
Unitholders' briefing materials

The Directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, today attach the Chairman's introduction and the Manager's address and presentation for the unitholders' briefing scheduled for today at 10.00am Perth time.

This presentation is also available via a live audio webcast of the meeting. The webcast can be found via the link on the website homepage <http://www.bwptrust.com.au/>.

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**BUNNINGS WAREHOUSE PROPERTY TRUST
UNITHOLDER BRIEFING – 11 NOVEMBER 2009
CHAIRMAN’S INTRODUCTION**

[Slide 1] [Slide 2] Good morning ladies and gentlemen and a warm welcome to you all here in the room in Perth and those accessing this briefing via the webcast.

My name is John Austin and I am the Chairman of Bunnings Property Management Limited which is the responsible entity for the Bunnings Warehouse Property Trust.

While we don't have any formal business to attend to today, we thought this would be a valuable opportunity to catch up with unitholders on what has been happening with the Trust and our view of things looking forward.

To allow things to run smoothly I would ask that you save any questions or comments until the end, just before we adjourn for morning tea.

I would also ask that all mobile phones be turned off at this point please.

We respect that this is a significant day historically, being Remembrance Day, and we will be observing a minute's silence at 11 o'clock in the event that we are still going at that stage.

[Slide 3] Today's briefing is also a chance for you to meet the board and executive management responsible for managing your Trust. There have been a few changes since the last meeting of unitholders, so I would like to introduce you to the non-executive directors of the responsible entity. I would ask that each of them stands briefly as I call their names.

- Peter Johnston – who most of you will have seen or met previously as he was one of the inaugural directors when the Trust was established until 2001 and then joined us again in 2005. Peter was the Company Secretary of Wesfarmers Limited between 1994 and 2001. Thank you Peter.
- Peter Mansell – who was also an inaugural director and has served on the board continuously. Peter is a very experienced non-executive director and previously a partner at a leading law firm. Thank you Peter.
- Now a new face, Rick Higgins, a very experienced and respected property figure, who joined the board in December 2007. Rick has over 37 years experience in valuation and consultancy advice, most recently as a National Director for Colliers International. Thank you Rick.
- And finally, the most recent addition to the Board, Bryce Denison, who joined us in October of this year.

Bryce was General Manager, Group Accounting with Wesfarmers Limited from 1986 to 2004. He has also been National President of the Group of 100 and a member of the Australian Accounting Standards Board.

While Bryce has only recently joined the Board, we have had the benefit of his expertise on a consultancy basis on financial and accountancy matters since 2005. Thank you Bryce.

[Slide 4] I would also like to introduce you to the executive management team, Grant Gernhoefer who is the General Manager of the responsible entity and Andrew Ross who is the Portfolio Manager and to our Company Secretary, Karen Lange who is sitting down the front here.

Grant will address you shortly on the performance and operations of the Trust. However, before he does so, I would just like to cover a few matters briefly.

First, what a year 2009 was! I need not remind anyone here of how turbulent the last financial year was and the profound effect of the global financial crisis on economies and markets worldwide.

Property and equity markets lost significant value, but your Trust performed well relative to the broader market and particularly compared with the property sector.

[Slide 5] This graph here, shows the unit price performance of BWP over the 12 months to 31 October 2009. For most of that time, BWP outperformed the All Ordinaries index and the ASX 200 property index, until recently when the broader market has made up some ground.

Also, Bunnings Warehouse Property Trust was the only stock in the listed property trust sector that made a positive return for the year, based on movement in unit price and distributions.

BWP's performance was acknowledged by the Australian Property Institute, New South Wales, which awarded BWP the Commonwealth Bank, Australian Property Trust Industry Innovation Award as part of the API's annual Excellence in Property Awards.

[Slide 6] The second matter I would like to raise briefly; is the success of the Trust's \$150 million capital raising in May of this year. The decision to ask unitholders for additional capital was not one that the Board took lightly. However, given the uncertainty around credit and property markets we considered raising equity a prudent means of improving the Trust's short term flexibility to deal with debt funding and positioning the Trust for growth over the medium-term. The entitlement offer was well supported and the proceeds have been used to pay down the Trust's debt.

Finally, and following on from my comments regarding the capital raising, I would like to offer our sincere thanks to you, our unitholders, for your ongoing support and confidence and particularly for this most recent capital raising.

