Directors will continue to focus on the reduction of debt and the production of sustainable profits to allow for the consideration of distributions in the future.

WESTRALIA PROPERTY TRUST AND ITS CONTROLLED ENTITIES

Second half outlook

The Responsible Entity will continue to apply financial discipline in the management of the Trust. Following the sale of 166 Murray Street Mall for \$71,300,000 in February 2007, the Trust plans to utilise the proceeds generated to retire the debt of \$37,500,000 on the Murray Street property. The remaining funds will be used to pay down other debt facilities in accordance with loan agreements and to make further strategic investments for the Trust.

Future developments

The Responsible Entity is dedicated to increasing investor value and recognises that in order to restore unitholder value it is necessary to rationalise the structure of the Trust's operations. As part of this process the Trust has sold 166 Murray Street Mall and is continuing to review the other assets.

26 February 2007

Westralia Property Trust

ARSN 096 588 046

Half Yearly Report

Appendix 4D

31 December 2006

	% change	6 months ended 31 December 2006 \$'000	6 months ended 31 December 2005 \$'000
Revenue from ordinary activities	Up 15%	3,189	2,766
Profit/(loss) from ordinary activities after tax attributable to unitholders		3,704	(279)
Net profit/(loss) attributable to unitholders		3,704	(279)
Distribution to unitholders paid or payable			
Total amount		Nil	Nil
Cents per unit		Nil	Nil
Basic and diluted earnings / (loss) per unit (cents)		5.44	(0.41)

Net Tangible Assets	31 December 2006	31 December 2005
Total net tangible assets attributable to unitholders	43,101,000	40,182,000
Units on issue	68,140,619	68,140,619
Net tangible assets attributable to unitholders per unit	\$0.63	\$0.59

Westralia Property Trust

ARSN 096 588 046

Half-yearly Report

31 December 2006

Directors Report

The Directors of Westralia Property Management Limited, the Responsible Entity of Westralia Property Trust ("the Trust") report as follows:

Directors

The Directors of the Responsible Entity in office during the half-year and at the date of this report are:

Leslie Peter Wozniczka
Anthony Charles Gwynne Davies
Peter Arthur Ray Hall

David Ayers Hinton was a director from the beginning of the financial period until his resignation on 22 September 2006.

Review and Results of Operations

The Trust has not paid any distributions in the half-year and made a net profit attributable to unitholders of \$3,704,000 (half-year ended 31 December 2006: net loss attributable to unitholders of \$279,000).

Further details on the results and operations are included in the attached Discussion and Analysis report.

Rounding of amounts

The entity is of the kind specified in the Australian Securities & Investments Commission class order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of the Directors Report for the half-year ending 31 December 2006.

This report has been made in accordance with a resolution of Directors.




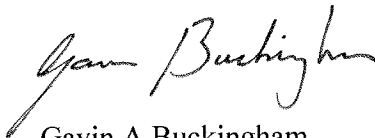
Peter Hall
Director

26 February 2007

Auditor's Independence Declaration to the Directors of Westralia Property Management Limited

In relation to our review of the financial report of Westralia Property Trust for the half-year ended 31 December 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.


Ernst & Young



Gavin A Buckingham
Partner
Perth
26 February 2007

**WESTRALIA PROPERTY TRUST
AND ITS CONTROLLED ENTITIES**

CONDENSED INCOME STATEMENT

For the half-year ended 31 December 2006

	Note	31 December 2006 \$'000	31 December 2005 \$'000
Continuing operations			
Rental and other property income		1,098	600
Interest income		31	67
Other income		30	-
Total revenue and other income		1,159	667
Trust expenses			
- Finance costs		(940)	(1,082)
- Responsible Entity fees		(113)	(111)
- Auditors remuneration		(77)	(49)
- Costs associated with previously sold assets		-	(251)
- Other expenses		(203)	(257)
Net fair value decrement of investments and investment properties		-	(2,158)
Total expenses		(1,333)	(3,908)
Net loss from continuing operations before minority interests and finance costs attributable to unitholders		(174)	(3,241)
Discontinued operations			
Profit from discontinued operations before minority interests and finance costs attributable to unitholders	6	3,909	2,625
Net profit/(loss) before minority interests and finance costs attributable to unitholders		3,735	(616)
Net (profit)/loss attributable to minority interests		(31)	354
Net profit/(loss) attributable to unitholders of the Trust		3,704	(262)
Finance costs attributable to unitholders of the Trust		-	(17)
Changes in net assets attributable to unitholders of the Trust		3,704	(279)
BASIC AND DILUTED PROFIT/(LOSS) PER UNIT - CENTS		5.44	(0.41)
BASIC AND DILUTED PROFIT/(LOSS) PER UNIT FROM CONTINUING OPERATIONS - CENTS		(0.30)	(4.26)

The condensed income statement should be read in conjunction with the accompanying notes.

