

▶ Westralia Property Management Limited

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31 August 2007

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

Dear Sir

Westralia Property Trust (ASX Code – WST)

Results for the period ending 30 June 2007

Please find as follows the Appendix 4E for the year ending 30 June 2007, including discussion and analysis of the Trust's results.

Yours sincerely

On behalf of the Board


Peter Zachert
Director

Results Announcement 30 June 2007

The Directors of Westralia Property Management Limited, the Responsible Entity of the Westralia Property Trust (the Trust), present the financial results of the Trust for the year ended 30 June 2007.

The Trust sold its commercial property at 166 Murray Street Mall, Perth for \$71.3 million on 1 February 2007 and entered into an unconditional contract for the sale of the Kalgoorlie Broadwater Resort Hotel on 21 June 2007 for \$10.15 million. The Trust is in the process of negotiating the sale of the remaining tourism assets.

The sale of 166 Murray Street Mall in February 2007 enabled a reduction in interest bearing debt to \$16.1 million from \$59.7 million and significantly reduced borrowing costs.

Overview

The reported net profit before finance costs attributable to unitholders of the Trust after minority interests was \$0.2 million (2006: loss of \$1.1 million).

Included in the result is a net property adjustment comprising an accretion in the value of the commercial property at 166 Murray Street of \$4 million to \$71.3 million, offset by a net \$3.1 million reduction in the carrying value of tourism assets.

The results generated by the different asset categories are summarised below:

	Commercial \$000's	Tourism \$000's	Unallocated \$000's	Total \$000's
2007				
Rental and other property income	4,118	2,115	-	6,233
Fair value increments/(decrements)	4,000	(3,126)	-	874
Other expenses	(2,788)	(1,840)	(599)	(5,227)
EBIT	5,330	(2,851)	(599)	1,880
2006				
EBIT	6,974	(5,126)	(296)	1,552

The interest bearing debt of the Trust has been reduced by \$43.6 million to \$16.1 million primarily from the repayment of syndicate loan facilities following the sale of 166 Murray Street Mall and the gearing ratio (debt to total assets) has decreased to 26% from 57%. The NTA per unit has remained consistent at \$0.58.

Revenue and expenses

Rental income for the year reduced \$2.0 million, down 24%. This is principally due to having only seven months income from Murray Street Mall. Borrowing costs decreased as a result of \$44 million of loan facilities being paid down following the sale of Murray Street Mall.

Performance of Property Portfolio

166 Murray Street Mall, Perth

The City Central property at 166 Murray Street Mall, Perth is a retail/office complex situated in the heart of the Perth CBD.

The property, which was acquired in June 2004, increased in value to \$71.3 million from an original purchase price of \$56.2 million. This significant gain in value was due to the firming of valuation capitalisation rates for this asset class and strong rental income returns for the property. The property was sold to the Centro Properties Group for \$71.3 million, with settlement 1 February 2007.

Kalgoorlie Apartment Hotel Syndicate

The Trust owns 100% of the Kalgoorlie Apartment Hotel Syndicate which, in turn, owns the Broadwater Resort Hotel, Kalgoorlie. The Hotel is leased to, and operated by, Broadwater Hospitality Management Pty Ltd. On 21 June 2007 it was announced that Westralia Property Management Limited, as Responsible Entity for the Westralia Property Trust, had entered into an unconditional contract for the sale of the property to Primewest No. 171 Pty Ltd for \$10.15 million with settlement due on 31 August 2007. The carrying value of the hotel has been reduced at 30 June 2007 to the offer price.

Dunsborough Hotel Property Syndicate

The Trust owns 51.15% (2006: 51.15%) of the Dunsborough Hotel Property Syndicate which owns 100% of the 88 room Broadwater Resort and Spa, on Caves Road, Dunsborough, Western Australia. The Resort is leased to, and operated by, Broadwater Hospitality Management Pty Ltd. The carrying value of the hotel has been increased in the accounts at 30 June 2007 to \$12.35 million per directors' valuation based on anticipated market value.

On 2 January 2007, Westralia Property Management Limited, the Responsible Entity for the Westralia Property Trust ceased to be the Responsible Entity of Dunsborough Hotel Property Syndicate (DHPS) although it retained its majority shareholding in the syndicate.

Pagoda Hotel Property Syndicate

The Trust owns 85.5% (2006: 85.5%) of the Pagoda Hotel Property Syndicate which, in turn, owns 65.8% (2006: 65.8%) of the Pagoda Fixed Term Property Syndicate.

The Pagoda Hotel Property Syndicate owns 36 suites (2006: 36 suites) in the Broadwater Pagoda Hotel and Apartments. The carrying value of the asset has been reduced to \$8.6million at 30 June 2007 from \$9.8 million as per directors' valuation based on anticipated market value.