I will now hand over to Grant Gernhoefer, the General Manager, for a review of operations. Following Grant's presentation there will be an opportunity for your questions or comments and then I would invite you to join us for morning tea.

Thank you Grant.

BUNNINGS WAREHOUSE PROPERTY TRUST UNITHOLDER BRIEFING – 11 NOVEMBER 2009

MANAGER'S ADDRESS

[Slide 6] Thank you Mr Chairman. Good morning and welcome ladies and gentlemen. It is a pleasure to have my first opportunity to address our unitholders personally since becoming part of the Bunnings Warehouse Property Trust team nearly four years ago.

[Slide 7] On the screen is an outline of what I will be covering in the next ½ hour or so. As the Chairman indicated, please make a note of any questions or comments as we go and raise these during the question and comments time at the end of the presentation.

This morning I will start with a short refresher on the Trust structure and the business that we are in as this provides useful background.

I will then touch on the results for the 2009 financial year and followed by comments on our outlook and finally we can conclude with questions from the floor.

We have had a good response to our invitation for unitholders to provide topics of interest or questions and there are many common themes that we hope will be addressed in the course of this presentation or specifically in the question time.

I should also explain why some of the slides have much more text and detail than is ideal in a presentation format. This is to provide a bit more context to those who will view this material after the event on our website. I hope that in doing so we can inform a wider audience.

[Slide 8] I will refer throughout to either the Trust or BWP, they are one and the same. The Trust was established by Wesfarmers in 1998 and Wesfarmers retains about 23% of the issued units in the Trust. Other institutional investors own about 29% and the remaining 48% is owned by private investors or so-called “retail” investors.

Being a trust and not a company, it has a responsible entity or management company to look after its affairs. In BWP's case the management company is Bunnings Property Management Limited, a wholly owned subsidiary of Wesfarmers dedicated to managing the Trust. The management company is paid an annual fee by BWP based on a percentage of the value of the gross assets being managed. This fee structure was enshrined in the Trust's constitution when the Trust was established.

While the management company is owned by Wesfarmers, it has an independent chairman and board, in that the majority of directors are external to Wesfarmers.

The independence of the board and the controls included in the Trust's compliance plan help ensure that the Trust is being managed in the best interests of all unitholders.

If we consider what the Trust does for a living ...

[Slide 9] ... it's main objective is to provide a secure and growing income stream and long-term capital growth to its unitholders.

It does this primarily by investing in commercial property and mainly Bunnings Warehouses, which make up about 96% of the value of the Trust's investment properties and 95% of the rental income.

We will have a more detailed look at the make up of the Trust's portfolio of properties shortly as part of the review of operations, but for now we will focus on Bunnings Warehouses.

There are two sources from which the Trust can acquire Bunnings Warehouse properties. The first is directly from Bunnings Group Limited, the Wesfarmers subsidiary that owns and operates the Bunnings Warehouse business. Bunnings has a very active property team that sources and develops many of its sites itself and then may sell the properties to a range of potential buyers and lease them back.

The second source of the Trust's Bunnings Warehouse properties is from third party owners or developers, who have acquired Bunnings Warehouses or have developed them to lease to Bunnings.

An important point to note is that when it comes to Bunnings Warehouses, the Trust is a landlord only – it doesn't choose where the stores are located and it doesn't have any involvement in the operation of the Bunnings Warehouse stores.

With that background, I will now turn to the performance and operations of the Trust for the 2009 financial year.

[Slide 10] Given the Trust's financial results have been out for some time now; I won't go through these in detail. Instead I will focus on four main areas of interest:

- distributions;
- the property portfolio;
- capital management; and
- sustainability.

First we will look at Distributions:

There was a solid increase in rental income for the year as a result of new rent from acquisitions and developments and increases in existing rents as a result of rent reviews. However, increases in borrowing costs as a result of higher borrowings for most of the year and then the one-off costs associated with reducing debt from the proceeds of our capital raising meant that distributable profit was only marginally higher than last year.

[Slide 11] As the chart here shows, there was a drop in distributions per unit for the second-half because of additional units issued following the capital raising in May of this year.

Second, in relation to the Property portfolio.

[Slide 12] The chart on the screen shows the make up of the portfolio throughout Australia and the different types of properties.

Apart from 53 Bunnings Warehouses, a Bunnings distribution centre and a Bunnings development site, we have 4 industrial properties and 2 bulky goods showroom complexes, adjoining our Bunnings Warehouses at Geraldton Western Australia and Bayswater in Victoria.

