

23 February 2011

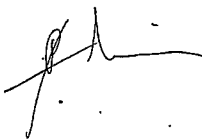
The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

**Appendix 4D – Half Year Report
For the Half Year ended 31 December 2010
Trafalgar Corporate Group (TGP)**

In accordance with listing rule 4.2A, attached please find the above for release to the market. The information contained in this document should be read in conjunction with the Trafalgar Corporate Group 2010 Annual Report.

Yours sincerely

A handwritten signature in black ink, appearing to be "Peter J Norris", with a stylized flourish at the end.

Peter J Norris
Company Secretary

Name of Entity:

TRAFALGAR CORPORATE GROUP (TGP) COMPRISING:

- TRAFALGAR CORPORATE GROUP LIMITED (ACN 113 569 136) (TCGL)
- TRAFALGAR OPPORTUNITY FUND NO. 4 (TOF 4)
- TRAFALGAR PLATINUM FUND NO.12 (TPF 12)

TGP was established as a result of approval of the merger of TCGL, TOF4 and TPF12 at separate meetings of these entities on 19 July 2005. The stapled securities issued under the initial public offering commenced trading on the Australian Stock Exchange on Tuesday 26 July 2005.

Refer Statement of Significant Accounting Policies for details

Details of the Reporting Period

Current Period: 1 July 2010 to 31 December 2010

Previous Corresponding period: 1 July 2009 to 31 December 2009

Results for Announcement to the Market

Highlights

	31 Dec 2010	31 Dec 2009	Change	%
Revenue from ordinary activities (\$000)	9,662	12,783	down	24.42
Investment Property - fair valuation gain (\$000)	1,039	0	up	-
Financial Instruments - fair valuation gain (\$000)	939	2,473	down	62.03
Profit after tax (\$000)	2,319	5,318	down	56.39
Basic earnings per security (cents)	2.7	6.2	down	56.45
Dividends/Distributions per security (cents)	0	0	-	0.00
Franked/tax deferred amount per security (cents)	N/A	N/A		
Record date for determining entitlements to dividend/distribution	N/A	N/A		
Distribution payment date	N/A	N/A		
Number of securities on issue	85,351,913	85,351,913	-	-
Number of Security holders	1,530	1,851	down	17.34
Net tangible assets per security \$	1.57	1.57	-	0.00
Details of entities over which control has been gained or lost	Refer to Interest in Joint Ventures on the following page			
Details of Dividend Reinvestment Plan	Not Operating	Not Operating		

Interests in Joint Ventures

	Activity	Ownership Interest		Share of Profits	
		31 Dec 2010 %	31 Dec 2009 %	31 Dec 2010 \$000	31 Dec 2009 \$000
The Frances Park Partnership	Residential Development	50.0	50.0	(38)	282
Renewing Homebush Bay Joint Venture	Residential Development	50.0	50.0	0	0
Sydney Airport Centre Joint Venture	Property Investment	6.813	6.813	(14)	17
T W Property Developments (Bonnyrigg)	Residential Development	50.0	50.0	99	184
TOTAL				47	483

Commentary

Results for the Half Year

The Group reported an after tax profit of \$2.3 million for the 6 months, down from \$5.3 million for the previous corresponding period. The decline in profitability reflects the Group's continued sale of investment properties as opportunities arise. The main contributing factors to the reduction in profitability for the reporting period were:

- Revenue decrease of \$1.4 million due to sale of the Melbourne Broadcasting Centre;
- Revenue decrease of \$1.2 million due to vacancies in Investment Properties;
- The mark to market value of interest rate swaps contributed \$0.94 million to profits in the current period compared to a contribution of \$2.47 million in the previous corresponding period.

Offset by:

- Finance costs decreased by 7.6% from \$5.52 million for the 6 months to 31 December 2009 to \$5.10 million for the current reporting period. In this regard the savings in finance costs as a result of the debt reduction stemming from the sale settlement of the Melbourne Broadcasting Centre in August 2010, were substantially offset by an increase in the debt margin charged with effect from May 2010;
- Corporate Costs decreased by 27.2% from \$2.02 million for the 6 months to 31 December 2009 to \$1.47 million for the current reporting period.

During the current period the Group entered into a conditional contract for sale of the Thiess Centre (subject to the execution and registration of a new 10 year lease), which resulted in the carrying value of the property being increased by \$1 million to reflect the sale price.

The Group's debt reduction program continued, with \$68.1 million repaid in the 12 months to 31 December 2010, reducing total debt from \$148.1 million as at 31 December 2009 (\$139.1 million as at 30 June 2010) to \$80.0 million for the current reporting period.

The Group has at all times complied with its loan to value ratio (LVR) and interest coverage ratio (ICR) covenants under its loan facilities. Comparatives in this regard are as follows:

Covenant Test	December 2010	June 2010	Covenant required
LVR Trusts	47.2%	59.8%	< 65.0%
Group Gearing	38.6%	52.8%	< 60.0%
ICR Trusts	1.76	1.60	> 1.40
ICR Group	1.34	1.80	> 1.00

The Group's strategy of improving tenant lease expiry profiles for the investment properties has continued with the following being achieved:

- The Thiess Centre - terms agreed with Thiess Pty Ltd for a new 10 year lease commencing in 2011;
- EDI Rail Headquarters - a new 2 year lease with Downer EDI Group;
- Fujitsu Centre – a new 5 year lease for 578sq. m. of vacant space with Carabella Resources Limited.

