



10 February 2010

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

Dear Sir,

**RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

In accordance with ASX Listing Rule 4.2A, the following documents are attached for release to the market:

- Appendix 4D half-year results announcement
- Half-year results announcement
- Financial Statements for the half-year ended 31 December 2009
- KPMG independent auditor's review report and auditor's independence declaration

It is recommended that the half-year financial report is read in conjunction with the annual financial statements as at 30 June 2009 together with public announcements made by the Trust in accordance with the continuous disclosure obligations arising under the ASX Listing Rules and the Corporations Act 2001.

A handwritten signature in black ink, appearing to read "K A Lange", with a stylized flourish at the end.

K A LANGE  
COMPANY SECRETARY

# BUNNINGS WAREHOUSE PROPERTY TRUST

ARSN 088 581 097

## APPENDIX 4D – HALF-YEAR REPORT

Financial half-year ended 31 DECEMBER 2009

### Results for announcement to the market

|  |         | 6 months to<br>31 Dec 09 | 6 months to<br>31 Dec 08 | Variance<br>(%) |
|--|---------|--------------------------|--------------------------|-----------------|
| Revenue from ordinary activities                                       | (\$000) | 38,982                   | 35,126                   | 11.0            |
| Net profit before unrealised items                                     | (\$000) | 25,255                   | 20,469                   | 23.4            |
| Unrealised items – gain/(loss) in fair value of investment properties  | (\$000) | 15,891                   | (43,878)                 | 136.2           |
| Net profit/(loss) from ordinary activities attributable to unitholders | (\$000) | 41,146                   | (23,409)                 | 275.8           |
| Net tangible assets per unit   | (\$)    | 1.83                     | 1.88                     | (2.6)           |

### Commentary on the results for the period

The commentary on the results for the period ended 31 December 2009 is contained in the ASX release dated 10 February 2010 accompanying this statement.

### Distributions

|                               |         |        |        |
|-------------------------------|---------|--------|--------|
| Interim distribution payable  | (\$000) | 25,268 | 20,470 |
| Interim distribution per unit | cents   | 6.10   | 6.70   |

Record date for determining entitlements to the interim distribution 31 December 2009

Payment date for interim distribution 26 February 2010

The Distribution Reinvestment Plan ("DRP") was reinstated for the distribution for the half-year ended 30 June 2008 and will apply to future distributions unless notice is given of its suspension or termination.

Applications to participate in or to cease or vary participation in the DRP were required to be correctly completed and lodged by 5.00pm (WST) on 31 December 2009 if they were to apply to the interim distribution for 2009/10. Forms received after that time will be effective for subsequent distributions only.

Units issued under the DRP in respect of the interim distribution for 2009/10 will be issued at \$1.7424 per unit, representing a 2.5 per cent discount to the volume weighted average unit price for the 10 trading days following the record date.

This report should be read in conjunction with the 30 June 2009 Annual Financial Report of the Trust and any announcements made in the period by or on behalf of the Trust in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

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## Half-year results to 31 December 2009

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The directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, today announced the results of the Trust for the six months to 31 December 2009.

### Highlights

- Income of \$39.0 million for the six months – up 11.0 per cent on the previous corresponding period
- Distributable profit of \$25.3 million for the six months – up 23.4 per cent on the previous corresponding period
- Distribution of 6.10 cents per ordinary unit – down 9.0 per cent on the previous corresponding period due to the increase in the number of issued units
- Portfolio value \$972.2 million – up by \$16.7 million from 30 June 2009 following a net revaluation gain of \$15.9 million and capital expenditure of \$0.8 million for the six months
- Gearing (debt/total assets) –19.2 per cent at 31 December 2009 (2008: 35.5 per cent)
- Covenant gearing (debt and non-current liabilities/total assets) –19.5 per cent (2008: 37.3 per cent)

### Financial results

Total income for the period was \$39.0 million, an increase of 11.0 per cent over the comparative period last year. The increase in income was mainly due to growth of the property portfolio during or since the comparative period, from rent reviews, acquisitions and improvements to investment properties.

