

26 February 2008

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 2007**

Please find as follows the Appendix 4D for the period ending 31 December 2007, including discussion and analysis of the Trust's results.

Yours sincerely

On behalf of the Board



Peter Zachert  
Director

# Westralia Property Trust

ARSN 096 588 046

Half Yearly Report

Results for Announcement to the Market

Appendix 4D

31 December 2007

	<b>% change</b>	<b>6 months ended 31 December 2007 \$'000</b>	<b>6 months ended 31 December 2006 \$'000</b>
Revenue from continuing operations	Up 2,286.4%	<b>1,050</b>	44
Profit/(loss) from continuing operations after tax attributable to unitholders	Up 116.1%	<b>382</b>	(2,374)
(Loss)/profit from discontinued operations after tax attributable to unitholders	Down 118.6%	<b>(1,133)</b>	6,079
Net (loss)/profit attributable to unitholders	Down 103.2%	<b>(118)</b>	3,704
<b>Distribution to unitholders paid or payable</b>			
Total amount		<b>Nil</b>	Nil
Cents per unit		<b>Nil</b>	Nil
Basic and diluted (loss)/earnings per unit (cents)		<b>(0.16)</b>	5.44
<b>Net Tangible Assets</b>			
		<b>31 December 2007</b>	<b>31 December 2006</b>
Total net tangible assets attributable to unitholders		<b>38,029,633</b>	43,101,000
Units on issue		<b>84,116,264</b>	68,140,619
Net tangible assets attributable to unitholders per unit		<b>\$0.45</b>	\$0.63

**WESTRALIA PROPERTY TRUST**  
**AND ITS CONTROLLED ENTITIES**

---

**Discussion and Analysis of 31 December 2007**  
**Half Yearly Report**

**Financial Results**

The reported net loss attributable to unitholders of the Westralia Property Trust for the half year ended 31 December 2007 was \$118,000 (2006: net profit \$3,704,000).

**Revenue and expenses**

Revenue and other income from continuing operations represents Interest Income. This revenue has increased to \$1,050,000 (2006: \$44,000) as a result of increased net cash and cash equivalents due to proceeds on sale of assets.

**Balance Sheet**

The net cash and cash equivalents (i.e. after interest bearing loans and borrowings) since 30 June 2007 has been increased by \$16,913,000 to \$28,799,000 due to proceeds on sale of assets.

**Cash Flow**

Overall cash inflow was \$7,462,000 (2006: \$188,000) for the half year.

Operating cash inflow for the six months to 31 December 2007 was \$1,077,000 (2006: \$125,000).

Investing activities produced a cash inflow of \$19,894,000 (2006: \$128,000) as a result of the sale of properties during the period.

Financing activities produced an outflow of \$13,509,000 (2006: \$65,000). This is a result of the Trusts ongoing debt reduction and distribution paid to unitholders.

**Distributions to unitholders**

The Trust effected a distribution totalling \$6,589,000 to unitholders on 15 November 2007 representing 9.7c per unit.

The distribution represented a distribution of the Taxable Income of the Trust for the year ended 30 June 2007. The taxable income arose predominately due to a capital gain of \$11,700,000 realised on the sale of the property at 166 Murray Street Mall, Perth.

A total of \$5,112,000 was reinvested by unitholders pursuant to the Trust's Distribution Reinvestment Plan resulting in the issue of an additional 15,975,645 units at \$0.32.

The Responsible Entity resolved not to make any distributions from the Trust in relation to the period ended 31 December 2007.

# **WESTRALIA PROPERTY TRUST**

## **AND ITS CONTROLLED ENTITIES**

---

### **Second half outlook**

The Responsible Entity will be continuing to focus on the sale of its remaining hospitality asset and acquiring rural land with a view to becoming an Agricultural Land Trust.

### **Future developments**

The Responsible Entity has identified agricultural property as an investment class which is expected to perform strongly in the near to long term due to structural changes in demand and supply of agricultural land. The Trust's association with the Futuris group positions it well for access and assessment of opportunities within the rural sector – especially in relation to forestry where the opportunity exists for acquisition of high quality broadacre land backed by long term rental agreements.