[Slide 13] During the year we acquired an established Bunnings Warehouse from Bunnings in the Brisbane suburb of Mount Gravatt. We were pleased with this acquisition as it increased our exposure to Brisbane and Queensland.

In addition to acquiring a Bunnings Warehouse in Brisbane, the Trust also bought additional land adjoining the Trust's existing Bunnings Warehouse at Altona, in Melbourne's western suburbs. The land is earmarked for the expansion of the Bunnings store.

[Slide 14] Other portfolio improvements during the year included the completion of the new multi-level format store in Melbourne's Hawthorn and upgrades of the Trust's Bunnings Warehouses at Noarlunga, in Adelaide, and at Cannon Hill in Brisbane. The improvements at Cannon Hill make this one of the biggest Bunnings Warehouse in Australasia.

In all we spent around \$45 million improving the portfolio, which is slightly above our average over the past five years.

[Slide 15] Turning now to Capital Management:

As the Chairman mentioned, a significant event during the year was the successful raising of \$150 million through an entitlement offer to existing unitholders. This was done to improve the Trust's financial strength. While compared with most property trusts BWP had a fairly robust balance sheet, there were a number of concerns that the board had regarding the following:

- one concern was where property market values were going and the effect that this would have on the Trust's gearing (level of debt to total assets);
- another concern was the continuing access to debt. Although we had relatively strong relationships with our four banks, they were under pressure to reduce the amount they lend and particularly reduce their exposure to commercial real estate; and
- and the third was that the Trust's gearing was edging close to the maximum preferred range providing little capacity for future growth.

So the Board made the decision in May to proceed with the capital raising and for that capital raising to be in the form of a pro-rata entitlement offer that would enable all eligible unitholders to participate equally.

The capital raising was well supported and addressed both short term and longer term capital objectives. As a result of the entitlement offer the number of the Trust's issued units increased by about one third. We do not see the need for further equity raising in the foreseeable future.

[Slide 16] Another topic of interest from unitholders is sustainability and specifically climate change. In this year's annual report we included, for the first time, a statement outlining our position in relation to this important issue.

Generally, buildings and property represent a significant opportunity for reducing greenhouse gas. However, the Trust's energy use and greenhouse gas emissions levels are relatively low. This is because under the leases for most of the Trust's properties, the tenant has operational control over the whole site and how the site is used. The Trust's management company is limited in its capacity to make changes to the way in which the Bunnings businesses use energy.

This differs from most retail shopping centres or office building owners, for example, who maintain control over the operation of the building and can actively pursue and benefit from energy and other sustainability initiatives.

For most of the Trust's properties, the greatest potential opportunity for sustainability initiatives for existing buildings, such as energy and water reduction or capture lies with the tenants.

Bunnings, the Trust's major tenant, is regarded as somewhat of a leader in sustainability initiatives in retailing and has proactively looked at energy and water usage from its buildings. It has installed rain water harvesting systems at most of the Bunnings Warehouses owned by the Trust. Other Bunnings initiatives are outlined in Wesfarmers' sustainability report, which became available yesterday.

The most immediate contribution that the Trust can make to climate change is to support the initiatives of tenants such as Bunnings. We are also building our knowledge and developing our systems to ensure climate change is part of our planning, decision making and operational practices. We will also look at what initiatives we can make at properties where we do maintain control over some areas (such as common areas of multi-tenanted properties.)

We will be reporting on our progress as part of our next annual report.

Now, for a brief look at what we expect moving forward...

[Slide 17] The economic landscape, particularly in Australia, seems to be showing a bit more promise than it did 12 or even 6 months ago. In real estate the focus has shifted from survival, to repositioning and will return to growth opportunities – earlier for some than others. Availability of funding will still be a constraint to many.

For our perspective, we will be continuing to actively manage the Trust's portfolio by acquiring new assets that fit the Trust's investment criteria and extracting more value from existing assets.

For new assets, while Bunnings Warehouses will be the focus, these must be good quality; being well located with good leases in place and not overpriced. There have been a number of Bunnings Warehouses sold in the past 12-18 months, but few that we would have looked at acquiring for one reason or another.

We will also consider other assets, selectively, that provide similar characteristics as Bunnings properties by being a good size, well located, with a quality tenant under a longer term lease – all aimed at providing a sound income stream and long term capital growth.