Finance costs of \$9.3 million were 12.4 per cent lower than the comparative six months due to the average level of debt being 35.8 per cent lower than the corresponding period (\$200.9 million compared with \$312.8 million). The weighted average cost of borrowings for the half-year (finance costs/average borrowings) was 9.22 per cent, compared with 6.76 per cent in the corresponding period, as a result of significantly higher bank fees and margins (refer also to the Finance section below).

For the half-year the Trust reported a distributable profit of \$25.3 million, an increase of 23.4 per cent on the distributable profit in the comparative period last year. The distributable profit excludes the unrealised net gain of \$15.9 million on the revaluations of the fair value of the portfolio (see Revaluations section below).

The management expense ratio for the 12 months to 31 December 2009 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.70 per cent, compared with 0.68 per cent for the corresponding period.

### Interim distribution

An interim distribution of 6.10 cents per ordinary unit has been declared. This is 9.0 per cent lower than the previous corresponding period (6.70 cents per unit) due mainly to the increased number of units issued following the capital raising in May 2009.

The interim distribution will be made on 26 February 2010 to unitholders on the Trust's register at 5.00 pm on 31 December 2009.

The estimated tax advantaged component of the distribution is 26.63 per cent.

Units issued under the Trust's Distribution Reinvestment Plan in respect of the interim distribution will be issued at \$1.7424 per unit, representing a 2.5 per cent discount to the volume weighted average price of the Trust's units for the 10 trading days following the record date.

### Property portfolio

Total capital expenditure on the portfolio during the half-year amounted to \$0.8 million, relating to non-income producing improvements.

The improvements included remediation of underground fuel storage tanks at the Blacktown industrial property and car park works and improvements to roof safety and access at various properties.

At 31 December 2009 the weighted average lease expiry term of the portfolio was 5.9 years (2008: 6.8 years).

### Market rent reviews

During the period, market rent reviews were due for five properties. The result of the one market rent review completed during the half-year is shown below.

|               | Passing rent<br>(\$ pa) | Market review<br>(\$ pa) | Uplift | Effective date |
|---------------|-------------------------|--------------------------|--------|----------------|
| Maitland, NSW | 1,087,806               | 1,160,000*               | +6.6%  | 18 Oct 09      |

\* negotiated outcome between the Trust and the tenant

Negotiations or an independent determination process continue for each of the four remaining market rent reviews and most of these are expected to be finalised prior to 30 June 2010.

In addition, the rent review for the Trust's Bunnings Warehouse at Minchinbury, New South Wales, was due on 31 December 2008, but has not yet been concluded due to clarification required on certain market evidence. This rent review is also expected to be completed by 30 June 2010 and the revised rent will be back-dated to 31 December 2008.

### Revaluations

During the half-year the Trust's entire investment property portfolio was revalued in accordance with Australian Equivalents to International Financial Reporting Standards (AIFRS).

Eleven property revaluations during the period were performed by independent valuers and the remaining 49 properties were subject to directors' revaluations.

The value of the portfolio increased by \$16.7 million to \$972.2 million; following a net revaluation gain of \$15.9 million at 31 December 2009 and capital expenditure of \$0.8 million during the half-year.

The net revaluation gain was predominantly a result of growth in rental income across the portfolio. There was also an improvement in market capitalisation rates for some properties, bringing the weighted average capitalisation rate for the Trust's portfolio at 31 December 2009 down slightly to 7.78 per cent (June 2009: 7.81 per cent and December 2008: 7.57 per cent).

## Finance

As at 31 December 2009 the Trust's total assets were \$986.7 million, with unitholders' equity of \$758.7 million and total liabilities of \$228.0 million.

The underlying net tangible asset backing of the Trust's units increased by 4.0 cents per unit, from \$1.79 per unit at 30 June 2009 to \$1.83 per unit at 31 December 2009. This increase was the result of the net unrealised gain on revaluation of investment properties, referred to above, and an increase in the fair value of interest rate hedging derivatives.

At 31 December 2009 the Trust had \$190.2 million drawn under debt facilities with a combined limit of \$380.0 million. Details of the facilities are provided below.