An Option Deed (Option) has been entered into with ITC Timberlands Pty Ltd (ITC). ITC is a company within the Futuris group.

The Option relates to the acquisition of approximately 22,000 hectares of land in WA, Qld and the Green Triangle in Victoria. All land is positioned in areas recognised for reliable rainfall and productive soil profiles. Other features of the portfolio include proximity to main port terminals and road networks.

The Option will secure this land and allow the Trust to progress financing and provide transaction certainty. The Option expires on 30 June 2008 and a deposit of \$8,788,000 has been paid to ITC pursuant to the terms of the Option representing approximately 10% of land values agreed to date.

Exercise of the Option is conditional upon, inter alia, legal due diligence and obtaining approval from unitholders of the Trust at an Extraordinary General Meeting for the acquisition of the land from ITC pursuant to Rule 10.1 of the Listing Rules of ASX Limited and Chapter 2E as modified by Part 5C.7 of the Corporations Act 2001. Given that this land has been sourced from within the Futuris group, unitholders associated with Futuris will not vote on the acquisition of the land.

Should the Option not be exercised the deposit paid will be fully refunded with interest.

The Board anticipate that unitholders will be provided with a Notice of the Extraordinary General Meeting and Explanatory Memorandum within 2 months.

25 February 2008

# **Westralia Property Trust**

**ARSN 096 588 046**

## **Half Year Report**

**31 December 2007**

### **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:

Anthony Charles Gwynne Davies  
Peter Arthur Ray Hall  
Peter Zachert (appointed 2 July 2007)

Leslie Peter Wozniczka was a director from the beginning of the financial period until his resignation on 2 July 2007.

#### **Review and Results of Operations**

The Trust has not paid any distributions in relation to the half year and made a net loss attributable to unitholders of \$118,000 (2006: net profit \$3,704,000).

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

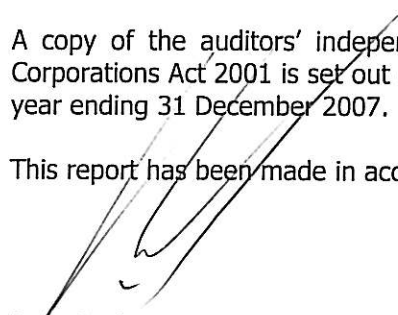
#### **Rounding of amounts**

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 2007.

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



Peter Zachert  
Director

Adelaide  
25 February 2008

## **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 2007, 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



Alan Herald  
Partner  
Adelaide  
25 January 2008

**WESTRALIA PROPERTY TRUST  
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT**

**HALF YEAR ENDED 31 DECEMBER 2007**

	Note	31 December 2007 \$'000	31 December 2006 \$'000
CONSOLIDATED			
<b>Continuing operations</b>			
Interest income	7	<u>1,050</u>	44
<b>Total revenue and other income</b>		<b>1,050</b>	44
Trust expenses			
- Finance costs	7	(412)	(2,240)
- Responsible Entity fees	7	(30)	(36)
- Auditors remuneration		(111)	(64)
- Other expenses		<u>(115)</u>	(79)
<b>Total expenses</b>		<b>(668)</b>	(2,419)
<b>Net profit/(loss) from continuing operations before minority interests and finance costs attributable to unitholders</b>		<b>382</b>	(2,375)
<b>Discontinued operations</b>			
(Loss)/profit from discontinued operations before minority interests and finance costs attributable to unitholders	7	<u>(1,133)</u>	6,110
<b>Net (loss)/profit before minority interests and finance costs attributable to unitholders</b>		<b>(751)</b>	3,735
Net loss/(profit) attributable to minority interests		<u>633</u>	(31)
<b>Net (loss)/profit attributable to unitholders of the Trust</b>		<b>(118)</b>	3,704
Finance costs attributable to unitholders of the Trust		<u>-</u>	-
<b>Changes in net assets attributable to unitholders of the Trust</b>		<b>(118)</b>	3,704
<b>BASIC AND DILUTED (LOSS)/PROFIT PER UNIT - CENTS</b>		<b>(0.16)</b>	5.44
<b>BASIC AND DILUTED PROFIT/(LOSS) PER UNIT FROM CONTINUING OPERATIONS – CENTS</b>		<b>0.53</b>	(3.48)
<b>BASIC AND DILUTED (LOSS)/PROFIT PER UNIT FROM DISCONTINUED OPERATIONS - CENTS</b>		<b>(0.69)</b>	8.92

