



## BUNNINGS PROPERTY MANAGEMENT LIMITED

ABN 26 082 856 424

Responsible Entity for the Bunnings Warehouse Property Trust

16 December 2002

### **BUNNINGS WAREHOUSE PROPERTY TRUST RESULTS OF UNITHOLDER MEETING – 16 DECEMBER 2002**

Bunnings Warehouse Property Trust's unitholders today overwhelmingly approved a proposal to purchase four Warehouse properties from BBC Hardware Limited for a consideration of \$53.2 million. The four properties are located at Artarmon, Belrose and Wollongong in New South Wales, and Cairns in Queensland.

Unitholders also ratified the recent placement of 26.1 million units to Institutional Investors and approved changes to the Trust's Constitution so that the 10 per cent limit on the number of units that can be issued at a discount to market price in any 12 month period does not include units issued as part of a unitholder purchase plan.

At the meeting, unitholders were advised of the recent purchase by the Trust of a development site at Port Macquarie in New South Wales.

#### **Purchase of Four Warehouses**

The Chairman of Bunnings Property Management Limited ("BPML"), Mr Bill Cairns, said that the acquisition of the four Warehouses was consistent with the Trust's key strategies of acquiring well located Bunnings Warehouse properties which not only produce acceptable yields but have good potential for income growth and capital appreciation. All four properties would be leased to Bunnings Building Supplies Pty Ltd.

The purchase would result in a number of significant benefits to unitholders including an extended average lease expiry profile, a broader geographic spread of assets and a positive impact on earnings per unit. Following the purchase, the size of the Trust's portfolio would increase to 44 properties.

Mr Cairns said that the four Warehouses were the first warehouses to be offered to the Trust following the acquisition of Howard Smith Limited by Wesfarmers in August 2001, and that the directors of BPML look forward to considering the purchase of other former BBC Hardwarehouse properties if, and when, they are offered.

#### **Ratification of Placement**

The funds raised from the placement of 26.1 million units to Institutional Investors on 14 November 2002 at \$1.29 per unit were used to repay debt in expectation of funding future acquisitions, including the acquisition of the four Warehouses from BBC Hardware Limited.

As the size of the placement conformed with provisions in the Trust's Constitution and ASX Listing Rules, the prior approval of unitholders was not required. However, Mr Cairns said that by ratifying the placement the Trust would not be required to wait for a period of 12 months before being able to again raise funds by way of a subsequent placement. This would provide the Trust with more flexibility in regard to raising capital in the near future.

### **Amendment to Constitution**

The amendment to the Trust's Constitution to allow for certain issues of units pursuant to an offer of a unitholder purchase plan not to count against the placement capacity of the Trust during any 12 month period was described in the Information Memorandum sent to unitholders in November 2002. The amendment is considered to be in the best interest of unitholders by providing the Trust with additional flexibility to raise capital.

Mr Cairns said that the Trust has yet to implement a unitholder purchase plan, but may do so in the future. Under such a plan each unitholder, irrespective of the number of units held, can be offered up to \$5,000 worth of units within any 12 month period. These offers are particularly attractive to small unitholders as they must be made at a discount to market, and are free of brokerage costs.

### **Port Macquarie Property Acquisition**

Mr Cairns advised the meeting of the recent acquisition by the Trust of the acquisition of a two hectare development site at Port Macquarie in New South Wales, for \$2.1 million plus acquisition costs. The 5,100 square metre Bunnings Warehouse to be developed on the site should be completed in mid 2003. Upon completion, the investment by the Trust would be \$7.5 million plus acquisition costs, and an annual rental of \$680,000 would be received.

For further information please contact:

Mr Andrew Hopkins  
Manager, Bunnings Property Management Limited

Telephone: (08) 9327 4318

E-mail: [andrew.hopkins@bpml.wesfarmers.com.au](mailto:andrew.hopkins@bpml.wesfarmers.com.au)