bwp TRUST

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www.bwptrust.com.au

9 February 2012

The Manager
Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Results for the half year ended 31 December 2011

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

> Appendix 4D – half-year results to 31 December 2011;

> Half-year results announcement; and

> Financial statements for the half-year ended 31 December 2011 extracted from the half-year report, which will be released separately today.

K A Lange
Company Secretary

BWP TRUST
ARSN 088 581 097

APPENDIX 4D – HALF-YEAR REPORT
Financial half-year ended 31 DECEMBER 2011

Results for announcement to the market

		6 months to 31 Dec 11	6 months to 31 Dec 10	Variance (%)
Revenue from ordinary activities	($000)	**49,844**	40,402	23.4
Net profit before unrealised items	($000)	**34,519**	26,020	32.7
Unrealised items – (loss)/gain in fair value of investment properties	($000)	**(2,564)**	28,198	-
Net profit from ordinary activities attributable to unitholders	($000)	**31,955**	54,218	(41.1)
Net tangible assets per unit	($)	**1.87**	1.96	(4.6)

Commentary on the results for the period

The commentary on the results for the period ended 31 December 2011 is contained in the ASX release dated 9 February 2012 accompanying this statement.

		6 months to 31 Dec 11	6 months to 31 Dec 10	Variance (%)
Distributions				
Interim distribution payable	($000)	**34,477**	26,391	30.6
Interim distribution per unit	cents	**6.63**	6.18	7.3

Record date for determining entitlements to the interim distribution	30 December 2011
Payment date for interim distribution	24 February 2012

There is no conduit foreign income included in the distribution above.

The Distribution Reinvestment Plan ("DRP") was in effect for the half-year ended 31 December 2011 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 30 December 2011 if they were to apply to the interim distribution for 2011/12. Forms received after that time will be effective for subsequent distributions only.

Units issued under the DRP in respect of the interim distribution for 2011/12 will be issued at $1.7404 per unit, representing no discount to the volume weighted average unit price for the 10 trading days following the record date. Upon issuance, these units rank equally with all other units on issue.

This report should be read in conjunction with the most recent annual report and financial statements of BWP Trust and any announcements made during the period by or on behalf of BWP Trust in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

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ASX release

9 February 2012

HALF-YEAR RESULTS TO 31 DECEMBER 2011

The directors of BWP Management Limited, the responsible entity for the BWP Trust ("the Trust"), today announced the results of the Trust for the six months to 31 December 2011.

Highlights

> Income of $49.8 million for the six months – up 23.4 per cent on the previous corresponding period

> Distributable profit of $34.5 million for the six months – up 30.6 per cent on the previous corresponding period

> Interim distribution of 6.63 cents per unit – up 7.3 per cent on the previous corresponding period

> Completed the acquisition of a Bunnings Warehouse property at Dubbo, New South Wales and the development of a Bunnings Warehouse at Harrisdale, Western Australia

> Agreement to acquire a 50 per cent interest in the Domain Central Homemaker Centre in Townsville, Queensland, subject to outstanding conditions precedent

> Refinancing and additional bank funding arrangements agreed to increase facility limits to $430 million and extend the duration to 4.3 years at 31 December 2011

> Portfolio value of $1,250.1 million – up by $24.2 million from 30 June 2011 following capital expenditure of $26.8 million and a net revaluation loss of $2.6 million for the six months

> Net Tangible Assets of $1.87 per unit at 31 December 2011 (30 June 2011: $1.90)

> Weighted Average Lease Expiry of 8.2 years at 31 December 2011 (30 June 2011: 8.6 years)

> Portfolio 100 per cent occupied

> Gearing (debt/total assets) 18.9 per cent at 31 December 2011 (30 June 2011: 17.0 per cent) Covenant gearing (debt and non-current liabilities/total assets) 19.8 per cent (30 June 2011: 17.1 per cent)

Financial results

Total income for the period was $49.8 million, an increase of 23.4 per cent over the corresponding period last year. The increase in income was mainly due to growth of the property portfolio during or since the corresponding period - from acquisitions and improvements to investment properties and rent reviews.