For existing assets, growth can come from improving properties as we have in the past, through upgrading existing properties or acquiring adjoining land for future upgrades. We will also look to improving rents through rent reviews. We have 10 market rent reviews this financial year and the balance of properties will be reviewed to CPI or by a fixed percentage increase.

From a costs perspective, our attention will be on finance costs. As a result of reducing our borrowings we are currently pretty much fully hedged – so increases in interest rates will not be such a concern. However, increases in bank fees and margins will be more of a feature in the next 12 months although we expect these will be within the bounds of what we had predicted in our capital raising forecasts.

Finally, on one longer term aspect of our business ...

[Slide 18] there has been a great deal of interest from unitholders regarding the likely impact on BWP and our major tenant, Bunnings, of Woolworths entering the hardware market. Obviously this is a development that we have been keenly interested in. At this stage there is not a great deal of detail available on what Woolworths has in mind for its hardware operations and particularly the warehouse style hardware stores. However, generally we consider that the entry of a new competitor to Bunnings is more likely to be positive than negative for BWP.

One positive aspect is that a new major player reinforces the strength of the warehouse style home improvement model that Bunnings has established so prominently in Australia and New Zealand, improving its recognition as a separate investment asset class.

Another positive is that, while the demand for good sites for warehouse stores may not necessarily drive up property prices and rents, we expect that at least the presence and activity of two big players will improve the depth of market and the level of market evidence, helping to underpin property and rental values.

Both of these factors should improve the longer term prospects for BWP's properties.

Another concern expressed by unitholders is whether there is room for two players in the home improvement warehouse market and the effect that another major player may have on Bunnings' business.

Both Bunnings and Woolworths seem to think that the market is big enough for two and there are some compelling factors that support this view.

- First, the warehouse format is now a mature and popular retailing concept and the home improvement and outdoor living market is a large and diverse market.
- Also, the warehouse or big-box format in Australia is less prevalent in the market than in other countries where this concept is popular, such as the USA and United Kingdom, meaning there is possibly room to increase the number of stores per population.
- And, as Bunnings has recently demonstrated with its announced expansion of kitchen appliances, there is scope for growth through expanding the types of products and services offered.

So, in summary, based on what we know at present, we see Woolworths' entry into the market as generally positive for BWP longer term.

That completes the review of operations.



BUNNINGS WAREHOUSE PROPERTY TRUST

Unitholders' Briefing 2009

November 2009

Introduction

John A Austin

Chairman

Bunnings Property Management Limited

Proceedings

- Welcome
- Directors & management
- Review of operations
- Questions
- Morning tea