In addition, the withdrawal from development activities progressed during the reporting period with the following achieved:

- A contract exchanged on the last Pendle Hill lot with settlement being achieved in February 2011;
- A contract exchanged on a Rhodes development superlot which now leaves only 2 of the original 8 superlots to sell;
- Subdivision works completed on the Beverley South Australia industrial land project which allowed 5 pre-sale contracts to settle;
- Bank debt repaid on the Nexus Brisbane project, allowing the flow of funds back to Trafalgar to decrease mezzanine funding provided;
- Tallwoods vendor finance repayments received resulting in a debt reduction of \$5.0 million in vendor finance from \$16.8 million to \$11.8 million.

The net tangible assets per security increased from \$1.54 as at 30 June 2010 to \$1.57 as at 31 December 2010.

The Interim Financial Report of Trafalgar Corporate Group Limited (and its controlled entities) for the half year ended 31 December 2010 is attached and forms part of this Appendix 4D.

Trafalgar Corporate Group Limited
ABN 18 113 569 136

And Its Controlled Entities

Interim Financial Report
For the Half Year Ended
31 December 2010

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Trafalgar Corporate Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Trafalgar Corporate Group Limited and its Controlled Entities
Interim Financial Report
For the half year ended 31 December 2010

Contents

	Page
Directors' report	2
Lead auditor's independence declaration	6
Consolidated statement of comprehensive income	7
Consolidated statement of changes in equity	9
Consolidated statement of financial position	11
Consolidated statement of cash flows	13
Condensed notes to the interim financial report	14
Directors' declaration	24
Independent auditor's review report	25

Trafalgar Corporate Group Limited and its Controlled Entities

Directors' report

For the half year ended 31 December 2010

The Directors present their report together with the interim financial report of Trafalgar Corporate Group Limited and the consolidated entities ("Trafalgar Corporate Group" or "Group") for the half year ended 31 December 2010 and the independent auditor's review report thereon. The interim financial report of Trafalgar Corporate Group comprises the consolidated financial reports of Trafalgar Corporate Group Limited (the deemed parent entity), Trafalgar Opportunity Fund No 4 and Trafalgar Platinum Fund No 12 and their respective controlled entities.

Directors

The Directors of Trafalgar Corporate Group Limited ("Company"), at any time during or since the end of the half year are ("the Directors"):

Trafalgar Corporate Group Limited

Name	Period of Directorship
Non-Executive	
Garry R Sladden (Chairman)	Appointed Director 13 November 2008 Appointed Chairman 31 August 2009
Garry S Charny	Appointed Director 13 November 2008
John R Green	Appointed Director 1 October 2009
Tony R Pitt	Appointed Director 19 November 2009

Formation of Trafalgar Corporate Group

On 19 July 2005 the unitholders of Trafalgar Opportunity Fund No 4 (TOF 4) and Trafalgar Platinum Fund No 12 (TPF 12) approved the merger of TOF 4, TPF 12 and the Company. Under the merger arrangements a TOF 4 unit, a TPF 12 unit and a Company share were stapled so that the share and the units comprise one security, which is traded on the Australian Stock Exchange (ASX). Investors in Trafalgar Corporate Group are entitled to distributions from TOF 4 and TPF 12 and dividends from the Company. The units and share are stapled together and cannot be traded separately.

Principal activities

During the half year the principal activities of Trafalgar Corporate Group were:

- investment in income producing commercial and industrial properties;
- property development (direct and financing); and
- development and resale of land.

The group announced during the 2008 financial year that it would, progressively, withdraw from development activities and reduce risks associated with poorer performing development property markets. Further, the Board has considered a range of options to close the gap between the current security price and net tangible assets and has formed the view that it would be in the best interest of Securityholders to pursue an orderly and opportunistic realisation of the Group's investments property assets. This was approved by shareholders at the AGM in November 2010. Significant progress has been made with the asset realisation process. The Board will only consider sales that achieve the best outcome for Securityholders and will continue to consider other options that may provide a greater return to Securityholders.

There were no significant changes in the nature of the activities of Trafalgar Corporate Group during the period.

Trafalgar Corporate Group Limited and its Controlled Entities

Directors' report (continued)

For the half year ended 31 December 2010

Review of operations

The interim financial report for the half year ended 31 December 2010 has been prepared in accordance with the Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The financial performance of Trafalgar Corporate Group is as follows:

	For the half year to 31 Dec 10	For the half year to 31 Dec 09
Revenue and other income (\$'000)	9,662	12,783
Profit attributable to Securityholders of Trafalgar Corporate Group (\$'000)	2,319	5,318
Basic loss per Company share (¢)	(0.7)	(0.9)
Basic earnings per Stapled security (¢)	2.7	6.2
Dividends and distributions provided or paid by Trafalgar Corporate Group (\$'000)	-	-
Weighted average number of stapled securities on issue ('000)	85,352	85,352

	As at 31 Dec 10	As at 30 Jun 10
Net assets (\$'000)	133,896	131,578
Number of fully paid stapled securities on issue ('000)	85,352	85,352
Net tangible assets per fully paid stapled security (\$)	1.57	1.54