- The Trust's \$80 million bank bill facility with Westpac Banking Corporation is committed until 2 July 2012.
- The Trust has a \$100 million evergreen facility with National Australia Bank, which is extended annually in March each year provided there has been no event of default or potential event of default; with any change to pricing to apply from 1 April the following year. The next review is due in March 2010; with pricing to apply from 1 April 2011.
- As at 31 December 2009, Australia and New Zealand Banking Group had made an offer to extend the Trust's \$100 million facility to 31 July 2013. This extension has been formalised subsequently.
- The Trust's \$100 million cash advance facility with the Commonwealth Bank of Australia is committed until 14 January 2012.

The Trust's gearing ratio (debt to total assets) at 31 December 2009 was 19.2 per cent (2008: 35.5 per cent), slightly below the preferred range of 20 to 40 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 19.5 per cent, well below the maximum allowable 45 per cent under banking facilities.

Borrowing costs for the half-year including bank fees and margins were 6.35 per cent of average borrowing before hedging and 9.22 per cent after hedging, compared with 7.51 per cent before hedging and 6.76 per cent after hedging for the previous corresponding period.

The Trust has a policy of hedging the majority of its borrowings against interest rate movements to ensure stability of distributions. At 31 December 2009, the Trust's hedging cover was 98.3 per cent of borrowings, with \$187.0 million interest rate swaps against borrowings of \$190.2 million. Hedging levels are currently higher than the Board's preferred 50 to 75 per cent range, as a result of reducing borrowings following the Trust's \$150 million capital raising in May 2009. Hedging levels are likely to remain high until borrowing levels increase, or as interest rate swaps expire over the next 2 to 3 years.

The weighted average term to maturity of hedging was 3.03 years, including delayed start swaps.

## Outlook

Economic conditions appear to have improved from the corresponding period last year, although access to and the cost of finance remains an issue in the broader commercial property market. The Trust, however, has debt capacity to fund growth and we will continue to actively manage the Trust's portfolio by looking to acquire new assets that fit the Trust's investment criteria and by extracting more value from existing assets.

For new assets, quality Bunnings Warehouses will be the main focus. We will also consider other assets, selectively, that provide similar characteristics to Bunnings Warehouse properties by having a large area, being well located and with a quality tenant under a longer-term lease. The aim is to acquire properties that will provide a sound income stream and long term capital growth.

For existing assets, growth is most likely to come from increased rental as a result of scheduled rent reviews, upgrades to existing properties and acquiring adjoining land for future upgrades. We have 10 market rent reviews remaining to be completed this financial year (5 outstanding as at 31 December 2009 and 5 due in the second half of 2009/10) and 19 leases will be reviewed to the Consumer Price Index or by a fixed percentage increase during the second half of 2009/10.

Containing or reducing finance costs will also be a focus in the short to medium term. The Trust's relatively high level of interest rate hedging means that increases in interest rates are not expected to adversely affect borrowing costs. However, increased bank fees and margins and upfront fees from extending or refinancing existing facilities will continue to affect borrowing costs over the second half of 2009/10. Capital management initiatives being considered include reducing limits to avoid paying for surplus capacity. Borrowing costs are not expected to be above what was factored into our capital raising forecasts for 2009/10 distributions.

### Internet site

The Bunnings Warehouse Property Trust internet site, [www.bwptrust.com.au](http://www.bwptrust.com.au) is a useful source of information for unitholders. It includes details of the Trust's property portfolio, current activities and future prospects.

The site provides access to annual and half-year reports and also contains releases made to the Australian Securities Exchange covering matters of relevance to investors.

### Further information

For further information please contact:

Grant Gernhoefer

General Manager, Bunnings Property Management Limited

Telephone: (08) 9327 4318

E-mail: [ggernhoefer@bwptrust.com.au](mailto:ggernhoefer@bwptrust.com.au)

Website: <http://www.bwptrust.com.au>

An investor briefing and question and answer teleconference call will be held on 11 February 2010 at 10.30 am AWST (1.30 pm AEDT).

Dial 1800 500 686

Quote Conference ID Number 221739 to the operator

(Investor briefing presentation to be released separately).

