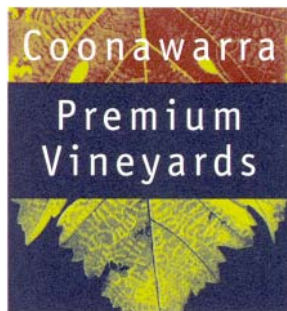


Coonawarra Australia Property Trust

ABN 37 529 164 940

ARSN 104 335 159



Half-Year Report for the half-year ended 31 December 2006

Responsible Entity:

Coonawarra Premium Vineyards Limited

ABN 58 086 944 265

AFS Licence No. 226243

Coonawarra Australia Property Trust

Half-year Report for the half-year ended 31 December 2006

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Corporate Information

| | |
|---|---|
| Responsible Entity (RE): | Coonawarra Premium Vineyards Limited ABN 58 086 944 265 AFS Licence No. 226243 |
| Directors of the RE | Paul Miller (Chairman & Compliance Officer) Rex Watson (Group Managing Director) Andrew Parkinson (Chief Executive Officer & Company Secretary) |
| Company secretaries of the RE | Andrew Parkinson Charlie Latham (Chief Financial Officer) |
| Registered office and principal place of business | 235 Glen Osmond Road, Frewville, South Australia 5063 |
| Postal address | PO Box 6243 Halifax Street, Adelaide South Australia 5000 |
| Phone: | +61 8 8338 3400 |
| Fax: | +61 8 8338 3244 |
| Email: | enquiries@coonawarravineyard.com.au |
| Trust ASX Code: | CNR |
| Trust Registry | Computershare Investor Services Pty Ltd Level 5, 115 Grenfell St, Adelaide SA 5000 Ph: 1300 556 161 or (from outside Australia) +61 3 9415 4000 Email: web.query@computershare.com.au www.computershare.com |
| Custodian | Australian Executor Trustees (SA) Limited, Adelaide |
| Auditor | Grant Thornton, Adelaide |
| Taxation advisor | Grant Thornton, Adelaide |
| Banker | Commonwealth Bank of Australia, Adelaide |

Coonawarra Australia Property Trust

ASX Disclosure Information

Results for announcement to the market

Result \$A'000

Revenues from ordinary activities down (7%) to 1,117,234

Profit from ordinary activities after tax
attributable to members down (24%) to 663,572

Net profit for the period attributable to
members down (24%) to 663,572

Distributions

Amount per Franked amount
security per security

Paid in current period:

Final 2005/6 distribution paid 30 August 2006 1.3¢ -

Interim 2006/7 distribution paid 30 November 2006 1.3¢ -

Total paid in half-year 2.6¢ -

Paid in previous corresponding period:

Final 2004/5 distribution paid 25 August 2005 2.0¢ -

Interim 2005/6 distribution paid 24 November 2005 2.0¢ -

Total paid in previous half-year 4.0¢ -

Payable in respect of current period:

Interim 2006/7 distribution payable 28 February 2007 1.3¢ -

Record date for determining entitlements to the distribution 29 December 2006

Date the distribution is payable 28 February 2007

| | 31 December 2006 | 30 June 2006 |
|----------------------------------|-----------------------------|-------------------------|
| | cents | cents |
| Net tangible assets per security | 92.4 | 90.3 |

Coonawarra Australia Property Trust

Directors' Report

The directors of Coonawarra Premium Vineyards Limited ABN 58 086 944 265, as Responsible Entity (RE) and trustee for the Coonawarra Australia Property Trust ABN 37 529 164 940 (Trust), present their report on the Trust for the half-year ended 31 December 2006. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the RE during or since the end of the half-year are: Mr Paul Miller (Chairman), Mr Rex Watson and Mr Andrew Parkinson. The above named directors held office during and since the end of the half-year.

Review Of Operations

The Trust is a registered managed investment scheme domiciled in Australia and listed on the Australian Stock Exchange (ASX).

The Trust's principal activity in the course of the half-year was to make land available to licensees under a 13 year licence agreement to grow wine grapes. The Trust's vineyards are licensed to growers who are members of the Coonawarra Premium Vineyards Project. Upon the expiry of the licences in 2012, ownership of improvements to the land vests in the Trust. Towards the end of the previous financial year the Trust also made a passive investment in Simon Gilbert Wines Ltd. The Trust has no employees. During the half-year there were no significant changes in the nature of those activities.

A summary of the income and results for the half-year is set out below.

| | 2006 | 2005 |
|--|-----------|-----------|
| | \$ | \$ |
| Grant of use (licence) fees | 850,839 | 940,146 |
| Net increments / (decrements) in value of grapevines | 245,527 | 236,430 |
| Operating expenses | (340,857) | (272,207) |
| Profit for the half-year | 663,572 | 869,512 |

Auditors' Independence

The Auditors' Independence Statement is included on page 5 of this financial report.