BPML directors



John Austin
Chairman



Peter Johnston



Peter Mansell



Rick Higgins



Bryce Denison

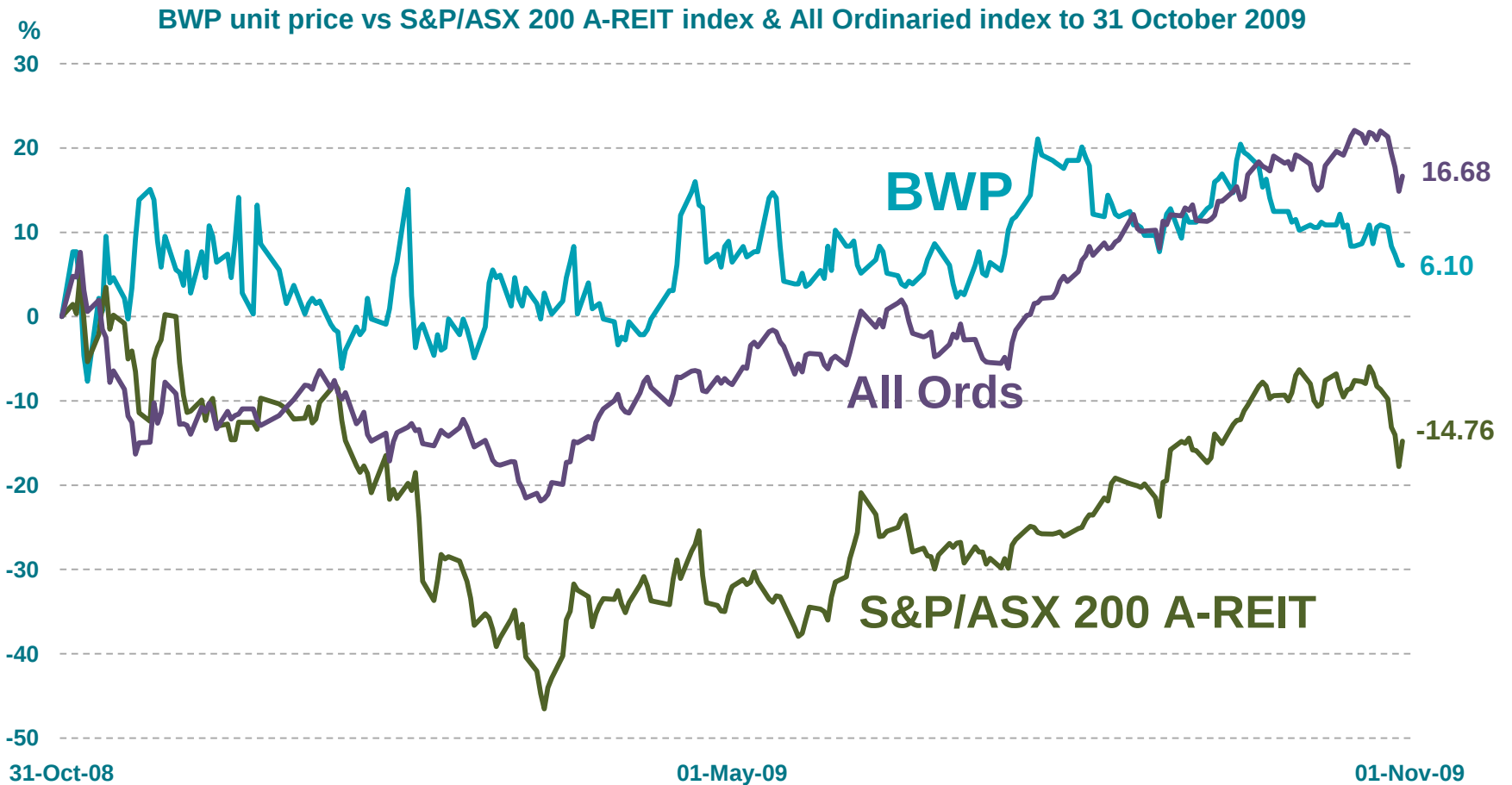


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Unitholders' Briefing 2009

November 2009

BWP vs market



Source: Reuters, rebased to 100



BUNNINGS WAREHOUSE PROPERTY TRUST

Unitholders' Briefing 2009

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Review of operations

Grant Gernhoefer

General Manager

Bunnings Property Management Limited

Outline

- Structure & investment activities
- 2009 results
- Outlook

Structure

Ownership of BWP

- Wesfarmers 23%
- Institutional investors 29%
- Private investors 48%

Management of BWP

- Bunnings Property Management Limited
- Management-fee for services (~ 0.6% of gross assets)
- 100% Wesfarmers owned
- Independent board of directors

Investment activities

BWP's investments

- Buys commercial property for rental income and capital growth
- Majority are Bunnings Warehouses (96% by value, 95% by rental income)
- Bunnings Warehouses acquired from Bunnings Group Limited or third party owners
- Some non-Bunnings properties, selectively for similar investment characteristics