Finance costs of $10.1 million were 3.6 per cent higher than the previous corresponding six months, due to higher debt levels. The average level of debt was 21.9 per cent higher than the corresponding period ($236.9 million compared with $194.3 million). The weighted average cost of net borrowings for the half-year (finance costs less finance income/average borrowings) was 8.24 per cent, compared to 9.40 per cent in the corresponding period, as a result of reductions in bank fees and margins during or since the corresponding period, increased utilisation of undrawn debt capacity and lower interest rates.

For the half-year the Trust reported a distributable profit of $34.5 million - an increase of 30.6 per cent on the distributable profit in the corresponding period last year.

The management expense ratio for the 12 months to 31 December 2011 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.63 per cent, compared with 0.70 per cent for the corresponding period. The reduction in management expense ratio is largely due to the inclusion of properties acquired as part of the portfolio that the Trust agreed to acquire in February 2011 and which do not incur a management fee for the period to 30 June 2012.

As at 31 December 2011 the Trust's total assets were $1,272.6 million, with unitholders' equity of $974.0 million and total liabilities of $298.6 million.

The underlying net tangible asset backing of the Trust's units decreased by 3 cents per unit, from $1.90 per unit at 30 June 2011 to $1.87 per unit at 31 December 2011. This decrease was the result of the net unrealised loss on revaluation of investment properties and an increase in the fair value of interest rate hedging derivatives liabilities, due to the fall in underlying market interest rates.

Interim distribution

An interim distribution of 6.63 cents per ordinary unit has been declared. This is 7.3 per cent higher than the previous corresponding period (6.18 cents per unit) due mainly to increased property revenue and a lower average cost of borrowings.

The interim distribution will be made on 24 February 2012 to unitholders on the Trust's register at 5.00 pm on 30 December 2011.

Units issued under the Trust's distribution reinvestment plan in respect of the interim distribution will be issued at $1.7404 per unit, representing the volume weighted average price of the Trust's units for the 10 trading days following the record date, without the application of a discount.

Property portfolio

Total capital expenditure on the portfolio during the half-year amounted to $26.8 million, comprising the items outlined below.

In August 2011, the Trust completed the acquisition of the Bunnings Warehouse property at Dubbo, New South Wales for $16.8 million, including acquisition costs. The property was part of a portfolio of 13 properties that the Trust agreed to acquire from and lease back to Bunnings Group Limited ("Bunnings") in February 2011 and settlement of the property had been subject to local authority approval of subdivision.

In October 2011, construction of the Trust's Bunnings Warehouse at Harrisdale, Western Australia, was completed at a cost to the Trust of $8.6 million. The Trust purchased the Harrisdale development site for $10.6 million (including acquisition costs) also as part of the portfolio acquired from Bunnings in February 2011.

Other non-income producing capital improvements made by the Trust to investment properties during the half-year totalled $1.4 million. These included minor works at various properties and roof safety and access works.

During the half-year, the Trust committed to acquire for $61.5 million a 50 per cent interest in the Domain Central Homemaker Centre in Townsville, Queensland. The acquisition of the Trust's interest in this property, as tenants in common, is conditional on the vendor, Duckworth Nominees Pty Ltd, refinancing its loan facilities relating to the half-interest that it will retain. The vendor had not completed the refinancing as at the date of this report. In the event that this condition is not satisfied by mid-March 2012 either party may withdraw from the agreement for the Trust to acquire the property.

At 31 December 2011, the weighted average lease expiry term of the portfolio was 8.2 years (30 June 2011: 8.6 years, December 2010: 8.9 years). The portfolio was 100 per cent occupied at 31 December 2011

Rent reviews

The rent payable for each leased property is increased annually, either by a fixed percentage or by the Consumer Price Index ("CPI") except when a property is due for a market rent review.