This directors' report is made in accordance with a resolution of the directors pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Paul Miller
Chairman

Adelaide, 31 January 2007

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF COONAWARRA AUSTRALIA PROPERTY TRUST**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Coonawarra Australia Property Trust for the half-year ended 31 December 2006, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J GRAY
Partner

Signed at *Adelaide* this *31* day of *January* 2007

Coonawarra Australia Property Trust

Income Statement for the half-year ended 31 December 2006

| | Half-years ended 31 December | |
|--|---------------------------------|-------------------------|
| | 2006 | 2005 |
| | \$ | \$ |
| Revenue: | | |
| Grant of use (licence) fees | 850,839 | 940,146 |
| Interest revenue | 20,868 | 25,064 |
| Total revenue | <u>871,707</u> | <u>965,210</u> |
| Other income | | |
| Net market value increment - biological assets | 245,527 | 236,430 |
| Total other income | <u>245,527</u> | <u>236,430</u> |
| Total | <u>1,117,234</u> | <u>1,201,640</u> |
| Management expenses | (234,047) | (104,466) |
| Corporate expenses | (68,147) | (53,693) |
| Occupancy expenses | (36,851) | (35,023) |
| Other expenses | (1,812) | (79,025) |
| Finance costs | (112,805) | (59,921) |
| Total expenses | <u>(453,662)</u> | <u>(332,128)</u> |
| Profit before income tax expense | 663,572 | 869,512 |
| Income tax expense | - | - |
| Profit for the half-year | <u>663,572</u> | <u>869,512</u> |
| | cents | cents |
| Basic earnings per unit | <u>3.79</u> | <u>4.97</u> |

Notes to the financial statements are included on pages 10 & 11.

Coonawarra Australia Property Trust

Balance Sheet as at 31 December 2006

| | 31 December 2006 | 30 June 2006 |
|--------------------------------------|---------------------|-------------------|
| | \$ | \$ |
| Current assets | | |
| Cash and cash equivalents | 123 | 146 |
| Trade and other receivables | 1,933,721 | 815,499 |
| Available-for-sale financial assets | 950,466 | 777,961 |
| Other | 132,302 | 254,407 |
| TOTAL CURRENT ASSETS | 3,016,612 | 1,848,013 |
| Non-current assets | | |
| Property, plant & equipment | 3,437,210 | 6,442,414 |
| Biological assets | 13,172,166 | 9,932,007 |
| TOTAL NON-CURRENT ASSETS | 16,609,376 | 16,374,421 |
| TOTAL ASSETS | 19,625,988 | 18,222,434 |
| Current liabilities | | |
| Trade and other payables | 298,296 | 346,605 |
| Borrowings | 1,208,092 | 878,345 |
| TOTAL CURRENT LIABILITIES | 1,506,388 | 1,224,950 |
| Non-current liabilities | | |
| Borrowings | 1,950,000 | 1,200,000 |
| TOTAL NON-CURRENT LIABILITIES | 1,950,000 | 1,200,000 |
| TOTAL LIABILITIES | 3,456,388 | 2,424,950 |
| NET ASSETS | 16,169,600 | 15,797,484 |
| EQUITY | | |
| Issued units | 1,831,210 | 1,831,210 |
| Reserves | 3,746,453 | 3,582,909 |
| Retained earnings | 10,591,937 | 10,383,365 |
| TOTAL EQUITY | 16,169,600 | 15,797,484 |

Notes to the financial statements are included on pages 10 & 11.

Coonawarra Australia Property Trust

Statement of Changes in Equity for the half-year ended 31 December 2006

| | Half-years ended 31 December | |
|--|---------------------------------|------------|
| | 2006 | 2005 |
| | \$ | \$ |
| Total equity at the beginning of the half-year | 15,797,484 | 16,046,766 |
| Decrement arising on revaluation of property, plant & equipment | - | (235,533) |
| Revaluation surplus on available-for-sale financial assets | 163,544 | - |
| Net income/(expense) recognised directly in equity | 163,544 | (235,533) |
| Profit for the half-year | 663,572 | 869,512 |
| Total recognised income and expense for the half-year | 827,116 | 633,979 |
| Transactions with equity holders in their capacity as equity holders: | | |
| Distributions paid and payable | (455,000) | (665,000) |
| Total equity at the end of the year | 16,169,600 | 16,015,745 |

Notes to the financial statements are included on pages 10 & 11.

