



ARSN 088 581 097

9 September 2008

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

Dear Sir

RESULTS PRESENTATION FOR THE FULL YEAR TO 30 JUNE 2008

Attached is a copy of a presentation to be presented to institutional investors in Sydney and Melbourne on 9 and 10 September.

Yours sincerely

A handwritten signature in black ink, appearing to read "K A Lange". The signature is fluid and cursive, with a long horizontal stroke at the end.

K A LANGE
COMPANY SECRETARY

ANNUAL RESULTS 2008

2008
AUGUST



Bunnings Warehouse Property Trust

Grant Gernhoefer

General Manager
Bunnings Property Management Limited

Andrew Ross

Portfolio Manager
Bunnings Property Management Limited

- **Overview**
- **Results**
- **Key growth areas**
- **Portfolio**
- **Capital management**
- **Structure**
- **Outlook**

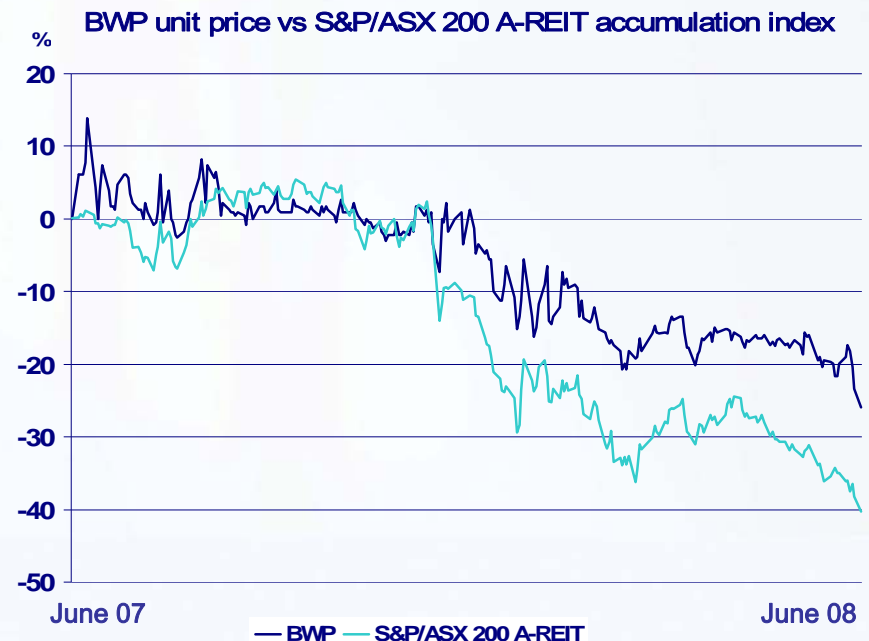
Steady earnings results and growth through acquisitions and upgrades in difficult market conditions

Revaluation of properties increased cap rates from 6.58% to 7.08%

Defensive characteristics - well placed to face further volatile market conditions







Underlying strengths of the Trust

- Traditional property trust
- 100% domestic
- 100% leased
- 100% payout of distributable profit
- Low gearing
- Geographic diversification
- Strong lease covenant
- 6.9 year weighted average lease expiry (based on rental income)



Results - performance

2008
AUGUST

Revenue	\$65.9 million	 10.3% on pcp
Net profit	\$ 0.7 million	\$207.0 million pcp
Distributable profit (excludes revaluations)	\$40.0 million	 2.3% on pcp
Full year distribution	13.27 cpu	 2.2% on pcp
Total assets	\$979.9 million	 1.7% on pcp
Borrowings	\$308.5 million	 19.3% on pcp
Net tangible assets	\$2.12 per unit	 \$0.12 on pcp
Weighted average cap rate	7.08 %	6.58% pcp
Gearing (debt to total assets)	31.5 %	26.8% pcp

Results - distributions

2008
AUGUST



¹ Trust commenced trading in Sep 98

² end of concessional management fee

■ Interim DPU ■ Final DPU

5 Key growth areas

2008
AUGUST

1. **Acquire new and established Bunnings Warehouses**
2. **Improve existing properties**
3. **Grow rental income from existing properties**
4. **Acquire or develop bulky goods properties**
5. **Acquire other properties that meet the Trust's investment criteria**

1. Acquire new and established Bunnings Warehouses

Villawood, NSW (\$18.4m + \$0.9m acq. costs) – May 08

- 26km west of Sydney CBD
- 2.6ha site; 10,250 m² total retail area
- 10 years + 5 x 5 year options
- annual rent \$1,332,500
- annual 3% escalation
- market review on options (cap/collar +/-10%)

Villawood, NSW



2. Improve existing properties

Morayfield, QLD (\$3.4m)