**BUNNINGS WAREHOUSE PROPERTY TRUST**

**HALF-YEAR FINANCIAL STATEMENTS**

For the half-year ended  
31 December 2009

**Bunnings Warehouse Property Trust**  
**Condensed Income and Distribution Statement**  
For the half-year ended 31 December 2009

|   | <b>Note</b> | <b>December<br/>2009<br/>\$000</b> | <b>December<br/>2008<br/>\$000</b> |
|---|-------------|------------------------------------|------------------------------------|
| <b>INCOME STATEMENT</b>   |             |                                    |                                    |
| Rental income   |             | <b>38,080</b>                      | 34,000                             |
| Other property income   |             | <b>704</b>                         | 1,015                              |
| Finance income  |             | <b>198</b>                         | 111                                |
| <b>Total income</b>   |             | <b>38,982</b>                      | 35,126                             |
| <br>  |             |                                    |                                    |
| Finance costs   |             | <b>(9,345)</b>                     | (10,663)                           |
| Responsible entity's fees   |             | <b>(2,763)</b>                     | (2,828)                            |
| Other operating expenses  |             | <b>(1,619)</b>                     | (1,166)                            |
| Net profit before unrealised gain/(loss) in fair value of investment properties           |             | <b>25,255</b>                      | 20,469                             |
| Unrealised gain/(loss) in fair value of investment properties                             |             | <b>15,891</b>                      | (43,878)                           |
| <b>Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust</b> |             | <b>41,146</b>                      | (23,409)                           |
| <br>  |             |                                    |                                    |
| <b>DISTRIBUTION STATEMENT</b>   |             |                                    |                                    |
| Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust        |             | <b>41,146</b>                      | (23,409)                           |
| Undistributed income at the beginning of the period                                       |             | <b>247,616</b>                     | 299,742                            |
| Distribution paid or payable  |             | <b>(25,268)</b>                    | (20,470)                           |
| <b>Undistributed income at the end of the period</b>                                      |             | <b>263,494</b>                     | 255,863                            |
| <br>  |             |                                    |                                    |
| Basic and diluted earnings (cents per unit) for the half-year                             | 2           | <b>9.97</b>                        | (7.66)                             |
| Interim distribution (cents per unit) for the half-year                                   | 2           | <b>6.10</b>                        | 6.70                               |

The condensed income and distribution statement should be read in conjunction with the accompanying notes.



**Bunnings Warehouse Property Trust**  
**Condensed Statement of Comprehensive Income**  
For the half-year ended 31 December 2009

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|  | <b>December<br/>2009</b> | December<br>2008       |
|--|--------------------------|------------------------|
|  | <b>\$000</b>             | \$000                  |
| <b>Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust</b>                                    | <b>41,146</b>            | (23,409)               |
| <b>Other comprehensive income</b>  |                          |                        |
| Effective portion of change in fair value of cash flow hedge   | <u>3,101</u>             | <u>(26,766)</u>        |
| <b>Total comprehensive income/(loss) for the period attributable to the unitholders of Bunnings Warehouse Property Trust</b> | <b><u>44,247</u></b>     | <b><u>(50,175)</u></b> |

The condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

Bunnings Warehouse Property Trust  
Condensed Statement of Financial Position  
As at 31 December 2009