Annual escalations

Thirty five of the leases of Trust properties were subject to annual fixed or CPI reviews during the period. The weighted average increase in annual rent for these 35 leases was 3.5 per cent.

Market rent reviews

During the period, market rent reviews were concluded on two Bunnings Warehouses and for the Sleepmaster tenancy at the Blackburn industrial property. The market rent reviews completed during the half-year are shown in the table below.

Property location	Tenant	Passing rent	Market review[1]	Uplift	Effective date
		($ pa)	($ pa)	(%)	
Coffs Harbour, NSW	Bunnings	819,789	827,500	+0.9	26 Nov 11
Frankston, VIC	Bunnings	1,888,419	1,888,419	-	20 Dec 11
Blackburn, VIC[2]	Sleepmaster	800,000	842,500	+5.3	1 Apr 12
Weighted Average				**+1.4**	

[1] Negotiated between the Trust and the tenant

[2] Multi-tenanted industrial property

Market rent reviews for four of the Trust's Bunnings Warehouses due during the period (Croydon in Victoria; and Midland, Mindarie and Geraldton in Western Australia) have been referred for determination by independent valuers and were not completed by 31 December 2011.

Revaluations

During the half-year the Trust's entire investment property portfolio was revalued, as required by Australian Equivalents to International Financial Reporting Standards (AIFRS). Property revaluations were performed by independent valuers for 15 properties during the period. The remaining 56 properties were subject to directors' revaluations.

The value of the portfolio increased by $24.2 million to $1,250.1 million during the half-year, following capital expenditure of $26.8 million and a net revaluation loss of $2.6 million, at 31 December 2011.

The net revaluation loss was a result of increasing capitalisation rates at some properties offsetting the growth in rental income across the portfolio during the half-year. The increase in capitalisation rates was due to a reassessment of the likely impact on the portfolio of softening demand for commercial real estate in general and in relation to two Bunnings Warehouses, where Bunnings notified the Trust that it intends to vacate at the expiry of the current lease terms. The Trust's weighted average capitalisation rate for the portfolio at 31 December 2011 was 7.81 per cent (30 June 2011: 7.65 per cent, December 2010: 7.62 per cent).

Capital management

At 31 December 2011, the Trust had borrowings of $240.5 million under debt facilities with a combined limit of $394.3 million. Details of the facilities at 31 December 2011 are provided below:

> $100 million cash advance facility with the Commonwealth Bank of Australia, committed until 14 January 2014;

> $180 million bank bill facilities with Westpac Banking Corporation, committed until 22 December 2016;

> $100 million bank bill facility with Australia and New Zealand Banking Group, committed to 31 July 2013; and

> $14.3 million bank bill facility with National Australia Bank, committed to 3 January 2012.

During the half-year the Trust extended $230 million of the Trust's existing $330 million bilateral bank facilities to five year terms, expiring late 2016 and early 2017 and secured an additional $100 million, also for a five year term. The refinancing and additional funding arrangements concluded in December 2011, involved the Trust:

> Extending its existing $80 million bank bill facility with Westpac Banking Corporation and establishing an additional $100 million five-year bank bill facility on comparable terms and conditions as the existing facility.

> Obtaining commitment from the Australia and New Zealand Banking Group, subject to finalisation of legal documentation, to extend the existing $100 million bank bill facility to five years and to obtain an additional $50 million five-year facility on comparable terms and conditions as the existing bank bill facility.

> Reducing the limits of its bank bill facility with National Australia Bank from $50 million to $14.3 million, being the amount remaining drawn and to be repaid on 3 January 2012.

Following completion of the refinancing and additional funding arrangements the Trust will have total bank facilities of $430 million and the weighted average duration will increase on a pro-forma basis from 1.9 years to 4.3 years at 31 December 2011.