The Directors have undertaken an assessment of the fair value of the Group's investment property assets at 31 December 2010 and have determined that no adjustment is required to the carrying amount of the assets for the period with the exception of the Thiess Centre. The Group exchanged conditional contracts for the sale of the Thiess Centre on 24 December 2010 for \$63.33 million. As a consequence, Thiess Centre has been reclassified in the statement of financial position from investment properties (non current asset) to assets held for sale (current asset). The contract is conditional on a building management agreement being put in place and a new ten year lease with Thiess being signed and registered, commercial terms of which have been agreed. The contract has a sunset date of 24 April 2011. The Directors have revalued the Thiess Centre at 31 December 2010 based on the sale price less selling costs, resulting in a net gain on fair value adjustment being brought to account in the statement of comprehensive income of \$1.04 million. The weighted average capitalisation rate applicable to the investment portfolio at 31 December 2010 is 8.86% (30 June 2010: 8.54%), while the weighted average lease expiry for current tenancies is 3.63 years (30 June 2010: 4.87 years).

The following major financial transactions occurred during the period:

- (a) Settlement of the sale of the Melbourne Broadcast Centre occurred on 31 August 2010 with net proceeds being used for debt reduction within the Group.
- (b) The Group has in place a policy to protect against volatility in interest rates through the utilisation of interest rate swap contracts. At 31 December 2010, 100.0% (30 June 2010: 73.8%) of the Group's total debt outstanding was hedged at fixed interest rates ranging between 5.98% and 6.27%. The interest rate swap contracts are valued at each balance date and any unrealised gain or loss is brought to account through the consolidated statement of comprehensive income. At 31 December 2010, as a result of rising interest rates during the period, the market value of the interest rate swap contracts improved resulting in an unrealised gain of \$0.9 million.

Trafalgar Corporate Group Limited and its Controlled Entities

Directors' report (continued)

For the half year ended 31 December 2010

Dividends and distributions

The company did not declare any dividends during the period or up to the date of this report. TOF4 and TPF12 did not declare any distributions during the period or up to the date of this report.

Significant changes in the state of affairs

Key changes in Trafalgar Corporate Group's state of affairs during the period were as follows:

Financing Facilities

Trafalgar Twelve Four Finance Pty Limited

This loan facility is being provided by Westpac Banking Corporation and expires March 2013. During the period the loan outstanding was reduced by \$51.6 million to \$80.0 million. The loan facility is fully drawn.

Trafalgar Corporate Group Limited – Tallwoods Facility

This loan facility was being provided by Westpac Banking Corporation. This loan facility was established to provide funds to repay the previous TC (Tallwoods) Pty Limited loan facility. During the period the loan facility of \$7.0 million was fully repaid.

Trafalgar Corporate Group Limited - Cash Advance Facility

This loan facility is being provided by Westpac Banking Corporation and has a facility limit of \$5.0 million and as at 31 December 2010 was undrawn. This facility is available to supplement working capital if necessary and is subject to floating interest rates.

In the opinion of the Directors, there were no significant changes in the state of affairs of Trafalgar Corporate Group that occurred during the half year under review other than those listed above or under Review of operations.

Likely Developments and expected results of operations

In the opinion of the Directors, disclosure of any further information on future developments and results would be unreasonably prejudicial to the interests of the Group.

Events subsequent to reporting date

There are no further matters or circumstances not otherwise dealt with in this report or the financial statements that has significantly or may significantly affect the operations of the consolidated entity, or the state of the consolidated entity's affairs in this financial report or current and future financial periods.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' report for the half year ended 31 December 2010.

Trafalgar Corporate Group Limited and its Controlled Entities

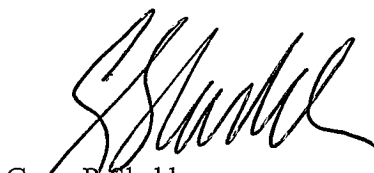
Directors' report (continued)

For the half year ended 31 December 2010

Rounding off

The Company is of a kind of entity referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors.



Garry R Sladden
Chairman



John R Green
Director

Dated at Sydney this 22nd day of February 2011



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Trafalgar Corporate Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Paul Thomas', written over a horizontal line.

Paul Thomas
Partner

Sydney

22 February 2011

Trafalgar Corporate Group Limited and its Controlled Entities

Consolidated statement of comprehensive income

For the half year ended 31 December 2010

	Note	31 Dec 10 \$'000	31 Dec 09 \$'000
Revenue and other income			
Rent from investment properties		8,895	11,505
Management fee income		18	55
Financial income		748	340
Other income		1	883
Total revenue and other income		9,662	12,783
 Rates, taxes and other property outgoings		(1,558)	(1,316)
Consultants and professional fees		(437)	(674)
Management and administration expenses		(395)	(569)
Depreciation		(23)	(29)
Employee benefits expense		(799)	(1,669)
Other expenses		(722)	(639)
Net gain on fair value adjustment of investment Properties	6	1,039	-
Net gain on fair value adjustment of financial Instruments		939	2,473
Net loss on disposal of investment properties		(85)	-
Impairment of available for sale investments		(97)	-
Impairment of third party loans		(154)	-
 Results from operating activities		7,370	10,360
 Finance costs		(5,098)	(5,525)
Share of profit on investments accounted for using the equity method		47	483
 Profit before income tax expense		2,319	5,318
 Income tax expense		-	-
 Profit for the period		2,319	5,318
 Other comprehensive income for the period		-	-
 Total comprehensive income for the period		2,319	5,318