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

**WESTRALIA PROPERTY TRUST  
AND ITS CONTROLLED ENTITIES**

---

**BALANCE SHEET**

**AS AT 31 DECEMBER 2007**

		CONSOLIDATED	
		31 December 2007 \$'000	30 June 2007 \$'000
	Note		
<b>Current Assets</b>			
Cash and cash equivalents	5	35,879	28,473
Trade and other receivables		362	464
Investment properties held for sale	6	10,679	33,179
<b>Total Current Assets</b>		46,920	62,116
<b>Non Current Assets</b>			
Other financial assets		187	187
<b>Total Non Current Assets</b>		187	187
<b>Total Assets</b>		47,107	62,303
<b>Current Liabilities</b>			
Trade and other payables		1,662	9,114
Interest bearing loans and borrowings		7,080	16,587
<b>Total Current Liabilities</b>		8,742	25,701
<b>Total Liabilities Excluding Net Assets Attributable to Unitholders and Minority Interests</b>			
		8,742	25,701
<b>Net Assets Attributable to Unitholders and Minority Interests</b>		38,365	36,602
<b>Represented By</b>			
Unitholder interest liabilities		38,030	33,036
Minority interest liabilities		335	3,566
<b>Total Unitholders and Minority Interest Liabilities</b>		38,365	36,602

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



**WESTRALIA PROPERTY TRUST  
AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**

**HALF YEAR ENDED 31 DECEMBER 2007**

	Profit/ (loss)	Units	Minority interests	Net assets attributable to unitholders
	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2006</b>	(11,129)	50,526	4,172	43,569
Net profit attributable to unitholders after finance costs attributable to unitholders	3,704	-	31	3,735
<b>At 31 December 2006</b>	<b>(7,425)</b>	<b>50,526</b>	<b>4,203</b>	<b>47,304</b>
<b>At 1 July 2007</b>	(17,490)	50,526	3,566	36,602
Net loss attributable to unitholders after finance costs attributable to unitholders	(118)	-	(633)	(751)
Dividend reinvestment plan	-	5,112	-	5,112
OEI portion of distribution from subsidiary	-	-	(2,598)	(2,598)
<b>At 31 December 2007</b>	<b>(17,608)</b>	<b>55,638</b>	<b>335</b>	<b>38,365</b>

The statement of changes in net assets should be read in conjunction with the accompanying notes.

**WESTRALIA PROPERTY TRUST  
AND ITS CONTROLLED ENTITIES**

**CASH FLOW STATEMENT**

**HALF YEAR ENDED 31 DECEMBER 2007**

	CONSOLIDATED	
	<b>31 December 2007</b>	31 December 2006
	<b>Note</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Rent received	<b>1,045</b>	2,596
Interest received	<b>858</b>	44
Other receipts	-	30
GST received (net)	<b>(39)</b>	45
Interest and borrowing costs paid	<b>(412)</b>	(2,281)
Other expenses paid	<b>(375)</b>	(309)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>1,077</b>	125
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	<b>22,850</b>	-
Costs incurred from sale of investments	<b>(2,741)</b>	-
Repayment of advances from related parties	<b>(215)</b>	(481)
Proceeds of advances from related parties	-	609
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>	<b>19,894</b>	128
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance costs paid - distributions to unitholders and minority interests	<b>(4,076)</b>	-
Repayment of loans and borrowings	<b>(9,433)</b>	(65)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>	<b>(13,509)</b>	(65)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7,462</b>	188
Add opening cash and cash equivalents at beginning of period	<b>28,346</b>	738
<b>CLOSING CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5 35,808</b>	926

The 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 2007

#### 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 2007 together with any public announcements made by the Trust and its controlled entities during the half year ended 31 December 2007 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 2007. The adoption of amending standards mandatory for annual reporting periods beginning on or after 1 July 2007 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.