|  | December<br>2009 | June<br>2009   | December<br>2008 |
|--|------------------|----------------|------------------|
| Note                                       | \$000            | \$000          | \$000            |
| <b>ASSETS</b>                              |                  |                |                  |
| <b>Current assets</b>                      |                  |                |                  |
| Cash                                       | 8,234            | 38,721         | 9,253            |
| Receivables and prepayments                | 2,852            | 1,847          | 1,874            |
| Derivative financial instruments           | -                | -              | 4                |
| <b>Total current assets</b>                | <b>11,086</b>    | <b>40,568</b>  | <b>11,131</b>    |
| <b>Non-current assets</b>                  |                  |                |                  |
| Investment properties                      | 3 972,211        | 955,562        | 956,311          |
| Other receivables                          | 850              | 850            | 850              |
| Derivative financial instruments           | 2,570            | 2,916          | -                |
| <b>Total non-current assets</b>            | <b>975,631</b>   | <b>959,328</b> | <b>957,161</b>   |
| <b>Total assets</b>                        | <b>986,717</b>   | <b>999,896</b> | <b>968,292</b>   |
| <b>LIABILITIES</b>                         |                  |                |                  |
| <b>Current liabilities</b>                 |                  |                |                  |
| Payables and deferred income               | 9,593            | 14,185         | 10,895           |
| Derivative financial instruments           | 271              | 1,508          | 1,047            |
| Distribution payable                       | 25,268           | 19,967         | 20,470           |
| <b>Total current liabilities</b>           | <b>35,132</b>    | <b>35,660</b>  | <b>32,412</b>    |
| <b>Non-current liabilities</b>             |                  |                |                  |
| Interest-bearing loans and borrowings      | 8 189,786        | 225,937        | 344,225          |
| Derivative financial instruments           | 3,063            | 5,275          | 16,905           |
| <b>Total non-current liabilities</b>       | <b>192,849</b>   | <b>231,212</b> | <b>361,130</b>   |
| <b>Total liabilities</b>                   | <b>227,981</b>   | <b>266,872</b> | <b>393,542</b>   |
| <b>Net assets</b>                          | <b>758,736</b>   | <b>733,024</b> | <b>574,750</b>   |
| <b>Unitholders' equity</b>                 |                  |                |                  |
| Issued capital                             | 496,006          | 489,273        | 336,829          |
| Reserves                                   | 6 (764)          | (3,865)        | (17,942)         |
| Undistributed income                       | 263,494          | 247,616        | 255,863          |
| <b>Total unitholders' equity</b>           | <b>758,736</b>   | <b>733,024</b> | <b>574,750</b>   |
| <b>Net tangible asset backing per unit</b> | <b>\$1.83</b>    | <b>\$1.79</b>  | <b>\$1.88</b>    |

The condensed statement of financial position should be read in conjunction with the accompanying notes.

Bunnings Warehouse Property Trust  
Condensed Statement of Cash Flows  
For the half-year ended 31 December 2009

|  | <b>December<br/>2009</b> | December<br>2008 |
|--|--------------------------|------------------|
|  | <b>\$000</b>             | <b>\$000</b>     |
| <b>Cash flows from operating activities</b>                                  |                          |                  |
| Rent received  | 43,518                   | 39,758           |
| Payments to suppliers  | (8,199)                  | (8,025)          |
| Payments to the responsible entity   | (2,769)                  | (2,873)          |
| Finance income   | 195                      | 111              |
| Finance costs  | (9,807)                  | (10,547)         |
| <b>Net cash flows from operating activities</b>                              | <b>22,938</b>            | <b>18,424</b>    |
| <br><b>Cash flows from investing activities</b>                              |                          |                  |
| Payments for purchase of, and additions to, the Trust's property investments | (4,040)                  | (37,889)         |
| <b>Net cash flows used in investing activities</b>                           | <b>(4,040)</b>           | <b>(37,889)</b>  |
| <br><b>Cash flows from financing activities</b>                              |                          |                  |
| (Repayments)/proceeds of borrowings  | (36,151)                 | 35,726           |
| Distributions paid   | (13,234)                 | (13,633)         |
| <b>Net cash flows (used in)/ from financing activities</b>                   | <b>(49,385)</b>          | <b>22,093</b>    |
| <br>Net (decrease)/increase in cash  | <b>(30,487)</b>          | 2,628            |
| Cash at the beginning of the period  | <b>38,721</b>            | 6,625            |
| <b>Cash at the end of the period</b>   | <b>8,234</b>             | <b>9,253</b>     |

The condensed statement of cash flows should be read in conjunction with the accompanying notes