Trafalgar Corporate Group Limited and its Controlled Entities

Consolidated statement of comprehensive income (continued)

For the half year ended 31 December 2010

	Note	31 Dec 10 \$'000	31 Dec 09 \$'000
Profit attributable to:			
Equity holders of the company		(597)	(790)
Minority interest		2,916	6,108
Profit for the period		<u>2,319</u>	<u>5,318</u>
 Total comprehensive income attributable to			
Equity holders of the company		(597)	(790)
Minority interest		2,916	6,108
Total comprehensive income for the period		<u>2,319</u>	<u>5,318</u>
 Basic and diluted (loss) per company share (¢)	3	(0.7)	(0.9)
Basic and diluted profit per stapled security (¢)	3	2.7	6.2

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying condensed notes.

Trafalgar Corporate Group Limited and its Controlled Entities

Consolidated statement of changes in equity

For the half year ended 31 December 2010

	Trafalgar Corporate Group Limited			Minority Interest TPF12 and TOF4	Total \$'000
	Capital \$'000	Retained earnings \$'000	Total equity \$'000	Retained earnings \$'000	Total equity \$'000
Note					
Balance at 1 July 2010	(3,092)	(50,161)	(53,253)	13,313	184,830
					131,577
Total comprehensive income for the period	-	(597)	(597)	2,916	2,319
Transactions with Securityholders in their capacity as Securityholders					
Distribution to unitholders	-	-	-	-	-
2	-	-	-	-	-
	-	-	-	-	-
Balance at 31 December 2010	(3,092)	(50,758)	(53,850)	16,229	187,746
					133,896

Trafalgar Corporate Group Limited and its Controlled Entities

Consolidated statement of changes in equity (continued)

For the half year ended 31 December 2010

	Note	Capital \$'000	Retained earnings \$'000	Total equity \$'000	Capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2009		(3,092)	(48,817)	(51,909)	171,517	9,331	180,848
Total comprehensive income for the period		-	(790)	(790)	-	6,108	5,318
Transactions with Securityholders in their capacity as Securityholders							
Distribution to unitholders	2	-	-	-	-	-	-
		-	-	-	-	-	-
Balance at 31 December 2009		(3,092)	(49,607)	(52,699)	171,517	15,439	186,956
							134,257

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying condensed notes.

Trafalgar Corporate Group Limited and its Controlled Entities

Consolidated statement of financial position

As at 31 December 2010

	Note	31 Dec 10 \$'000	30 Jun 10 \$'000
Current assets			
Cash and cash equivalents	4	6,628	8,161
Trade and other receivables		1,118	1,727
Assets held for sale	7	62,510	54,220
Other financial assets		17,429	22,301
Investments accounted for using the equity method		21,575	23,177
Other current assets	8	637	1,121
Total current assets		<u>109,897</u>	<u>110,707</u>
Non current assets			
Available for sale investments		441	538
Investment properties	6	104,244	164,186
Property, plant and equipment		247	270
Other non current assets		2,460	3,297
Total non current assets		<u>107,392</u>	<u>168,291</u>
Total assets		<u>217,289</u>	<u>278,998</u>
Current liabilities			
Trade and other payables		1,786	5,409
Interest bearing loans and borrowings		-	7,542
Provisions		81	67
Other financial liabilities		422	1,277
Other current liabilities		1,317	1,890
Total current liabilities		<u>3,606</u>	<u>16,185</u>
Non current liabilities			
Interest bearing loans and borrowings	9	79,602	130,994
Provisions		135	107
Other financial liabilities		50	134
Total non current liabilities		<u>79,787</u>	<u>131,235</u>
Total liabilities		<u>83,393</u>	<u>147,420</u>
Net assets		<u>133,896</u>	<u>131,578</u>

Trafalgar Corporate Group Limited and its Controlled Entities

Consolidated statement of financial position (continued)

As at 31 December 2010

	Note	31 Dec 10 \$'000	30 Jun 10 \$'000
Equity attributable to Shareholders of the Company			
Capital	10	(3,092)	(3,092)
Retained losses		(50,758)	(50,161)
Total Equity attributable to Shareholders of the Company		<u>(53,850)</u>	<u>(53,253)</u>
 Minority interests - Equity attributable to Unitholders of TPF12 and TOF4			
Capital		171,517	171,517
Retained earnings		16,229	13,314
Total Minority interests Equity attributable to Unitholders of TPF12 and TOF4		<u>187,746</u>	<u>184,831</u>
 Total equity		<u>133,896</u>	<u>131,578</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying condensed notes.