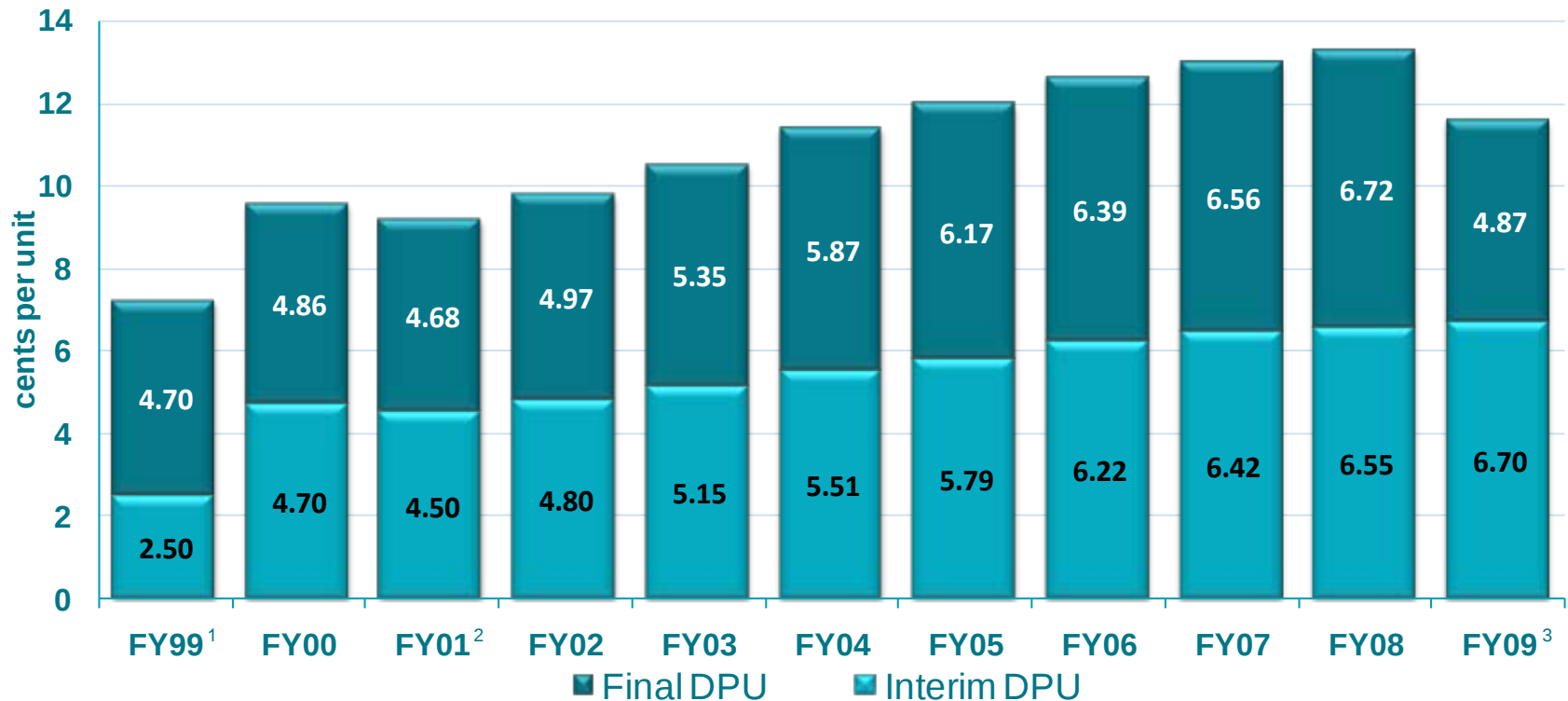
Bunnings Group Limited

- Wesfarmers subsidiary owns and operates Bunnings Warehouse business
- Sources/develops its Bunnings Warehouse network
- Major tenant of BWP