##### (b) Changes in Accounting Policy

Since 1 January 2007 the Trust has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 January 2007. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

- AASB 7 Financial Instruments: Disclosures
- AASB 2005-10 Amendments to Australian Accounting Standards (AASB 132, 101, 114, 117, 133, 139, 1, 4, 1023 and 1038)
- Interpretation 8 Scope of AASB 2 Share-based Payment
- Interpretation 9 Reassessment of Embedded Derivatives
- Interpretation 10 Interim Financial Reporting and Impairment
- Interpretation 11 AASB 2 – Group and Treasury Share Transactions
- AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12 (AASB 1, 117, 118, 120, 121, 127, 131 & 139)
- AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038]
- AASB 2007-7 Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]

**WESTRALIA PROPERTY TRUST  
AND ITS CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2007**

**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**

A total distribution of \$6,589,000 occurred in the period (2006: \$nil). The cash portion of this distribution was \$1,477,000 (2006: \$nil). 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 2007 was \$5,112,000 (2006: \$nil), which resulted in the issue of 15,975,645 units (2006: nil units).

**5. RECONCILIATION OF CASH**

	CONSOLIDATED	
	31 December 2007 \$'000	31 December 2006 \$'000
Cash balance comprises:		
- Cash assets	35,879	1,057
- Bank overdraft	(71)	(131)
	<b>35,808</b>	<b>926</b>

**6. INVESTMENT PROPERTIES HELD FOR SALE**

	31 December 2007 \$'000	30 June 2007 \$'000
Land and buildings	<b>10,679</b>	<b>33,179</b>

On 21 June 2007, Westralia Property Management Ltd, as Responsible Entity for the Kalgoorlie Property Syndicate, (wholly owned by the Trust) entered into an unconditional agreement for the sale of the Broadwater Resort Hotel, Kalgoorlie to Primewest No 171 Pty Ltd for \$10,150,000. The sale of the property was settled on 5 September 2007.

TEYS Property Funds Limited, as Responsible Entity for the Dunsborough Hotel Property Syndicate, entered into an unconditional agreement for the sale of the Broadwater Resort and Spa, Dunsborough to Wyndham Vacation Resorts for \$12,700,000 million. The sale of the property settled on or about 26 November 2007. The Trust owns 51.15% of the Dunsborough Hotel Property Syndicate.

The Trust owns 85.5% of the Pagoda Hotel Property Syndicate which, in turn, owns 65.8% of the Pagoda Fixed Term Property Syndicate. The Pagoda Hotel Property Syndicate owns 36 suites in the Broadwater Pagoda Hotel and Apartments. The carrying value of the asset has been maintained at \$8,700,000 as per directors' valuation based on anticipated market value. The Pagoda Fixed Term Property Syndicate owns the facilities lot in the Broadwater Pagoda Hotel and Apartments. The carrying value of the asset has been maintained at \$2,000,000 as per directors' valuation based on anticipated market value.

**WESTRALIA PROPERTY TRUST  
AND ITS CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2007**

**7. DISCONTINUED OPERATIONS**

Discontinued operations include the operations of the following syndicates, which form part of the consolidated Trust: The Dunsborough Hotel Property Syndicate, The Kalgoorlie Apartment Hotel Syndicate, The Pagoda Hotel Property Syndicate, The Pagoda Fixed Term Property Syndicate, Murray Street Mall Property Trust.

The operations of these syndicates have been considered discontinued operations because the assets have been sold or are in the process of being sold.

This note shows the results of the continuing businesses and the discontinued businesses for comparative purposes only.