Coonawarra Australia Property Trust

Cash Flow Statement for the half-year ended 31 December 2006

| | Half-years ended 31 December | |
|---|---------------------------------|--------------------|
| | 2006 | 2005 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers | 510,912 | 561,289 |
| Payments to suppliers | (284,784) | (230,663) |
| Interest received from customers | 20,868 | 25,064 |
| Interest and other costs of finance paid | (112,805) | (59,921) |
| Net cash provided by operating activities | 134,191 | 295,769 |
| Cash flows from investing activities | | |
| Payments for property, plant & equipment | - | (32,084) |
| Advance to related entity | (750,000) | - |
| Payments for listed securities | (8,961) | - |
| Net cash used in investing activities | (758,961) | (32,084) |
| Cash flows from financing activities | | |
| Distributions paid | (455,000) | (700,000) |
| Proceeds from borrowings | 750,000 | - |
| Net cash used in financing activities | 295,000 | (700,000) |
| NET DECREASE IN CASH HELD | (329,770) | (436,315) |
| Cash and cash equivalents at the beginning of the year | (878,199) | (801,050) |
| NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | (1,207,969) | (1,237,365) |
| Reconciliation of cash and cash equivalents | | |
| Cash at bank | 123 | 142 |
| Bank overdraft | (1,208,092) | (1,237,507) |
| Net cash and cash equivalents at the end of the year | (1,207,969) | (1,237,365) |

Notes to the financial statements are included on pages 10 & 11.

Coonawarra Australia Property Trust

Condensed Notes to the Interim Financial Report for the half-year ended 31 December 2006

1. REPORTING ENTITY

Coonawarra Australia Property Trust (the "Trust") is a registered Managed Investment Scheme operating in Australia and listed as a public Unit Trust on the Australian Stock Exchange. The Responsible Entity is Coonawarra Premium Vineyards Limited. The interim financial report of the Trust as at and for the half-year ended 31 December 2006 comprises the Trust only.

2. STATEMENT OF COMPLIANCE

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Trust for the year ended 30 June 2006.

This interim financial report was approved by the directors on 31 January 2007.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Trust in this interim financial report are the same as those applied by the Trust in its financial report as at and for the year ended 30 June 2006.

4. DISTRIBUTIONS PAID

Distributions paid and payable are as follows.

| Distribution relating to: | Date paid/payable | Half-year December 2006 \$ | Half-year December 2005 \$ |
|----------------------------------|--------------------------|----------------------------------|----------------------------------|
| Quarter ended 30 June 2005 | Paid 25 August 2005 | - | 350,000 |
| Quarter ended 30 September 2005 | Paid 24 November 2005 | - | 350,000 |
| Quarter ended 31 December 2005** | Paid 24 February 2006 | | 315,000 |
| Quarter ended 30 June 2006 | Paid 30 August 2006 | 227,500 | |
| Quarter ended 30 September 2006 | Paid 30 November 2006 | 227,500 | |
| Quarter ended 31 December 2006** | Payable 28 February 2007 | 227,500 | |

** February 2007 distribution announced to ASX on 18 December 2006 and accordingly is recognised in the half-year financial report.

5. EARNINGS PER UNIT

The number of units on issue in both the current and the corresponding half-year was 17,500,000. There are no dilutive securities.

6. RECLASSIFICATION OF NON-CURRENT ASSETS

Elements of non-current assets have been reclassified from property, plant & equipment to biological assets during the half-year as the directors believe this classification best represents the characteristics of these assets.

7. SEGMENT INFORMATION

The Trust operates solely in South-Eastern Australia and solely within the wine industry.

8. RELATED PARTY TRANSACTIONS

All transactions with related parties are conducted on normal commercial terms and conditions. There have been no significant changes to the related party transactions disclosed in the last Annual Report other than a new loan to CPV Wines Limited that was made during the half-year. Interest is charged on this loan at a rate of 10% per annum, payable monthly in arrears. It is repayable on demand.

From time to time director-related entities of Coonawarra Premium Vineyards Limited may invest in or withdraw from the Trust by buying or selling Trust Units on the ASX. These investments or withdrawals are on the same terms and conditions as those entered into by other Trust Unitholders. No such transactions took place during or since the half-year.

Coonawarra Australia Property Trust

Condensed Notes to the Interim Financial Report for the half-year ended 31 December 2006

9. CONTINGENT ASSETS AND LIABILITIES

The Trust has no contingent assets or liabilities.

10. ADDITIONAL INFORMATION

Other than the directors of the RE, there are no employees of the Trust.

The registered office and principal place of business is located at:

235 Glen Osmond Road, Frewville, South Australia 5063

Phone: +61 8 8338 3400 Fax: +61 8 8338 3244 email: enquiries@coonawarravineyard.com.au

Coonawarra Australia Property Trust

Directors' Declaration

In the opinion of the directors of the responsible entity:

1. the financial statements and notes are in accordance with the Corporations Act 2001 including;
 - a) giving a true and fair view of the financial position of the Trust as at 31 December 2006 and of its performance as represented by the results of its operations and cash flows for the half year ended on that date; and
 - b) complying with Australian Accounting Standard AASB 134 - Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the board



Paul Miller
Director

Adelaide, 31 January 2007

(b) other mandatory professional reporting requirements in Australia.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J GRAY
Partner

Signed at *Adelaide* this *31* day of *January* 2007