Bunnings Warehouse Property Trust  
Condensed Statement of Changes in Equity  
For the half-year ended 31 December 2009

|  | Issued<br>capital | Undistributed<br>income | Hedge<br>Reserve | Total          |
|--|-------------------|-------------------------|------------------|----------------|
|  | \$000             | \$000                   | \$000            | \$000          |
| Balance at 1 July 2008   | 330,206           | 299,742                 | 8,824            | 638,772        |
| Total comprehensive loss for the period attributable to the unitholders of Bunnings Warehouse Property Trust   | -                 | (23,409)                | (26,766)         | (50,175)       |
| Distributions payable  | -                 | (20,470)                | -                | (20,470)       |
| Issue of units under the Distribution Reinvestment Plan  | 6,623             | -                       | -                | 6,623          |
| <b>Balance at 31 December 2008</b>   | <b>336,829</b>    | <b>255,863</b>          | <b>(17,942)</b>  | <b>574,750</b> |
| Balance at 1 July 2009   | 489,273           | 247,616                 | (3,865)          | 733,024        |
| Total comprehensive income for the period attributable to the unitholders of Bunnings Warehouse Property Trust | -                 | 41,146                  | 3,101            | 44,247         |
| Distributions payable  | -                 | (25,268)                | -                | (25,268)       |
| Issue of units under the Distribution Reinvestment Plan  | 6,733             | -                       | -                | 6,733          |
| <b>Balance at 31 December 2009</b>   | <b>496,006</b>    | <b>263,494</b>          | <b>(764)</b>     | <b>758,736</b> |

The condensed statement of changes in equity should be read in conjunction with the accompanying notes

**Bunnings Warehouse Property Trust**  
**Notes to the Financial Statements**  
For the half-year ended 31 December 2009

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**1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS**

The financial statements of Bunnings Warehouse Property Trust (the Trust) for the half-year ended 31 December 2009 were authorised for issue in accordance with a resolution of the directors on 10 February 2010. The Trust was constituted under a Trust Deed dated 18 June 1998 as amended. The Trust is managed by Bunnings Property Management Limited. Both the Trust and the responsible entity are domiciled in Australia.

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the full financial statements.

The half-year financial statements should be read in conjunction with the annual financial statements of the Trust as at 30 June 2009.

It is also recommended that the half-year financial statements be considered together with any public announcements made by the Trust during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

**(a) Basis of accounting**

The half-year financial statements have been prepared in accordance with the requirements of the Constitution of the Trust and Australian Accounting Standards. The half-year financial statements have been prepared on an historical cost basis, except for investment properties and derivative financial instruments, which have been measured at their fair value.

The financial statements are presented in Australian dollars, which is the Trust's functional currency and all values are rounded to the nearest thousand dollars (\$'000) under the option available to the Trust under ASIC Class Order 98/0100, unless otherwise stated.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

**(b) Statement of compliance**

The half-year financial statements are a general purpose financial report which has been prepared in accordance with AASB134 Interim Financial Reporting and the Corporations Act 2001.

The Trust applies revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Trust presents in the condensed statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the condensed statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per unit.

Significant accounting policies applied by the Trust in these interim financial statements are the same as those applied by the Trust in its financial statements as at and for the year ended 30 June 2009.

Bunnings Warehouse Property Trust  
Notes to the Financial Statements  
For the half-year ended 31 December 2009

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**2 INTERIM DISTRIBUTION PER UNIT**

In accordance with the Trust's constitution, the unrealised gains or losses on the revaluation of the fair value of investment properties are not included in the profit available for distribution to unitholders. The following shows the effect on earnings per unit of excluding unrealised gains or losses and the resulting distribution per unit:

|   | <b>December<br/>2009</b> | December<br>2008 |
|---|--------------------------|------------------|
| Basic and diluted earnings (cents per unit) for the half-year   | <b>9.97</b>              | (7.66)           |
| Basic and diluted earnings (cents per unit) for the half-year excluding unrealised loss or gain in fair value of properties | <b>6.10</b>              | 6.70             |
| Interim distribution (cents per unit) for the half-year   | <b>6.10</b>              | 6.70             |

**3 INVESTMENT PROPERTIES**

|  | <b>Balance at<br/>30 June<br/>2009<br/>\$000</b> | <b>Movement<br/>during the<br/>period<br/>\$000</b> | <b>Balance at<br/>31 December<br/>2009<br/>\$000</b> |
|--|--|---|--|
| Purchase price                         | 453,767  | -   | <b>453,767</b>                                       |
| Acquisition costs                      | 27,386   | 1   | <b>27,387</b>  |
| Capital improvements since acquisition | 226,826  | 757   | <b>227,583</b>                                       |
| Cumulative fair value adjustment       | 247,583  | 15,891  | <b>263,474</b>                                       |
| Fair value                             | 955,562  | 16,649  | <b>972,211</b>                                       |

Investment properties are carried at fair value. Fair value for individual properties is determined by a full independent valuation completed at least every three years by an independent valuer who holds a relevant professional qualification and has recent experience in the location and category of the investment property. During the six months to 31 December 2009, 11 property valuations were performed by independent valuers.