- additional 1,926 m² retail area and 56 car bays
- incremental rent \$0.27m pa represents 8.0% return on capital outlay
- completed Feb 08

Morayfield, QLD



2. Improve existing properties (continued)

Mile End, SA (\$2.8m)

- additional 1,469m² retail area
- incremental rent \$0.22m per annum
- 8.0% return on capital outlay
- completed Apr 08

Mechanical ventilation (\$1.5m)

- installed in 6 Bunnings Warehouses
- pay-back over 5 years by special rent commencing Aug 07

Mile End, SA



2. Improve existing properties (continued)

Hawthorn, VIC (acquired in Apr 07)

- new multi-level format 7,462m² Bunnings Warehouse
- 7 km east of CBD
- 0.84ha site
- Trust acquired site for \$19.0m + \$1.2m acq. costs with development agreement and agreement for lease in place
- development risk remains with vendor/developer
- final payment of \$24.0m by Trust on completion - expected Dec 08
- commencing annual rent \$2.7m

Hawthorn, VIC



5 Key growth areas

2008
AUGUST

3. Grow rental income from existing properties

Market Rent Reviews	Passing rent (\$'000)	Determined/ negotiated rent (\$'000)	Uplift %	Effective date
Artarmon, NSW	1,313	1,396	6.3	9 Feb 08
Belrose, NSW	1,618	1,764	9.1	9 Feb 08
Cairns, QLD	1,107	1,107	-	9 Feb 08
Dandenong, VIC	1,077	1,190	10.5	11 Nov 07
Fyshwick, ACT	1,015	1,015	-	24 Dec 07
Hervey Bay, QLD	905	1,000	10.6	23 Dec 07
Weighted average			6.2	

*Wollongong market rent review effective 9 Feb 08 determined after annual results reported; 4.9% uplift on passing rent of \$1.15m

4. Acquire or develop bulky goods properties

Geraldton Showrooms, WA (\$2.9m + \$0.1m acq. costs)

- 1.2 ha site
- adjoins the Trust's Bunnings Warehouse
- \$0.5m conversion costs
- gross lettable area 1,511m²
- 1,162m² leased to BCF (Super Cheap Auto Group)
- 349m² vacancy (close to finalising lease negotiations) with national chain

Geraldton Showrooms, WA



5. Acquire other properties that meet Trust's investment criteria

Blackburn, VIC (\$19.0m + \$1.1m acq. costs)

- 18 km east of Melbourne CBD; near Nunawading "Golden Mile" bulky goods precinct
- 4.1 ha site; 20,464m² office/warehouse facility
- fully leased to 4 tenants; Gainsborough, Sleepmaster, Pacific Labs and Telstra
- net income \$1.43m per annum
- 2 major tenants comprise 95% of income
- weighted average lease expiry of 4 years
- long term re-development potential

Blackburn, VIC



60 properties – good geographic spread

-  **51 Bunnings Warehouses**
-  **2 Bunnings distribution centres**
-  **2 Bunnings Warehouse development sites**
-  **4 Industrial properties**
-  **2 Bulky goods showrooms***

	Jun 08
VIC	*21
NSW/ACT	14
QLD	10
WA	12
SA	3
TOTAL	60



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

6.9 year weighted average lease expiry (by rental income)

Typical Bunnings Warehouse lease features

- 15 years (plus 2 x 5 year options)
- annual CPI escalation
- 5 yearly market rent reviews (majority uncapped)
- Wesfarmers covenant



Revaluations

- Entire portfolio revalued every 6 months
- Independent valuations on a 3 year cycle for each property
- Balance of portfolio – directors' valuation using recognised valuation methodology
- Directors' valuations methodology reviewed by an independent valuer and have regard to the independent valuations completed at the time
- June 08 weighted average capitalisation rate 7.08% (Dec 07: 6.58% and June 07: 6.58%)

Revaluations (continued)

Independent valuations	31 Dec 07	30 June 08	31 Dec 08	30 Jun 09
VIC	3	1	4	1
WA	2	1	2	-
QLD	-	3	3	3
NSW/ACT	-	2	4	1
SA	-	2	-	-
Proportion of portfolio value	11% ¹	13% ²	27% ²	9% ²