The Trust's gearing ratio (debt to total assets) at 31 December 2011 was 18.9 per cent (30 June 2011: 17.0 per cent, December 2010: 18.0 per cent), slightly below the preferred range of 20 to 30 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 19.8 per cent (30 June 2011: 17.1 per cent, December 2010: 18.0 per cent), well below the maximum allowable 45 per cent under banking facilities.

The Trust has a policy of hedging the majority of its borrowings against interest rate movements, to ensure stability of distributions. At 31 December 2011, the Trust's hedging cover was 70.5 per cent of borrowings, with $170.0 million interest rate swaps against borrowings of $241.2 million. Hedging levels are currently within the Board's preferred 50 to 75 per cent range. The weighted average term to maturity of hedging was 3.59 years (30 June 2011: 3.34 years, December 2010: 3.37 years), including delayed start swaps.

The Trust's distribution reinvestment plan was active for the interim distribution.

Outlook

Stronger property income and more active asset management will feature in the short-term as the responsible entity finalises recent acquisitions and developments and looks to drive better returns and value from existing assets.

Property income for the second half of 2011/12 is expected to increase as rental income flows through from recent and imminent acquisitions and developments. Recent acquisitions include the 11 Bunnings Warehouse properties acquired as part of the portfolio the Trust agreed to acquire from Bunnings in February 2011. A further two Bunnings Warehouse properties acquired as part of the portfolio and the acquisition of a 50 per cent interest in the Domain Central Homemaker Centre in Townsville, Queensland are expected to be completed within the second half of 2011/12. An upgrade of the Trust's Bunnings Warehouse at Scoresby, Victoria, due for completion by 30 June 2012, will also generate additional rental income.

Rent reviews also are expected to increase property income for the half-year to 30 June 2012. There are five market rent reviews of Bunnings Warehouses remaining to be completed this financial year (four outstanding as at 31 December 2011 and one – Oakleigh South, Victoria - due in the second half of 2011/12). Forty one leases will be reviewed to the CPI or by a fixed percentage increase during the second half of 2011/12, including thirty four Bunnings Warehouses.

Beyond 2011/12, committed upgrades of existing Trust-owned Bunnings Warehouses at Fyshwick, Australian Capital Territory, and Rocklea, Queensland, are expected to further bolster earnings.

Bunnings' continued strong focus on expansion and ongoing investment in its property pipeline and existing stores is likely to generate increased demand for additional upgrades of some of the Trust's existing properties and may also provide further opportunities for the Trust to selectively acquire quality Bunnings Warehouses.

As the Trust's property portfolio matures and increases in size, the assets require more active management. The responsible entity is assessing opportunities for redeploying properties to provide a more secure and growing income stream or divesting properties where it would allow the funds to be reinvested to improve the quality of the portfolio and may realise capital profit for distribution to unitholders.

The refinancing of the Trust's existing bank facilities and securing an additional $100 million provides adequate debt capacity to fund committed capital expenditure, future upgrades and selective acquisitions. The refinancing of bank facilities is part of a broader strategy to increase the tenor and diversity of the Trust's debt funding and the responsible entity will continue to position the Trust to further improve the efficiency, diversity and duration of debt finance, particularly by enabling access to debt capital markets as opportunity permits.

Based on current estimates and assumptions, the responsible entity maintains the guidance provided in February 2011 of a forecast distribution of 13.3 cents per unit for the full year ending 30 June 2012.

Internet site

The BWP Trust internet site, 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.

For further information please contact:

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An investor briefing and question and answer teleconference call will be held on **Thursday 9 February 2012** at **1.30pm AWST** (4.30pm EDST).

Dial **1800 500 931** from within Australia (+613 9221 4420 from outside Australia) and ask to join the **BWP Trust Half-Year Results Investor Presentation** (conference ID number **256166**).

(An investor briefing presentation will be released separately).