The Pagoda Fixed Term Property Syndicate owns the facilities lot in the Hotel. The Hotel is operated by, and the facilities lot leased to, Broadwater Hospitality Pty Ltd. The carrying value of the asset has been reduced to \$2.0 million at 30 June 2007 from \$2.3 million as per directors' valuation based on anticipated market value.

Broadwater Busselton Property Syndicate

The Trust owns 14.4% (2006: 14.4%) of the Broadwater Busselton Property Syndicate.

The investment in this syndicate is written down to \$187,000 due to the uncertainty over its recoverability. Westralia Property Management Limited no longer acts as Responsible Entity of this syndicate.

Distributions to unitholders

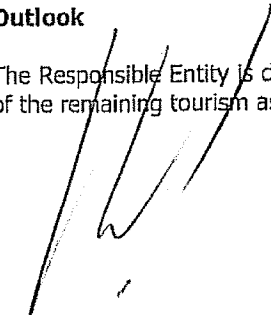
The Trust is currently determining the final dividend to be paid to unitholders.

Capital Gains Tax

The sale of the property at 166 Murray Street Mall, Perth resulted in an estimated capital gain of \$11.7 million. The unitholders of the Trust are liable for the tax on the capital gain.

Outlook

The Responsible Entity is dedicated to increasing investor value and as such will remain focused on the sale of the remaining tourism assets.



Peter Zachert
Director

Westralia Property Management Limited

31 August 2007

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

	% change	30 June 2007 \$'000	30 June 2006 \$'000
Revenue from ordinary activities	Down 14%	7,147	8,282
Profit/(loss) from ordinary activities after tax attributable to unitholders		228	(1,090)
Net profit/(loss) attributable to unitholders		228	(1,090)
Basic and diluted earnings/(loss) per unit (cents)		0.33	(1.61)
Distribution to unitholders paid or payable			
Total amount		Nil	Nil
Cents per unit		Nil	Nil

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INCOME STATEMENT

	Consolidated	
	2007	2006
	\$'000	\$'000
Discontinued operations		
Rental and other property income	6,233	8,189
Fair value increment of investment properties	4,450	3,500
Interest income	914	93
Total revenue and other income	<u>11,597</u>	<u>11,782</u>
 Trust expenses:		
- Finance costs	(3,172)	(4,694)
- Responsible Entity fees	(1,160)	(991)
- Other expenses	(4,067)	(2,930)
Net fair value decrement of investments and investment properties	(3,576)	(6,216)
Total expenses	<u>(11,975)</u>	<u>(14,831)</u>
Net loss before minority interests and finance costs attributable to unitholders	(378)	(3,049)
Net loss attributable to minority interests	606	1,959
Net profit/(loss) attributable to unitholders of the Trust	228	(1,090)
Finance costs attributable to unitholders of the Trust	-	-
 Changes in net assets attributable to unitholders of the Trust	 <u>228</u>	 <u>(1,090)</u>
 BASIC AND DILUTED EARNINGS/(LOSS) PER UNIT - CENTS	 0.33	 (1.61)

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

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BALANCE SHEET

	Note	Consolidated	
		2007 \$'000	2006 \$'000
Current Assets			
Cash and cash equivalents	1	28,473	873
Trade and other receivables		464	1,071
		<u>28,937</u>	<u>1,944</u>
Investment properties held for sale	2	33,123	-
Total Current Assets		<u>62,060</u>	<u>1,944</u>
Non Current Assets			
Investment properties		-	103,549
Other financial assets		187	187
Total Non Current Assets		<u>187</u>	<u>103,736</u>
Total Assets		<u>62,247</u>	<u>105,680</u>
Current Liabilities			
Trade and other payables		2,469	1,468
Interest bearing loans and borrowings	3	16,587	12,188
Total Current Liabilities		<u>19,056</u>	<u>13,656</u>
Non Current Liabilities			
Interest bearing loans and borrowings		-	48,455
Total Non Current Liabilities		<u>-</u>	<u>48,455</u>
Total Liabilities Excluding Net Assets Attributable to Unitholders and Minority Interests		<u>19,056</u>	<u>62,111</u>
Net Assets Attributable to Unitholders and Minority Interests		<u>43,191</u>	<u>43,569</u>
Represented By:			
Unitholder interest liabilities		39,625	39,397
Minority interest liabilities		3,566	4,172
Total Unitholders and Minority Interest Liabilities		<u>43,191</u>	<u>43,569</u>
Net tangible asset backing per unit		\$0.58	\$0.58
Units on issue ('000)	4	68,141	68,141

Due to the finite life clause contained within the constitution of the Trust and its subsidiaries, upon adoption of AASB 132 on 1 July 2004, the amount previously representing unitholder and minority interest funds are now classified as liabilities. As a result, there was no equity at the start or end of the period.