**WESTRALIA PROPERTY TRUST
AND ITS CONTROLLED ENTITIES**

CONDENSED BALANCE SHEET

As at 31 December 2006

	Note	31 December 2006 \$'000	30 June 2006 \$'000
Current Assets			
Cash and cash equivalents	5	1,057	873
Trade and other receivables		536	1,071
		1,593	1,944
Investment properties held for sale	6	71,300	-
Total Current Assets		72,893	1,944
Non Current Assets			
Investment properties	7	36,249	103,549
Other financial assets		187	187
Total Non Current Assets		36,436	103,736
Total Assets		109,329	105,680
Current Liabilities			
Trade and other payables		2,268	1,468
Interest bearing loans and borrowings		59,757	12,188
Total Current Liabilities		62,025	13,656
Non Current Liabilities			
Interest bearing loans and borrowings		-	48,455
Total Non Current Liabilities		-	48,455
Total Liabilities Excluding Net Assets Attributable to Unitholders and Minority Interests		62,025	62,111
Net Assets Attributable to Unitholders and Minority Interests		47,304	43,569
Represented By			
Unitholder interest liabilities		43,101	39,397
Minority interest liabilities		4,203	4,172
Total Unitholders and Minority Interest Liabilities		47,304	43,569

The condensed balance sheet should be read in conjunction with the accompanying notes.

**WESTRALIA PROPERTY TRUST
AND ITS CONTROLLED ENTITIES**

STATEMENT OF CHANGES IN NET ASSETS

For the half-year ended 31 December 2006

	Profit/ (loss)	Units	Minority interests	Net assets attributable to unitholders
	\$'000	\$'000	\$'000	\$'000
At 1 July 2005	(9,649)	50,165	5,770	46,286
Net loss attributable to unitholders after finance costs attributable to unitholders	(279)	-	(354)	(633)
Units issued in WPT during the period	-	361	-	361
At 31 December 2005	<u>(9,928)</u>	<u>50,526</u>	<u>5,416</u>	<u>46,014</u>
At 1 July 2006	(11,129)	50,526	4,172	43,569
Net profit attributable to unitholders after finance costs attributable to unitholders	3,704	-	31	3,735
At 31 December 2006	<u>(7,425)</u>	<u>50,526</u>	<u>4,203</u>	<u>47,304</u>

**WESTRALIA PROPERTY TRUST
AND ITS CONTROLLED ENTITIES**

CONDENSED CASH FLOW STATEMENT

For the Half-year ended 31 December 2006

	Note	31 December 2006 \$'000	31 December 2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent received		2,596	3,364
Interest received		44	637
Other receipts		30	-
GST received (net)		45	31
Interest and borrowing costs paid		(2,281)	(2,314)
Other expenses paid		(309)	(938)
NET CASH INFLOW FROM OPERATING ACTIVITIES		125	780
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property		-	(273)
Proceeds from sale of investments		-	1,987
Repayment of advances from related parties		(481)	-
Proceeds from repayment of advances to related parties		609	416
NET CASH INFLOW FROM INVESTING ACTIVITIES		128	2,130
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid - distributions to unitholders and minority interests		-	(17)
Proceeds from loans and borrowings		-	1,603
Repayment of loans and borrowings		(65)	(1,541)
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		(65)	45
NET INCREASE IN CASH AND CASH EQUIVALENTS		188	2,955
Add opening cash and cash equivalents at beginning of period		738	422
CLOSING CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	926	3,377

The condensed cash flow statement should be read in conjunction with the accompanying notes.

WESTRALIA PROPERTY TRUST AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

HALF-YEAR ENDED 31 DECEMBER 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Constitution of the Westralia Property Trust, the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for investment properties and other financial assets, which have been measured at fair value based upon Directors' valuations. Independent valuations are conducted at intervals of not more than three years and are considered by the Directors of the Responsible Entity when determining fair values.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of the Trust as at 30 June 2006 together with any public announcements made by the Trust and its controlled entities during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules and the Corporations Act 2001.

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006. The adoption of amending standards mandatory for annual reporting periods beginning on or after 1 July 2006 has not resulted in any changes to these accounting policies.

For the purpose of preparing the financial report the half-year has been treated as a discrete reporting period.

2. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.

3. SEGMENT REPORTING

The Trust operates wholly within Australia and derives rental income from property and related investments.

4. NON-CASH FINANCING ACTIVITIES

No distributions occurred in the period. The distribution reinvestment plan ("DRP") allows unit holders to elect to reinvest their distribution into new units of the Trust. The issue price of units under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the Australian Stock Exchange during the 10 trading days from, and including the date on which the Trust's units trade ex-distribution, less a discount of up to 10% as determined by the Directors at their absolute discretion. The value of distributions reinvested in the half-year to 31 December 2006 was \$nil (December 2005: \$nil), which resulted in the issue of nil units (December 2005: nil units).

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.