Properties that have not been independently valued as at a balance date are carried at fair value by way of directors' valuation.

Bunnings Warehouse Property Trust  
Notes to the Financial Statements  
For the half-year ended 31 December 2009

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**3 INVESTMENT PROPERTIES - CONTINUED**

During the half-year the Trust's capital expenditure on investment properties amounted to \$0.8 million, relating to non-income producing improvements.

The improvements included remediation of underground fuel storage tanks at the Blacktown industrial property and car park works and improvements to roof safety and access at various properties.

**4 SEGMENT REPORTING**

The Trust operates wholly within Australia and derives rental income from investments in commercial property.

**5 ISSUED CAPITAL**

During the period, 4,226,325 units (2008: 4,088,440) were issued under the Trust's distribution reinvestment plan, bringing the number of ordinary units on issue as at 31 December 2009 to 414,227,380.

**6 RESERVES**

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

|  | <b>December<br/>2009</b> | December<br>2008 |
|--|--------------------------|------------------|
|  | <b>\$000</b>             | <b>\$000</b>     |
| Opening balance at the beginning of the financial period | <b>(3,865)</b>           | 8,824            |
| Amounts recognised in net profit/(loss) for the period   | <b>1</b>                 | 15               |
| Net gains/(loss) on cash flow hedges for the period      | <b>3,100</b>             | (26,781)         |
| Closing balance at the end of the financial period       | <b>(764)</b>             | (17,942)         |

The movement in the half-year was due to the increase in variable interest rates during the half-year.

Bunnings Warehouse Property Trust  
Notes to the Financial Statements  
For the half-year ended 31 December 2009

**7 CAPITAL EXPENDITURE COMMITMENTS**

|   | <b>December<br/>2009</b> | December<br>2008 |
|---|--------------------------|------------------|
|   | <b>\$000</b>             | <b>\$000</b>     |
| Estimated capital expenditure contracted for at balance date, but not provided for in the financial statements, which is payable: |                          |                  |
| Not later than one year   |                          |                  |
| Unrelated Parties   | 111                      | 3,663            |
| Related Parties   | 500                      | 3,532            |
|   | <b>611</b>               | <b>7,195</b>     |

**Capital commitments to unrelated parties**

In October 2009, the Trust committed to design and tender safe roof access improvements to 19 properties in the portfolio. The Trust is committed to consultant fees of \$111,000.

**Capital commitments to related parties**

In October 2009, the Trust committed to air conditioning works at the Trust's Hawthorn Bunnings Warehouse for an estimated cost of \$0.5 million. The incremental rent for the property following the upgrade will be eight per cent of the final development cost per annum (for example, \$40,000 per annum based on an anticipated \$0.5 million expenditure).

**8 LOANS AND BORROWINGS**

As at 31 December 2009 the Trust has the following loan facilities:

|   | <b>Limit</b>   | <b>Amount<br/>drawn<sup>(a)</sup></b> | <b>Expiry date</b>       |
|---|----------------|---------------------------------------|--------------------------|
|   | <b>\$000</b>   | <b>\$000</b>                          |                          |
| Australia and New Zealand Banking Group Limited | 100,000        | 25,500                                | 31 July 2013             |
| National Australia Bank Limited                 | 100,000        | 100,000                               | Evergreen <sup>(b)</sup> |
| Commonwealth Bank of Australia                  | 100,000        | 32,500                                | 14 January 2012          |
| Westpac Banking Corporation                     | 80,000         | 32,200                                | 2 July 2012              |
|   | <b>380,000</b> | <b>190,200</b>                        |                          |

<sup>(a)</sup> Amount drawn includes accrued interest of \$0.4 million as at 31 December 2009.