Trafalgar Corporate Group Limited and its Controlled Entities

Consolidated statement of cash flows

For the half year ended 31 December 2010

	31 Dec 10 \$'000	31 Dec 09 \$'000
Cash flows from operating activities		
Cash receipts from customers	9,794	13,917
Cash paid to suppliers and employees	(5,342)	(6,580)
Payments for development inventory	-	(322)
Interest received	780	253
Interest paid	(4,995)	(5,350)
Net cash from operating activities	237	1,918
Cash flows from investing activities		
Proceeds from sale of shares in subsidiaries	-	3,225
Payments for investment properties	(1,550)	(49)
Proceeds from sale of investment properties	52,563	-
Payments for plant and equipment	-	(47)
Payments for equity accounted investments	(592)	(3,318)
Proceeds from equity accounted investments	2,261	9,442
Development loan – advances	(551)	(375)
Development loan – repayments	340	672
Secured vendor finance loan – advances	-	(69)
Secured vendor finance loan – repayments	4,898	2,501
Net cash from investing activities	57,369	11,982
Cash flows from financing activities		
Proceeds from borrowings	57	519
Repayment of borrowings	(59,196)	(14,225)
Net cash from financing activities	(59,139)	(13,706)
Net (decrease) increase in cash and cash equivalents held	(1,533)	194
Cash and cash equivalents at the beginning of the period	8,161	9,888
Cash and cash equivalents at the end of the period	6,628	10,082

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying condensed notes.

Trafalgar Corporate Group Limited and its Controlled Entities

Condensed notes to the Interim Financial Report

For the half year ended 31 December 2010

1 Statement of significant accounting policies

Trafalgar Corporate Group Limited ("the Company") is a company domiciled in Australia. The interim financial report of the Company for the financial half year ended 31 December 2010 comprises the Company and its subsidiaries (together referred to as 'Trafalgar Corporate Group' or the 'consolidated entity') and Trafalgar Corporate Group's interest in associates and jointly controlled entities.

The significant accounting policies which have been adopted in the preparation of this interim financial report are:

(a) 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 consolidated entity as at and for the year ended 30 June 2010.

The annual financial report of the consolidated entity as at and for the year ended 30 June 2010 is available upon request from the registered office at Level 4, 111 Harrington Street, Sydney or at www.trafalgarcorporate.com.

The interim financial report was authorised for issue by the Directors on the 22nd day of February 2011.

The consolidated entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 6/51 effective 31 January 2006) and in accordance with the Class Order, amounts in the interim financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

In accordance with the Stapling Deed executed on 8 June 2005, each party to the deed (TGCL, TPF12 and TOF4) have undertaken to guarantee the obligations of the other party and or its subsidiaries. At balance date, TCGL and its consolidated entities had a net deficit of \$53.9 million (30 June 2010: \$53.3 million). As TPF12 and TOF4 have the capacity to guarantee the net deficit, the financial report of the Company has been prepared on a going concern basis having regard to the Group's bank facilities available until March 2013; the Group's compliance with bank debt covenants, current assets exceeding current liabilities and our expectation that the Group will be able to meet all its obligations as and when they fall due over the next 12 months.

(b) Significant accounting policies

The accounting policies applied by the consolidated entity in this interim financial report are the same as those applied by the consolidated entity in its annual financial report as at and for the year ended 30 June 2010.

Trafalgar Corporate Group Limited and its Controlled Entities

Condensed notes to the Interim Financial Report

For the half year ended 31 December 2010

2 Distributions and dividends

The company did not declare any dividends during the period or up to the date of this report. TOF4 and TPF12 did not declare any distributions during the period or up to the date of this report.

3 Earnings per Share (stapled security)

Basic and diluted earnings per share reflect earnings per share calculated in accordance with accounting standards. To provide further information to Securityholders on the stapled entity's results and management's assessment of the results refer to the calculations disclosed below.

Earnings per stapled security

The calculation of the basic and diluted earnings per stapled security is calculated using the profit (loss) attributable to the stapled Securityholders of Trafalgar Corporate Group and the weighted average number of stapled securities.

	31 Dec 10 cents	31 Dec 09 cents
Basic and diluted earnings per stapled security	2.7	6.2

	31 Dec 10 \$'000	31 Dec 09 \$'000
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Basic and diluted earnings

Profit for the period attributable to the stapled
Securityholders of Trafalgar Corporate Group

2,319	5,318
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	31 Dec 10 000's	31 Dec 09 000's
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Weighted average number of stapled securities (basic and diluted)

Weighted average number of stapled securities

85,352	85,352
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Earnings per company share

The calculation of the basic and diluted earnings per company share is calculated using the profit (loss) attributable to the Shareholders of the Company and the weighted average number of company shares.

	31 Dec 10 cents	31 Dec 09 cents
Basic and diluted earnings (loss) per share	(0.7)	(0.9)

Trafalgar Corporate Group Limited and its Controlled Entities

Condensed notes to the Interim Financial Report

For the half year ended 31 December 2010

3 Earnings per Share (stapled security) (continued)

	31 Dec 10 \$'000	31 Dec 09 \$'000
Basic and diluted earnings (loss)		
Loss for the period attributable to the ordinary Shareholders of the Company	<u>(597)</u>	<u>(790)</u>
	31 Dec 10 000's	31 Dec 09 000's
Weighted average number of ordinary shares (basic and diluted)		
Weighted average number of ordinary shares	<u>85,352</u>	<u>85,352</u>

4 Cash and cash equivalents

	31 Dec 10 \$'000	30 Jun 10 \$'000
Bank balances	<u>6,628</u>	<u>8,161</u>
Cash and cash equivalents in the statement of cash flows	<u>6,628</u>	<u>8,161</u>

5 Segment reporting

Segment information is presented in respect of the consolidated entity's operating segments, which are the primary basis of segment reporting. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments. The primary segments are based on the consolidated entity's management and internal reporting structure.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate expenses.