<b>For the half year ended 31 December</b>	<b>Continuing 2007</b>	<b>Discontinued 2007</b>	<b>Consolidated 2007</b>	<b>Continuing 2006</b>	<b>Discontinued 2006</b>	<b>Consolidated 2006</b>
	\$000	\$000	\$000	\$000	\$000	\$000
Rental and other property income	-	704	704	-	3,116	3,116
Interest income	1,050	-	1,050	44	-	44
Net fair value increment on investment properties	-	-	-	-	4,000	4,000
Other income	-	-	-	-	30	30
<b>Total revenue and other income</b>	<b>1,050</b>	<b>704</b>	<b>1,754</b>	<b>44</b>	<b>7,146</b>	<b>7,190</b>
Finance costs	(412)	-	(412)	(2,240)	-	(2,240)
Responsible entity fees	(30)	(84)	(114)	(36)	(360)	(396)
Loss on sale of assets *	-	(1,220)	(1,220)	-	-	-
Other expenses	(226)	(533)	(759)	(143)	(676)	(819)
<b>Net (loss)/profit before minority interests and finance costs attributable to unitholders</b>	<b>382</b>	<b>(1,133)</b>	<b>(751)</b>	<b>(2,375)</b>	<b>6,110</b>	<b>3,735</b>
Net loss/(profit) attributable to minority interests	-	633	633	-	(31)	(31)
<b>Net (loss)/profit attributable to unitholders of the Trust</b>	<b>382</b>	<b>(500)</b>	<b>118</b>	<b>(2,375)</b>	<b>6,079</b>	<b>3,704</b>
Finance costs attributable to unitholders of the Trust	-	-	-	-	-	-
<b>Changes in net assets attributable to unitholders of the Trust</b>	<b>382</b>	<b>(500)</b>	<b>118</b>	<b>(2,375)</b>	<b>6,079</b>	<b>3,704</b>

\* On 2 January 2007, Westralia Property Management Limited, the responsible entity for the trust, ceased to be the Responsible Entity of the Dunsborough Hotel Property Syndicate. The loss on sale of assets of \$1,220,000 referred to above relates to losses incurred in the Dunsborough Hotel Property Syndicate during the period.

**WESTRALIA PROPERTY TRUST  
AND ITS CONTROLLED ENTITIES**

---

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2007**

**8. SIGNIFICANT EVENTS AFTER BALANCE DATE**

Subsequent to balance date:

The Responsible Entity is continuing to focus on its strategy of realising its remaining hospitality assets and acquiring rural land with a view to becoming an Agricultural Land Trust.

As a result, on 6 February 2008 the Board of the Responsible Entity entered into an Option Deed (Option) with ITC Timberlands Pty Ltd (ITC). The Option relates to the acquisition of approximately 22,000 hectares of land in WA, Qld and the Green Triangle in Victoria. The Option will secure this land and allow the Trust to progress financing and provide transaction certainty. The Option expires on 30 June 2008 and a deposit of \$8.788 million has been paid to ITC pursuant to the terms of the Option representing approximately 10% of land values agreed to date.

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**

	<b>31 December 2007</b>	31 December 2006
Opening balance at 30 June	<b>68,140,619</b>	68,140,619
Units issued during the period, under "DRP"	<b>15,975,645</b>	-
Closing balance at 31 December	<b><u>84,116,264</u></b>	<u>68,140,619</u>

**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 2007 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 Zachert  
Director

Adelaide  
25 February 2008

To the unit holders of Westralia Property Trust

## Report on the Half-Year Financial Report

We have reviewed the accompanying financial report of Westralia Property Trust (the trust), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in net assets and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the trust and the entities it controlled at the half-year end or from time to time during the half year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Westralia Property Management Limited, the Responsible Entity of the trust ("the Responsible Entity") 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 establishing 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 2007 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*. 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, a copy of which is included in the Directors' Report.



*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 is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 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*.



Ernst & Young



Alan Herald  
Partner  
Adelaide  
25 February 2008