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

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STATEMENT OF CHANGES IN NET ASSETS

	Profit/ (loss) \$'000	Units \$'000	Minority interests \$'000	Net assets attributable to unitholders \$'000
At 1 July 2005	(9,649)	50,165	5,770	46,286
Net loss attributable to unitholders before finance costs attributable to unitholders	(1,090)	-	(1,959)	(3,049)
Units issued in WPT during the period	-	361	-	361
Unitholder interest (acquired)/transferred	(390)	-	390	-
Distributions	-	-	(29)	(29)
At 30 June 2006	<u>(11,129)</u>	<u>50,526</u>	<u>4,172</u>	<u>43,569</u>
At 1 July 2006	(11,129)	50,526	4,172	43,569
Net profit attributable to unitholders before finance costs attributable to unitholders	228	-	(606)	(378)
At 30 June 2007	<u>(10,901)</u>	<u>50,526</u>	<u>3,566</u>	<u>43,191</u>

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

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CASH FLOW STATEMENT

	Note	Consolidated	
		2007 \$'000	2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent received		6,219	8,725
Interest received		914	217
GST (paid)/received (net)		(89)	23
Payments for property expenses		(4,066)	(2,342)
Fees and other expenses paid		(305)	(983)
Borrowing costs paid		(2,596)	(4,618)
NET CASH INFLOW FROM OPERATING ACTIVITIES	5	77	1,022
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property		-	(873)
Proceeds from sale of investment properties		71,300	1,987
Advances from related parties		-	481
Repayment of advances from related parties		610	-
Repayment of advances to related parties		-	772
Advances to related parties		(212)	(610)
NET CASH FLOW FROM INVESTING ACTIVITIES		71,698	1,757
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions paid		-	(29)
Proceeds from interest bearing loans and borrowings		-	3,017
Repayment of interest bearing loans and borrowings		(44,167)	(5,451)
NET CASH FLOW FROM FINANCING ACTIVITIES		(44,167)	(2,463)
NET INCREASE IN CASH AND CASH EQUIVALENTS		27,608	316
Cash and cash equivalents at beginning of period		738	422
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1	28,346	738

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. CASH

	2007 \$'000	2006 \$'000
Cash at bank and on hand	630	873
Deposits at call	27,843	-
	28,473	873
Bank overdraft	(127)	(135)
	28,346	738

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. Deposits at call are at fixed interest rates between 6.40% and 6.50% and have an average maturity of 30 days.

2. INVESTMENT PROPERTIES HELD FOR SALE

	2007 \$'000	2006 \$'000
Investment properties held for sale at fair value:		
Broadwater Resort Hotel Kalgoorlie (i)	10,150	-
Broadwater Pagoda Resort Hotel	10,623	-
Broadwater Resort & Spa Dunsborough	12,350	-
	33,123	-

Fair value of investment properties held for sale is determined by reference to Directors valuations. The properties are pledged as security to secure interest bearing loans and borrowings (note 3).

The valuations undertaken were based on an open market value, supported by market evidence in which assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of the valuation.

Details of investment properties held for sale:

(i) On 21 June 2007 Westralia Property Management Limited, as Responsible Entity for the Westralia Property Trust, had entered an unconditional contract for the sale of the Broadwater Resort Hotel, Kalgoorlie property to Primewest No. 171 Pty Ltd for \$10,150,000. The carrying value of the hotel has been reduced to the value of the offer price.

On 1 February 2007 the Trust completed the sale of the City Central property at 166 Murray Street Mall, Perth for \$71,300,000 with the Centro Properties Group.

Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction. For an asset or disposal group to be classified as held for sale it must be available for immediate sale in its present condition and its sale must be highly probable within one year.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or is part of a single coordinated plan to dispose of such a line of business.

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3. INTEREST BEARING LOANS AND BORROWINGS - CURRENT

	2007	2006
	\$'000	\$'000
Secured:		
- bills of exchange (note a)	16,133	11,274
- bank overdraft	127	135
Unsecured:		
- other loans (note b)	247	248
- notes	49	50
- loan from Responsible Entity	31	481
	16,587	12,188

a) There are interest bearing bills of exchange of \$16,133,000 falling due within 12 months. Within this amount are the following individual balances:

- \$5.0 million in the Kalgoorlie Apartment Hotel Syndicate (KAHS). The facility is payable on settlement of the property.
- \$4.8 million in the Pagoda Hotel Property Syndicate (PHPS). PHPS's lender has extended the existing facilities to 31 October 2007.
- \$1.9 million in the Pagoda Fixed Term Property Syndicate (PFTPS). PFTPS's lender has extended the existing facilities to 15 September 2007.
- \$4.4 million in the Dunsborough Hotel Property Syndicate (DHPS).