2009 results

- Distributions
- Property portfolio
- Capital management
- Sustainability

2009 results - distributions



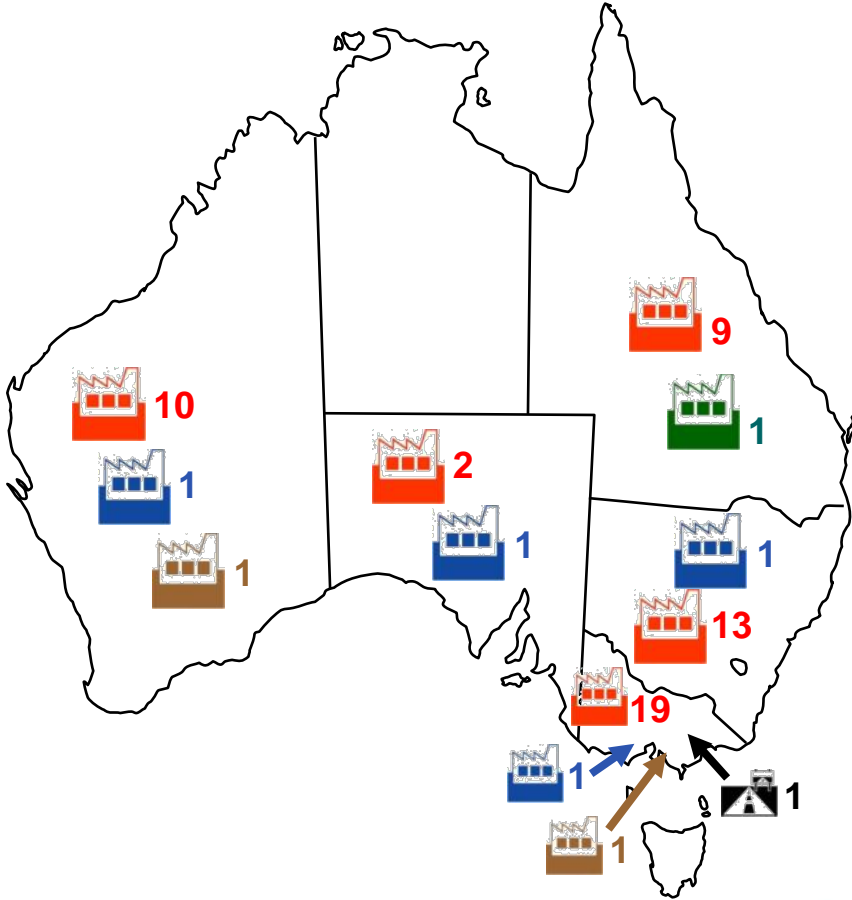
¹ BWP commenced trading in Sep 98

² end of concessional management fee

³ final distribution FY09 – impacted by additional units issued from \$150 million capital raising and one-off termination costs of interest rate derivatives closed out to pay down debt from capital raising

Property portfolio

-  **53 Bunnings Warehouses**
-  **1 Bunnings distribution centre**
-  **1 Bunnings Warehouse development site**
-  **4 Industrial properties**
-  **2 Bulky goods showrooms***



* showrooms at Bayswater are on the same site as the Bayswater BWH

Portfolio - acquisitions

- **Mt Gravatt, QLD (\$11.2m acquisition + \$0.7m acquisition costs)**
 - 10km south of Brisbane CBD
 - 2.7ha site, 10,432m² total retail area
- **Altona, VIC (\$2.6m acquisition + \$0.2m acquisitions costs)**
 - 1.0ha vacant site
 - acquired for future expansion of adjoining Bunnings Warehouse



Portfolio - developments

- **Noarlunga, SA (\$3.6m est.)**
 - expanded main trade area and timber drive through
- **Cannon Hill, QLD (\$1.2m)**
 - amalgamation of BWH & DC resulting in retail area of 16,556m²
- **Hawthorn, Vic (\$24.1m)**
 - site acquired for \$19.4 million in April 2007
 - 7km east of Melbourne CBD
 - new multi-level format
 - 7,462m² Bunnings Warehouse on 0.84ha site



Hawthorn, VIC

Capital raising - \$150m May 2009

Why it was needed

- Relatively strong balance sheet, but worrying uncertainty:
 - Falling property market
 - Banks being difficult in debt refinancing
 - Close to top end of preferred gearing range (40%)
 - Limited capacity for growth

Outcome

- Strongly supported
- Addressed refinancing risk
- Gearing down to one of lowest in the sector (22%)
- Provide financial flexibility and capacity to position for future
- Issued units 309m → 410m

Sustainability – climate change

Buildings generally good opportunity for improvements

- Most BWP properties leased for whole-of-site
- Energy reduction, water and energy capture = tenants' opportunities
- Rain water harvesting systems installed by Bunnings at most BWP properties

Opportunities for the Trust

- Support Bunnings' and other tenants' initiatives
- Increase in-house climate change capabilities (understanding and systems)
- Building sustainability principles into operations
- Investigate improvements at properties where BWP has control

Outlook

Australian economical and financial outlook improving

BWP focus on acquisitions:

- Bunnings Warehouses
- Other assets with similar characteristics
- Quality property, sounds tenant, good lease

Growth from existing properties:

- Upgrades and land for upgrades
- Improved market rents

Contain and improve finance costs

Woolworths hardware and home improvement

Positives for BWP

- Reinforces the success of the big-box hardware format
 - Creates competitive market for properties – assets values and market rents
- ↳ Improves longer term prospects for BWP's portfolio

Sustainability of big-box hardware market

- Well established and popular concept
- Part of a large hardware and home improvement market
- Relatively low market penetration compared with overseas
- Potential for category and product line expansion

Further information

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The information provided in this presentation should be considered together with the financial statements for the period and previous periods, ASX announcements and other information available on the Trust's website.

All reasonable care has been taken in preparing the information contained in this presentation and it is intended to provide general information only and does not take into account individual objectives, financial situations or needs.



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