
**Agreement to acquire three Blackwoods
office/warehouse properties**

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The Directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, today announced that the Trust had agreed to acquire, on a sale and leaseback basis, three office/warehouse industrial properties from J Blackwood and Son Limited (“Blackwoods”). The total purchase price is \$19.36 million (excluding transaction costs).

Blackwoods, a wholly owned subsidiary of Wesfarmers Limited, is the leading supplier of industrial, engineering and safety products in Australia.

The properties, located in key industrial areas in Sydney, Perth and Adelaide, are used as regional offices and warehouses. Each property provides modern office accommodation and warehouse space with clearance heights above six metres.

The leases are for an initial term of seven years with two five year options exercisable by Blackwoods. The rent is reviewed annually to CPI and subject to a market rent review at the exercise of each option. Market rent reviews are subject to 15 per cent caps and collars on the preceding year’s rent.

To provide Blackwoods with operational flexibility as it grows its business, the leases for Blacktown (NSW) and Canning Vale (WA) enable Blackwoods to exit after three years, allowing it to relocate to more suitable alternative premises if required. Blackwoods must provide 12 months’ notice should it decide to exercise its option to terminate, providing adequate time for the Trust to re-lease or consider alternative options for the properties.

Details of each property are provided below.

3-9 Forge Street, Blacktown, NSW (purchase price \$8.24 million)

This 1.3 hectare property is located in the Blacktown industrial area approximately 36 kilometres north-west of the Sydney CBD. It comprises an office/warehouse facility of approximately 8,400 square metres of gross lettable area. The commencing net annual rental is \$700,000.

183-189 Bannister Road, Canning Vale, WA (purchase price \$6.47 million)

This 1.4 hectare corner property is located in a prime industrial area approximately 14 kilometres south-east of the Perth CBD. It includes an office/warehouse facility constructed in the mid 1980’s and expanded in 2002, with a gross lettable area of approximately 7,700 square metres. Surrounding properties generally include modern showroom and office/warehouse developments. The commencing net annual rental is \$540,000.

7-19 Tikalara Street, Regency Park, SA (purchase price \$4.65 million)

This office/warehouse facility with approximately 4,800 square metres of gross lettable area is situated on a 1.1 hectare property in the industrial area of Regency Park, approximately seven kilometres north of the Adelaide CBD. Regency Park was established approximately 20 years ago and comprises similar quality office/warehouse type developments. The commencing net annual rental is \$355,000.

This is the first acquisition by the Trust of non-Bunnings tenanted properties; however the Trust has in the past indicated its intention to consider other properties that meet the Trust's investment criteria. The Blackwoods acquisition provides such an opportunity by securing three well located properties leased to a substantial tenant and offering the potential for capital and rental growth. This transaction also provides the basis for an ongoing relationship with Blackwoods.

The acquisition will be debt funded from existing facilities and is subject to the finalisation of due diligence. Settlement is expected to take place in late January 2007.

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