<sup>(b)</sup> To be reviewed in March 2010 for pricing to apply from 1 April 2011 to 31 March 2012. Facility is extended annually provided there has been no event of default or potential event of default.

**9 RELATED PARTIES**

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial statements.



# Bunnings Warehouse Property Trust Directors' Report

For the half-year ended 31 December 2009

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In accordance with the Corporations Act 2001, Bunnings Property Management Limited (ABN 26 082 856 424), the responsible entity of Bunnings Warehouse Property Trust, provides this report for the financial half-year ended 31 December 2009 and review report thereon. The information on pages 1 to 4 of the half-year results announcement forms part of this directors' report and is to be read in conjunction with the following information:

## Directors

The names of directors of the responsible entity in office during the financial half-year and until the date of this report were:

J A Austin (Chairman)  
B J H Denison (appointed 7 October 2009)  
R D Higgins  
P J Johnston  
P J Mansell

Directors were in office for the entire period unless otherwise stated.

## Review and results of operations

The operations of the Trust during the six months to 31 December 2009 and the results of those operations are reviewed on pages 1 to 4 of the half-year results announcement and the accompanying financial statements.

|   | <b>December<br/>2009</b> | December<br>2008 |
|---|--------------------------|------------------|
|   | <b>\$000</b>             | \$000            |
| Net profit/(loss) attributable to unitholders                     | <b>41,146</b>            | (23,409)         |
| Net unrealised (gain)/loss in fair value of investment properties | <b>(15,891)</b>          | 43,878           |
| Distributable profit for the period                               | <b>25,255</b>            | 20,469           |
| Opening undistributed profit                                      | <b>33</b>                | 19               |
| Closing undistributed profit                                      | <b>(20)</b>              | (18)             |
| Distributable amount  | <b>25,268</b>            | 20,470           |

The interim distribution is 6.10 cents per ordinary unit (2008: 6.70 cents). This interim distribution will be made on 26 February 2010.

**Bunnings Warehouse Property Trust**  
**Directors' Report**  
For the half-year ended 31 December 2009

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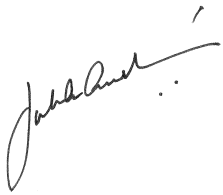
**Units on issue**

At 31 December 2009, 414,227,380 units of Bunnings Warehouse Property Trust were on issue (30 June 2009: 410,001,055).

**Rounding Off**

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

Signed in accordance with a resolution of the directors of Bunnings Property Management Limited.



**J A Austin**  
Chairman  
Bunnings Property Management Limited  
Perth, 10 February 2010

**Bunnings Warehouse Property Trust  
Directors' Declaration**

For the half-year ended 31 December 2009

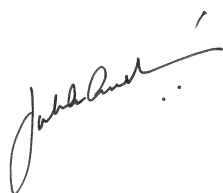
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In accordance with a resolution of the directors of Bunnings Property Management Limited, responsible entity for the Bunnings Warehouse Property Trust (the Trust), I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Trust are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Trust's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

For and on behalf of the board of Bunnings Property Management Limited.



**J A Austin**  
Chairman  
Bunnings Property Management Limited  
Perth, 10 February 2010



## **Independent auditor's review report to the unitholders of Bunnings Warehouse Property Trust**

### **Report on the financial report**

We have reviewed the accompanying half-year financial report of Bunnings Warehouse Property Trust (the Trust), which comprises the condensed statement of financial position as at 31 December 2009, condensed income statement and condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a description of accounting policies and other explanatory notes 1 to 9 and the directors' declaration.

#### *Directors' responsibility for the half-year financial report*

The directors of Bunnings Property Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Trust's financial position as at 31 December 2009 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 Bunnings Warehouse Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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 half-year financial report of Bunnings Warehouse Property Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Trust's financial position as at 31 December 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*.

A handwritten signature of 'KPMG' in blue ink, written in a cursive style.

KPMG

A handwritten signature of 'D P McComish' in blue ink, written in a cursive style.

D P McComish  
*Partner*

Perth

10 February 2010



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

To: the directors of Bunnings Property Management Limited, the responsible entity of Bunnings Warehouse Property Trust

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 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

*D P McComish*

D P McComish  
*Partner*

Perth

10 February 2010