Condensed Statement of Comprehensive Income

For the half-year ended 31 December 2011

	Note	Dec 2011 $000	Dec 2010 $000
Rental income		**47,542**	39,028
Other property income		**2,090**	877
Finance income		**212**	497
Total revenue		**49,844**	40,402
Finance costs		**(10,054)**	(9,708)
Responsible entity's fees		**(3,183)**	(2,956)
Other operating expenses		**(2,088)**	(1,718)
Net profit before unrealised (loss)/gain in fair value of investment properties		**34,519**	26,020
Unrealised (loss)/gain in fair value of investment properties		**(2,564)**	28,198
Net profit attributable to unitholders of BWP Trust		**31,955**	54,218
Other comprehensive (loss)/income			
Effective portion of changes in fair value of cash flow hedges		**(9,802)**	5,433
Total comprehensive income for the period attributable to the unitholders of BWP Trust		**22,153**	59,651
Basic and diluted earnings (cents per unit) resulting from net profit	2	**6.15**	12.76

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

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Condensed Statement of Financial Position

As at 31 December 2011

	Note	Dec 2011 $000	June 2011 $000	Dec 2010 $000
ASSETS				
Current assets				
Cash		**10,380**	8,942	17,838
Deposit for purchase of an investment property		**6,150**	-	-
Receivables and prepayments		**5,031**	5,623	2,303
Total current assets		**21,561**	14,565	20,141
Non-current assets				
Other receivables		**850**	850	850
Investment properties	3	**1,250,141**	1,225,881	1,053,290
Derivative financial instruments		**-**	833	2,718
Total non-current assets		**1,250,991**	1,227,564	1,056,858
Total assets		**1,272,552**	1,242,129	1,076,999
LIABILITIES				
Current liabilities				
Payables and deferred income		**12,475**	12,664	18,333
Interest-bearing loans and borrowings	8	**14,300**	-	-
Derivative financial instruments		**88**	378	593
Distribution payable	9	**34,477**	30,161	26,391
Total current liabilities		**61,340**	43,203	45,317
Non-current liabilities				
Interest-bearing loans and borrowings	8	**226,195**	210,844	193,574
Derivative financial instruments		**11,022**	1,763	638
Total non-current liabilities		**237,217**	212,607	194,212
Total liabilities		**298,557**	255,810	239,529
Net assets		**973,995**	986,319	837,470
Unitholders' equity				
Issued capital		**673,311**	673,311	518,785
Reserves	6	**(11,110)**	(1,308)	1,487
Undistributed income		**311,794**	314,316	317,198
Total unitholders' equity		**973,995**	986,319	837,470

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

Condensed Statement of Cash Flows

For the half-year ended 31 December 2011

	Dec 2011 $000	Dec 2010 $000
Cash flows from operating activities		
Rent received	**55,515**	46,477
Payments to suppliers	**(8,454)**	(6,405)
Payments to the responsible entity	**(3,137)**	(2,855)
Finance income	**128**	497
Finance costs	**(9,137)**	(9,491)
Net cash flows from operating activities	**34,915**	28,223
Cash flows from investing activities		
Proceeds from the sale of an investment property	**-**	7,408
Payment of deposit for purchase of an investment property	**(6,150)**	-
Payments for purchase of, and additions to, investment properties	**(26,817)**	(25,817)
Net cash flows used in investing activities	**(32,967)**	(18,409)
Cash flows from financing activities		
Proceeds of borrowings	**29,651**	100
Distributions paid	**(30,161)**	(13,763)
Net cash flows used in financing activities	**(510)**	(13,663)
Net increase/(decrease) in cash	**1,438**	(3,849)
Cash at the beginning of the period	**8,942**	21,687
Cash at the end of the period	**10,380**	17,838