**WESTRALIA PROPERTY TRUST
AND ITS CONTROLLED ENTITIES**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

HALF-YEAR ENDED 31 DECEMBER 2006

5. RECONCILIATION OF CASH

	31 December 2006 \$'000	31 December 2005 \$'000
Cash balance comprises:		
- Cash assets	1,057	3,413
- Bank overdraft	(131)	(36)
	926	3,377

6. INVESTMENT PROPERTIES HELD FOR SALE

	31 December 2006 \$'000	30 June 2006 \$'000
Land and buildings	71,300	-

On 22 December 2006 the Trust entered into an unconditional contract for the sale of the City Central property at 166 Murray Street Mall, Perth for \$71,300,000 with the Centro Properties Group. The sale settled on 1 February 2007. As at 31 December 2006, Murray Street Mall Property Trust, the unit trust that held 166 Murray Street Mall, Perth, was classified as a disposal group held for sale.

The result of the discontinued operation for the half-year are presented below:

	31 December 2006 \$'000	31 December 2005 \$'000
Rental and other property income	2,018	2,094
Net fair value increment on investment properties	4,000	2,100
Interest income	12	5
Total revenue and other income	6,030	4,199
Finance costs	(1,300)	(1,286)
Responsible Entity fees	(283)	(275)
Other expenses	(538)	(13)
Net profit from discontinued operations	3,909	2,625

WESTRALIA PROPERTY TRUST AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

HALF-YEAR ENDED 31 DECEMBER 2006

7. INVESTMENT PROPERTIES

There is significant uncertainty whether the Dunsborough Hotel Property Syndicate, the Pagoda Hotel Property Syndicate and the Pagoda Fixed Term Property Syndicate ("the schemes") will be able to continue as going concerns and therefore whether they will be able to pay their debts as and when they fall due and realise their assets and extinguish their liabilities in the normal course of business. In addition, Westralia Property Management Limited has ceased to be the Responsible Entity of Dunsborough Hotel Property Syndicate and no longer controls the activities of the syndicate.

At the date of signing the half-year financial report, the Directors of the Responsible Entity believe there are reasonable grounds to believe the syndicates will continue as going concerns.

Should these syndicates not be able to continue as going concerns, there is significant uncertainty whether the consolidated entity will be able to realise the investment properties held by the syndicates, at their current carrying value of \$23,900,000. The consolidated half-year financial report does not include any adjustments relating to the recoverability and classification of recorded investment property amounts should these syndicates not continue as going concerns.

8. SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to balance date:

- a) On 22 December 2006 the Trust entered into an unconditional contract for the sale of the City Central property at 166 Murray Street Mall, Perth for \$71,300,000 with the Centro Properties Group.

The sale settled on 1 February 2007. The sale proceeds will be used to retire debt on the property of \$37,500,000 and to pay down \$5,000,000 of the Kalgoorlie Apartment Hotel Syndicate loan.

- b) On 2 January 2007, Westralia Property Management Limited, the Responsible Entity of the Trust ceased to be the Responsible Entity of Dunsborough Hotel Property Syndicate. The Trust continues to maintain a majority unitholding in the Dunsborough Hotel Property Syndicate.

No other matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial periods.

9. UNITS ON ISSUE

	31 December 2006	31 December 2005
Opening balance at 30 June	68,140,619	67,419,619
Units issued during the period	-	721,000
Closing balance at 31 December	68,140,619	68,140,619

**WESTRALIA PROPERTY TRUST
AND ITS CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of the Responsible Entity, Westralia Property Management Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Trust:
 - i give a true and fair view of the financial position as at 31 December 2006 and the performance for the half-year ended on that date of the Trust; and
 - ii comply with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Peter Hall
Director

26 February 2007

To the unitholders of Westralia Property Trust

Report on the Half-Year Condensed Financial Report

We have reviewed the accompanying half-year financial report of Westralia Property Trust (“the Trust”) and the entities it controlled during the half-year, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in net assets and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors’ declaration.

Directors of Westralia Property Management Limited’s Responsibility for the Half-Year Financial Report

The directors of Westralia Property Management Limited, the Responsible Entity of the Trust, are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity’s financial position as at 31 December 2006 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory financial reporting requirements in Australia. As the auditor of Westralia Property Trust and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the responsible entity a written Auditor’s Independence Declaration. In addition to our review of the financial report, we were engaged to undertake other services. The provision of these services has not impaired our independence.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Westralia Property Trust and the entities it controlled during the half-year, is not in accordance with:


- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

Inherent Uncertainty Regarding the Carrying Value of Investment Properties

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 7 "Investment Properties" to the financial report, the current carrying value of certain investment properties of \$23,900,000 is dependent upon the schemes holding these investment properties continuing to operate as going concerns. At the date of this report, there is significant uncertainty whether these schemes can continue as going concerns and thus whether the carrying value of these investment properties is recoverable. The financial report does not include any adjustments to the carrying value of these investment properties should the schemes not be able to continue as going concerns.



Ernst & Young



Gavin A Buckingham

Partner

Perth

26 February 2007