On 21 June 2007 the Trust entered into an unconditional contract for the sale of the Broadwater Resort Hotel, Kalgoorlie property to Primewest No. 171 Pty Ltd for \$10,150,000. The proceeds arising on disposal will be used to pay down the loan of the Kalgoorlie Apartment Hotel Syndicate.

The Directors are confident that interest bearing loans and borrowings falling due within twelve months can be paid down, extended or re-financed on similar terms.

b) Unsecured other loans have no fixed repayment date and incur 7% interest payable monthly in arrears.

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4. UNITS ON ISSUE

	2007 units	2006 units
Units on issue at the beginning of the year	68,140,619	67,419,619
Units issued during the year for the purchase of investment properties and investments	-	721,000
Units on issue as at the reporting date	68,140,619	68,140,619

Rights and restrictions over ordinary units

Each unit ranks equally with all other ordinary units for the purpose of distributions and on termination of the Trust.

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 year to 30 June 2007 was \$nil (2006: \$nil), which resulted in the issue of nil units (2006: 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.

5. RECONCILIATION OF NET LOSS BEFORE MINORITY INTEREST AND FINANCE COSTS ATTRIBUTABLE TO UNITHOLDERS TO NET CASH FLOW FROM OPERATIONS

	2007 \$'000	2006 \$'000
Net loss before minority interests and finance costs	(378)	(3,049)
Diminution in the value of investment	-	889
Net (increment)/decrement in value of investment properties	(874)	1,827
(Increase)/decrease in receivables	(103)	496
(Increase)/decrease in other assets	576	104
Increase/(decrease) in payables	856	755
Net operating cash inflow from operating activities	77	1,022

6. SEGMENT REPORTING

Segment products and locations

The Trust operates in two business segments, being commercial/retail investment property and tourism investment property activities. The Trust's operations involve investment in real property for the purpose of deriving income from rentals and capital appreciation. Geographically, the Trust operates in one segment, being Australia.

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SEGMENT REPORTING (CONTINUED)

Business Segments

	<u>Discontinued Operations</u>			<u>Unallocated</u>	<u>Consolidated</u>
	<u>Commercial / Retail \$'000</u>	<u>Tourism \$'000</u>	<u>Total \$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2007					
Revenue	4,118	2,115	6,233	-	6,233
EBIT before fair value adjustments	1,330	275	1,605	(599)	1,006
Fair value increment / (decrement) of investment property	4,000	(3,126)	874	-	874
Segment EBIT	5,330	(2,851)	2,479	(599)	1,880
Net interest expense	(689)	(1,498)	(2,187)	(71)	(2,258)
Segment result	4,641	(4,349)	292	(670)	(378)
Net loss attributable to minority interests					606
Net profit attributable to unitholders of the Trust					228
Segment assets	28,176	33,862	62,038	209	62,247
Segment liabilities	(46)	(18,865)	(18,911)	(145)	(19,056)
Other segment information					
Acquisition of investment properties	-	-	-	-	-
2006					
Revenue	6,589	1,600	8,189	-	8,189
EBIT before fair value adjustments	3,863	1,090	4,953	(296)	4,657
Fair value increment / (decrement) of investment property *	3,111	(5,327)	(2,216)	-	(2,216)
Fair value decrement of investment	-	(889)	(889)	-	(889)
Segment EBIT	6,974	(5,126)	1,848	(296)	1,552
Net interest expense	(2,564)	(1,848)	(4,412)	(189)	(4,601)
Segment result	4,410	(6,974)	(2,564)	(485)	(3,049)
Net loss attributable to minority interests					1,959
Net loss attributable to unitholders of the Trust					(1,090)
Segment assets	68,069	36,735	104,804	876	105,680
Segment liabilities	(37,477)	(22,483)	(59,960)	(2,151)	(62,111)
Other segment information					
Acquisition of investment properties	-	638	638	-	638

* Fair value increment is net of related Responsible Entity fees of \$389,000

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7. SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to balance date:

Final Dividend

The Trust is currently determining the final dividend to be paid to unitholders.

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.

8. OTHER INFORMATION

The financial statements have been prepared on a going concern basis as the Directors are confident that the interest bearing loans and borrowings falling due within the next twelve months can be repaid, extended or refinanced on similar terms.

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

Issued by order of the Directors of Westralia Property Management Limited.



Peter Zachert
Director

Date: 31 August 2007