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

Condensed Statement of Changes in Equity

For the half-year ended 31 December 2011

	Issued capital $000	Undist-ributed income $000	Hedge Reserve $000	Total $000
Balance at 1 July 2010	507,372	289,371	(3,946)	792,797
Total comprehensive income for the period attributable to the unitholders of BWP Trust				
Net profit attributable to unitholders of BWP Trust	-	54,218	-	54,218
Other comprehensive income: effective portion of changes in fair value of cash flow hedges	-	-	5,433	5,433
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(26,391)	-	(26,391)
Equity issued during the period: Distribution Reinvestment Plan	11,413	-	-	11,413
Balance at 31 December 2010	**518,785**	**317,198**	**1,487**	**837,470**
Balance at 1 July 2011	673,311	314,316	(1,308)	986,319
Total comprehensive income for the period attributable to the unitholders of BWP Trust				
Net profit attributable to unitholders of BWP Trust	-	31,955	-	31,955
Other comprehensive loss: effective portion of changes in fair value of cash flow hedges	-	-	(9,802)	(9,802)
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(34,477)	-	(34,477)
Balance at 31 December 2011	**673,311**	**311,794**	**(11,110)**	**973,995**

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

bwp TRUST

Notes to the Financial Statements
For the half-year ended 31 December 2011

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS

The financial statements of BWP Trust ("the Trust") for the half-year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 9 February 2012. The Trust was constituted under a Trust Deed dated 18 June 1998 as amended. The Trust is managed by BWP 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 2011.

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 2011 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 98/100, 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.

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 2011.

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:

	Dec 2011	Dec 2010
Basic and diluted earnings (cents per unit) for the half-year	**6.15**	12.76
Basic and diluted earnings (cents per unit) for the half-year excluding unrealised loss or gain in fair value of properties	**6.63**	6.12
Interim distribution (cents per unit) for the half-year	**6.63**	6.18[1]

[1] Includes Canning Vale net sale proceeds less original purchase price and capital expenditure since acquisition

3 INVESTMENT PROPERTIES

	Balance at 30 June 2011 $000	**Movement during the period $000**	**Balance at 31 Dec 2011 $000**
Purchase price	632,860	15,790	**648,650**
Acquisition costs	37,672	1,024	**38,696**
Capital improvements since acquisition	241,042	10,010	**251,052**
Cumulative fair value adjustment	314,307	(2,564)	**311,743**
Fair value	1,225,881	24,260	**1,250,141**

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 2011, 15 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' valuations.

During the half-year the Trust's capital expenditure on investment properties totalled $26.8 million.

3 INVESTMENT PROPERTIES (continued)

Dubbo, New South Wales

In August 2011, the Trust completed the acquisition of the Bunnings Warehouse property at Dubbo, New South Wales for $16.8 million, including acquisition costs. The property was part of a portfolio of 13 properties that the Trust agreed to acquire from and lease back to Bunnings Group Limited ("Bunnings") in February 2011 and settlement of the property had been subject to approval of subdivision.

Harrisdale, Western Australia

During the half-year the construction of the Bunnings Warehouse in Harrisdale was completed by Bunnings as project manager for the Trust at a cost of $8.6 million. The Harrisdale property was acquired as part of the portfolio of 13 properties that the Trust agreed to acquire from Bunnings in February 2011.

Miscellaneous

Other non-income producing capital improvements during the half-year totalled $1.4 million, including $1.2 million relating to roof access and safety improvements on 34 properties.

4 SEGMENT REPORTING

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

5 ISSUED CAPITAL

The Trust's distribution reinvestment plan was suspended for the final distribution for the year ended 30 June 2011. As a result there was no movement in the number of ordinary units on issue from 30 June 2011, being 520,012,793. The distribution reinvestment plan was active for the interim distribution for the half-year ended 31 December 2011.

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.