Operating segments

The consolidated entity comprises the following main operating segments, based on its management reporting system:

- investment in income producing commercial and industrial properties
- property development (direct and financing) and development and resale of land; and
- other

Geographical segments

In presenting information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of the underlying assets. All segments operate solely within Australia.

Trafalgar Corporate Group Limited and its Controlled Entities

Condensed notes to the Interim Financial Report

For the half year ended 31 December 2010

5 Segment reporting (continued)

31 December 2010	Property Development	Property Investment	Other	Consolidated
Primary reporting business segments	\$'000	\$'000	\$'000	\$'000
Revenue				
External segment revenue	-	8,895	18	8,913
Total revenue	-	8,895	18	8,913
Other income				
Share of profit on investments accounted for using the equity method	61	(14)	-	47
Fair value adjustment of investment properties	-	1,039	-	1,039
Fair value adjustment of financial instruments	-	-	939	939
Financial income	581	-	167	748
Other income	-	-	1	1
Total other income	642	1,025	1,107	2,774
Result				
Segment result	291	7,473	1,125	8,889
Unallocated corporate expenses				(1,472)
Operating profit				7,417
Finance costs				(5,098)
Income tax expense				-
Profit for the period				2,319

31 December 2009	Property Development	Property Investment	Other	Consolidated
Primary reporting business segments	\$'000	\$'000	\$'000	\$'000
Revenue				
External segment revenue	-	11,505	55	11,560
Total revenue	-	11,505	55	11,560
Other income				
Share of profit on investments accounted for using the equity method	467	16	-	483
Fair value adjustment of financial instruments	-	-	2,473	2,473
Financial income	135	-	205	340
Other income	883	-	-	883
Total other income	1,485	16	2,678	4,179
Result				
Segment result	1,152	9,301	2,733	13,186
Unallocated corporate expenses				(2,343)
Operating profit				10,843
Finance costs				(5,525)
Income tax expense				-
Profit for the period				5,318

Trafalgar Corporate Group Limited and its Controlled Entities
Condensed notes to the Interim Financial Report
For the half year ended 31 December 2010

6 Investment properties

Property	Type	Ownership	Acquisition Date	Cost Including All Additions \$'000	Independent Valuer	Independent Valuation 30 June 2010 \$'000	Director's Valuation Date	Director's Valuation Amount \$'000	Consolidated Carrying Amount 31 December 2010 \$'000	Consolidated Carrying Amount 30 June 2010 \$'000
Thiess Centre, South Brisbane QLD ¹	A Grade office building*	100%	20 July 2005	34,773	Jones Lang LaSalle	61,500	31 December 2010	-	-	61,500
DOTARS House, Canberra ACT	B Grade office building**	100%	20 July 2005	15,792	CB Richard Ellis	15,650	31 December 2010	16,890	16,918	15,650
Australian Taxation Office, Hurstville NSW	A Grade office building	100%	20 July 2005	50,091	CB Richard Ellis	54,900	31 December 2010	54,900	54,161	54,900
1 Breakfast Creek Road, Newstead QLD	A Grade office building	100%	20 July 2005	17,442	Jones Lang LaSalle	22,500	31 December 2010	22,500	22,683	22,500
2B Factory Street, Granville NSW	Modern office and warehouse industrial complex	100%	20 July 2005	7,024	Jones Lang LaSalle	5,850	31 December 2010	5,850	5,861	5,850
158 Hume Street, Goulburn NSW	Logistic distribution centre	100%	1 July 2007	13,645	LandMark White	7,000	31 December 2010	7,000	7,000	7,000
Total				138,767		167,400		107,140	106,623	167,400
Other assets (including straight lining rental income and lease incentives) Less: amounts classified as Total investments properties adjusted for amounts classified as other assets										(3,214) 164,186

* Leasehold interest for a term of 999 years. The lease commenced on 31 January 2000.

** Leasehold interest for a term of 99 years. The lease commenced on 10 August 2000.

1 Thiess Centre was reclassified to assets held for sale during the period (refer to note 7).

The basis of valuation of the investment properties is fair value being the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current prices in an active market for a similar property in the same location and condition and subject to a similar lease.

Trafalgar Corporate Group Limited and its Controlled Entities

Condensed notes to the Interim Financial Report

For the half year ended 31 December 2010

6 Investment properties (continued)

	31 Dec 10 \$'000	30 Jun 10 \$'000
Balance at 1 July	164,186	176,392
Capital expenditure	1,250	468
Reclassification to assets held for sale	(61,509)	(48,712)
Reclassification from assets held for sale	-	43,550
Amortisation of ATO Over Rent	(722)	(1,432)
Fair value adjustments	1,039	(6,080)
Balance at end of the period	104,244	164,186

The carrying amount of investment properties as at 31 December 2010 is the fair value of the property, determined by the Directors, having regard to 30 June 2010 independent valuations prepared by valuers with appropriately recognised professional qualification and recent experience in the location and category of the property being valued. Discussions were held with the same valuers in January 2011 to provide further guidance. Fair values were determined using the capitalisation of net passing income and the discounted cash flow methods and also having regard to recent market transactions of similar properties in the same location and condition with a similar lease profile.

The weighted average capitalisation rate applicable to the investment portfolio at 31 December 2010 is 8.86% (30 June 2010: 8.54%), while the weighted average lease expiry for current tenancies is 3.63 years (30 June 2010: 4.87 years).

7 Assets held for sale

As a consequence of the Group exchanging conditional contracts for the sale of the Thiess Centre on 24 December 2010 for \$63.33 million, the Thiess Centre has been reclassified as an Asset held for sale. The Directors revalued the Thiess Centre at 31 December 2010 based on the sale price less selling costs, resulting in a net gain on fair value adjustment being brought to account in the statement of comprehensive income of \$1.04 million and a Director's valuation of \$62.51 million.

The Group offered for sale by expressions of interest the Melbourne Broadcast Centre during the 2010 financial year. The property was sold for \$54.22 million during the current period and settlement occurred on 31 August 2010 with net proceeds being used for debt reduction within the Group.

8 Other current assets

	31 Dec 10 \$'000	30 Jun 10 \$'000
Prepayments	401	446
Other	236	675
	637	1,121

Trafalgar Corporate Group Limited and its Controlled Entities

Condensed notes to the Interim Financial Report

For the half year ended 31 December 2010

9 Interest bearing loans and borrowings

	31 Dec 10 \$'000	30 Jun 10 \$'000
<i>Current</i>		
Cash advance facility	-	500
Secured borrowings	-	7,042
	-	7,542
<i>Non current</i>		
Secured borrowings	79,995	131,592
Capitalised finance costs	(393)	(598)
	79,602	130,994
	79,602	138,536

Cash advance facility

This loan facility is being provided by Westpac Banking Corporation and has a facility limit of \$5.0 million and as at 31 December 2010 was undrawn. This facility is available to supplement working capital if necessary and is subject to floating interest rates.

This facility is secured by a fixed and floating charge over all assets and uncalled capital of the Company, an interlocking guarantee and mortgage over each core investment property held by Trafalgar Corporate Group and a limited guarantee by Trafalgar Corporate (Sales) Pty Limited.

Secured borrowings

Trafalgar Twelve Four Finance Pty Limited

The loan facility is being provided by Westpac Banking Corporation via a special purpose borrowing vehicle (Trafalgar Twelve Four Finance Pty Limited) which is 50% owned by each of TPF12 and TOF4. Through this vehicle the facility is available to both Funds and as at 31 December 2010 TOF4 had no drawings and TPF12 had drawn \$80.0 million. The facility limit is \$80.0 million.

The facility is secured by a mortgage in favour of the Bank over each core investment property held by the Group and a fixed and floating charge over the present and future real property assets of the TPF12 and TOF4, their subsidiaries and Trafalgar Managed Investments Limited. The facility is subject to floating interest rates and derivative contracts currently totalling \$81.0 million, which have been entered into to minimise interest rate exposure. The floating interest rate paid at 31 December 2010 was 7.70% and fixed interest rates on the derivative contracts ranged between 5.98% and 6.27%. This facility expires in March 2013.

Trafalgar Corporate Group Limited

This loan facility was being provided by Westpac Banking Corporation. This loan facility was established to provide funds to repay the previous TC (Tallwoods) Pty Limited loan facility. During the period the loan facility of \$7.0 million was fully repaid.

Trafalgar Corporate Group Limited and its Controlled Entities

Condensed notes to the Interim Financial Report

For the half year ended 31 December 2010

9 Interest bearing loans and borrowings (continued)

This facility was secured by a fixed and floating charge over all assets and uncalled capital of the Company, an interlocking guarantee and mortgage over each core investment property held by Trafalgar Corporate Group and a limited guarantee by Trafalgar Corporate (Sales) Pty Limited.

Funding Covenants

At the date of this report, the Group complies with debt covenants for all facilities. The major borrowing, through Trafalgar Twelve Four Finance Pty Limited, has a Loan Value Ratio (LVR) covenant of 65% and minimum interest coverage requirement of 1.4 times the net passing income of TPF12 and TOF4. At 31 December 2010, based on Directors' valuations, the LVR was 47.2% (30 June 2010: 59.8%) and the interest coverage was 1.76 times (30 June 2010: 1.64 times).

The Group continues to implement its Capital Management strategy and is continuing to comply with its covenants prescribed in the finance facilities through a program of debt reduction and tight fiscal management.