	Dec 2011 $000	Dec 2010 $000
Opening balance at the beginning of the financial period	**(1,308)**	(3,946)
Net (losses)/gains on cash flow hedges for the period	**(9,802)**	5,433
Closing balance at the end of the financial period	**(11,110)**	1,487

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

7 CAPITAL EXPENDITURE COMMITMENTS

	Dec 2011 $000	Dec 2010 $000
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	**60,396**	279
Related Parties	**48,139**	30
Later than one year and not later than five years		
Related Parties	**33,790**	15,000
	142,325	15,309

Capital commitments to unrelated parties

During the half-year, the Trust committed to acquire a 50 per cent interest in the Domain Central Homemaker Centre in Townsville, Queensland for $61.5 million and a subsequent development payment for future buildings of $4.2 million. A deposit of $6.2 million was paid during the half-year and is refundable if the transaction does not proceed. The settlement of this property is conditional on the vendor refinancing its loan facilities.

During the half-year, the Trust committed to fund $0.8 million of expenditure relating to capital improvement works at various properties.

Capital commitments to related parties

In December 2010, the Trust committed to upgrade works at the Fyshwick Bunnings Warehouse, with an estimated cost of $15.0 million. On completion of the upgrade, expected to be in the year ending 30 June 2014, the parties will enter into a new 12-year lease of the Bunnings Warehouse with three five-year options, exercisable by the tenant.

In February 2011, the Trust committed to upgrade works at the Rocklea Bunnings Warehouse, with an estimated cost of $3.8 million. On completion of the upgrade, the parties will enter into a new ten-year lease of the Bunnings Warehouse with one ten-year option, exercisable by the tenant.

In March 2011, unitholders approved the acquisition of 13 properties from Bunnings, a controlled entity of Wesfarmers Limited. As at 31 December 2011, the Trust had completed the acquisition of 11 of the 13 properties it agreed to acquire from Bunnings. Subject to the achievement of conditions precedent in respect to the remaining two properties and on completion of the development of

7 CAPITAL EXPENDITURE COMMITMENTS (continued)

Capital commitments to related parties (continued)

Bunnings Warehouses on two of the properties, a further $38.0 million is expected to be payable in the year ending 30 June 2012 and the remaining $18.8 million is expected to be payable in the year ending 30 June 2013.

In May 2011, the Trust committed to upgrade works at the Scoresby Bunnings Warehouse with an estimated cost of $6.3 million. On completion of the upgrade, the parties will enter into a new ten-year lease of the Bunnings Warehouse with two five-year options, exercisable by the tenant.

During the half-year, the Trust also committed to fund $0.1 million of expenditure relating to capital improvement works at various properties.

8 LOANS AND BORROWINGS

As at 31 December 2011 the Trust has the following loan facilities:

	Limit $000	Amount drawn $000	Expiry date
Australia and New Zealand Banking Group Limited[1]	100,000	54,400	31 July 2013
Commonwealth Bank of Australia	100,000	100,000	14 January 2014
Westpac Banking Corporation	180,000	72,500	22 December 2016
National Australia Bank Limited[2]	14,300	14,300	3 January 2012
Less: accrued interest and borrowing costs		(705)	
	394,300	240,495	

[1] Prior to 31 December 2011, the Trust had a commitment from the Australia and New Zealand Banking Group Limited, subject to the finalisation of legal documentation, to extend its $100 million facility for five years and to obtain an additional $50 million five-year facility, bringing the Trust's total bank facilities to $430 million, as at the date of this report. Subsequent to the half-year end, the legal documentation was completed with both facilities expiring on 23 January 2017.

[2] During December 2011, the Trust reduced its limits with National Australia Bank from $50 million to $14.3 million, being the amount drawn and to be repaid on 3 January 2012.

9 DISTRIBUTION PAYABLE

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. A reconciliation is provided below.

	Dec 2011 $000	Dec 2010 $000
Net profit attributable to unitholders of BWP Trust	**31,955**	54,218
Net realised profit on sale of investment property[1]	-	376
Net unrealised loss/(gain) in fair value of investment properties	**2,564**	(28,198)
Distributable profit for the period	**34,519**	26,396
Opening undistributed profit	**9**	16
Closing undistributed profit	**(51)**	(21)
Distributable amount	**34,477**	26,391
Distribution (cents per unit)	**6.63**	6.18

[1] Net sale proceeds less original purchase price and capital expenditure since acquisition

10 RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements refer to the 30 June 2011 annual financial statements.

11 SUBSEQUENT EVENTS

During the period, the Trust continued to provide a loan of $850,000 to Bunnings. The loan was established during the year ended 30 June 2006 to fund the purchase of a parcel of land adjacent to the Vermont South Bunnings Warehouse. At the time the land was exchanged at fair value and the terms of the agreement include the Trust charging Bunnings an access fee of eight per cent annually until such time as the parcel of land is sold to an external party and Bunnings repays the loan. In January 2012, the parcel of land was sold and Bunnings repaid the $850,000 loan to the Trust.

In January 2012, the Trust repaid the $14.3 million drawn under its loan facility with National Australia Bank Limited and terminated the facility.

In accordance with the Corporations Act 2001, BWP Management Limited (ABN 26 082 856 424), the responsible entity for BWP Trust, provides this report for the financial half-year that commenced 1 July 2011 and ended 31 December 2011 and review report thereon. The information on pages 6 to 11 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

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 2011 and the results of those operations are reviewed on pages 6 to 11 of this report and the accompanying financial statements.

	Dec 2011 $000	Dec 2010 $000
Net profit attributable to unitholders	**31,955**	54,218
Net realised profit on sale of investment property	**-**	376
Net unrealised loss/(gain) in fair value of investment properties	**2,564**	(28,198)
Distributable profit for the period	**34,519**	26,396
Opening undistributed profit	**9**	16
Closing undistributed profit	**(51)**	(21)
Distributable amount	**34,477**	26,391

The interim distribution is 6.63 cents per ordinary unit (2010: 6.18 cents). This interim distribution will be paid on 24 February 2012.

bwp TRUST

Directors' Report
For the half-year ended 31 December 2011

Units on issue

At 31 December 2011, 520,012,793 units of BWP Trust were on issue (30 June 2011: 520,012,793).

Events subsequent to reporting date

During the period, the Trust continued to provide a loan of $850,000 to Bunnings. The loan was established during the year ended 30 June 2006 to fund the purchase of a parcel of land adjacent to the Vermont South Bunnings Warehouse. At the time the land was exchanged at fair value and the terms of the agreement include the Trust charging Bunnings an access fee of eight per cent annually until such time as the parcel of land is sold to an external party and Bunnings repays the loan. In January 2012, the parcel of land was sold and Bunnings repaid the $850,000 loan to the Trust.

In January 2012, the Trust repaid the $14.3 million drawn under its loan facility with National Australia Bank Limited and terminated the facility.

Auditor independence declaration

The lead auditor's independence declaration is set out on page 25 and forms part of the directors' report for the half-year ended 31 December 2011.

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 BWP Management Limited,

J A Austin
Chairman
BWP Management Limited
Perth, 9 February 2012

Directors' Declaration

For the half-year ended 31 December 2011

In accordance with a resolution of the directors of BWP Management Limited, responsible entity for the BWP 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 2011 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 BWP Management Limited,

J A Austin
Chairman
BWP Management Limited
Perth, 9 February 2012

Auditor's Independence Declaration

For the half-year ended 31 December 2011

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

To: the directors of BWP Management Limited, the responsible entity of BWP Trust

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2011 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

D P McComish
Partner

Perth, 9 February 2012

bwp TRUST
Independent Auditor's Review Report to the Unitholders of BWP Trust For the half-year ended 31 December 2011

KPMG

Report on the financial report

We have reviewed the accompanying half-year financial report of BWP Trust (the Trust), which comprises the condensed statement of financial position as at 31 December 2011, 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, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Trust.

Directors' responsibility for the half-year financial report

The directors of BWP Management Limited (the Responsible Entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year 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 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 2011 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 BWP 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 BWP 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 2011 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

DMcComish

KPMG

D P McComish
Partner

Perth, 9 February 2012