10 Issued capital

	Number of Securities		31 Dec 10 \$'000	30 Jun 10 \$'000
	31 Dec 10	30 Jun 10		
Consolidated				
Ordinary Securities				
Issued and fully paid	85,351,913	85,351,913	(3,092)	(3,092)
	85,351,913	85,351,913	(3,092)	(3,092)

Consolidated		Number of securities	Issue price	\$'000
Movement of fully paid securities issued				
1 July 2010	Opening balance	85,351,913	-	(3,092)
31 December 2010	Closing balance	85,351,913		(3,092)
Movement of fully paid securities issued				
1 July 2009	Opening balance	85,351,913	-	(3,092)
30 June 2010	Closing balance	85,351,913		(3,092)

Minority interests - TOF4 and TPF12

As a result of the stapling in July 2005, TOF4 and TPF12 were stapled to the Company. When a new entity is formed to issue equity instruments to effect a business combination, one of the combining entities is to be identified as the acquirer on the basis of pertinent facts and circumstances regarding control. For the stapled group TCL (now wholly owned by TCGL) was deemed the acquirer and the acquisition of TOF4 and TPF12 formed the minority interest.

Trafalgar Corporate Group Limited and its Controlled Entities
Condensed notes to the Interim Financial Report
For the half year ended 31 December 2010

11 Capital and other commitments

	31 Dec 10	30 Jun 10
	\$'000	\$'000
Capital expenditure commitments		
Investment properties		
Contracted but not provided for and payable		
Within one year	-	188
	-	188
Joint venture commitments		
Share of capital commitments of the joint venture		
Within one year	20,564	18,012
	20,564	18,012

Investment Properties

The consolidated entity has no commitment (30 June 2010: \$187,594), for the refurbishment of investment properties contracted for as at 31 December 2010.

Share of capital commitments of the joint venture

On 23 December 2004, Renewing Homebush Bay Pty Limited (a 50/50 Joint Venture with Brookfield Multiplex Group) entered into a Remediation Agreement which provides that Thiess Services Pty Limited will undertake the remediation of Rhodes Shoreline site for an aggregate price of \$82.8 million. \$51 million has been settled up to 30 June 2010 with a further \$31.8 million due in 2011. This payment obligation will be met from settlement of existing pre sale contracts for two lots totalling \$33.9 million. The balance of joint venture capital commitments relate to contractual commitments for infrastructure works to be provided by various businesses.

Trafalgar Corporate Group Limited and its Controlled Entities

Condensed notes to the Interim Financial Report

For the half year ended 31 December 2010

12 Contingent assets and liabilities

Beverley Project

The above is an industrial land sub-division located at 117 Main Street Beverly South Australia. Senior debt for the project has been provided by Bank of Adelaide with Trafalgar Corporate Group Limited (TCGL) providing mezzanine funding of \$1.6 million. This amount has been matched by the developer of the project. In conjunction with the developer, TCGL has also severally guaranteed 50% all interest fees, costs, charges and expenses payable under the Senior Finance Facility and has agreed to fund on a 50/50 basis with the developer any cost overruns for the project.

Group Obligations

In accordance with the Stapling Deed executed on 8 June 2005, each party to the deed (i.e. the Company, TPF12 and TOF4) have undertaken to guarantee the obligations of the other party and or its subsidiaries.

13 Related parties

TPF12 & TOF4 through their special purpose borrowing vehicle, Trafalgar Twelve Four Finance Pty Limited, have raised borrowings on behalf of the Group. Following the Group's announcement that it is withdrawing from development activities and with an expected reduction in the level of investment and return from the current development activities, Trafalgar Corporate Group Limited will not be able to fully repay the inter entity loans. Consequently, during the period the Directors decided to further impair the portion of debt considered to be unrecoverable by the Trusts at balance date. This impairment amounted to \$0.56 million. The impairment has no impact on the financial results of the Stapled Group.

There have been no other significant changes to the related party transactions disclosed in the last Annual report at 30 June 2010. All other transactions with related parties are conducted on normal commercial terms and conditions.

14 Events subsequent to balance date

There are no further matters or circumstances not otherwise dealt with in this report or the financial statements that has significantly or may significantly affect the operations of the consolidated entity, or the state of the consolidated entity's affairs in this financial report or current and future financial periods.

Trafalgar Corporate Group Limited and its Controlled Entities

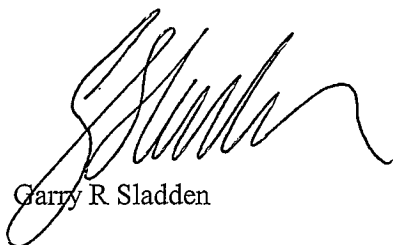
Directors' declaration

For the half year ended 31 December 2010

In the opinion of the Directors of Trafalgar Corporate Group Limited:

- (a) the financial statements and notes set out on pages 7 to 23, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its their performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company and Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Garry R. Sladden

Chairman



John R. Green

Director

Dated at Sydney this 22nd day of February 2011



Independent auditor's review report to the members of Trafalgar Corporate Group Limited

We have reviewed the accompanying interim financial report of Trafalgar Corporate Group Limited ("the Company") and its controlled entities, including Trafalgar Platinum Fund No. 12 and Trafalgar Opportunity Fund No. 4, which form the consolidated entity ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2010, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 14, comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the Company and the directors of Trafalgar Managed Investments Limited, the Responsible Entity of Trafalgar Platinum Fund No. 12 and Trafalgar Opportunity Fund No. 4 (collectively referred to as "the directors") are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 interim 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 2010 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Trafalgar Corporate Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

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 Trafalgar Corporate Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance 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*.

KPMG

KPMG

Paul Thomas
Partner

Sydney
22 February 2011