¹ percentage based on fair value as at 31 December 2007

² percentage based on fair value as at 30 June 2008

Market rent reviews

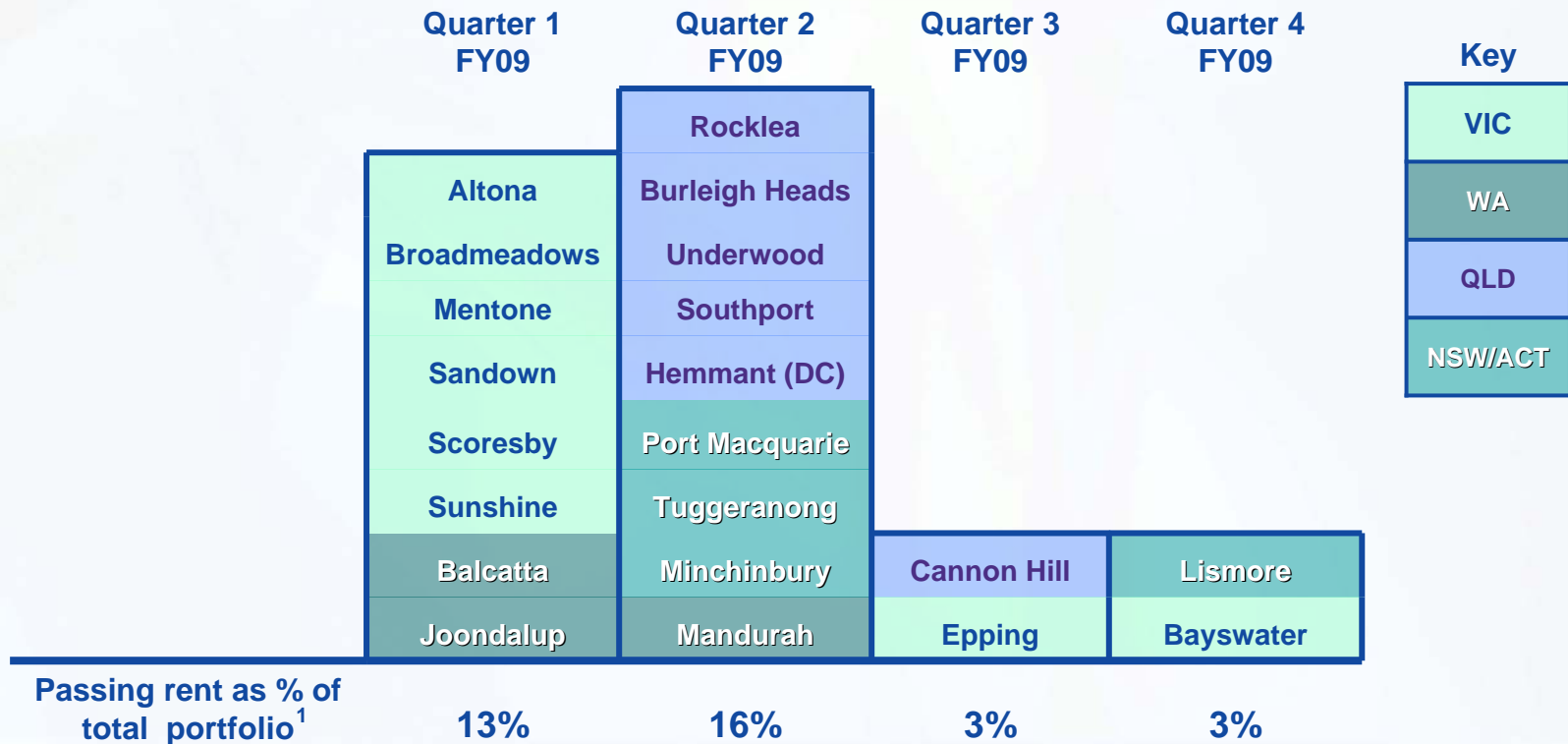
Typical Bunnings Warehouse market rent review clause

- assumes free and open market with vacant possession
- has regard to the rent paid by Bunnings at other Bunnings Warehouses
- has regard to the rental value of other properties of a similar size and similar standard of construction and used for similar purposes
- no regard to store turnover (i.e. no turnover or percentage rent)

Process

- Trust's asking rent based on advice from an independent valuer
- negotiation period with Bunnings
- if not agreed with Bunnings then referred to determination
- determination by independent valuer jointly agreed or nominated by the President of the Australian Property Institute
- results binding

21 market rent reviews in FY09



¹ percentage based on rental as at 30 June 2008

Future Bunnings Warehouse revaluations and market rent reviews

	FY09	FY10	FY11	FY12	FY13
Rent reviews	21 ¹	12	4	7	7
Revaluations	18	22	19	18	22

¹ two completed - Altona with 3% uplift and Rocklea at existing rental

Debt facilities

As at 30 June 08	Limit (\$m)	Drawn (\$m)	Review	Expiry
ANZ	100	100	Sep 2008 ¹	Jul 2009
NAB	100	100	Oct 2008 ²	Evergreen
CBA	100	60	Oct 2008 ³	Jan 2010 ³
WBC	80	50	July 2009 ⁴	July 2010 ⁴
	380	310		

1 ANZ - review in Sep 2008 for pricing to apply from Feb 2009 to July 2009

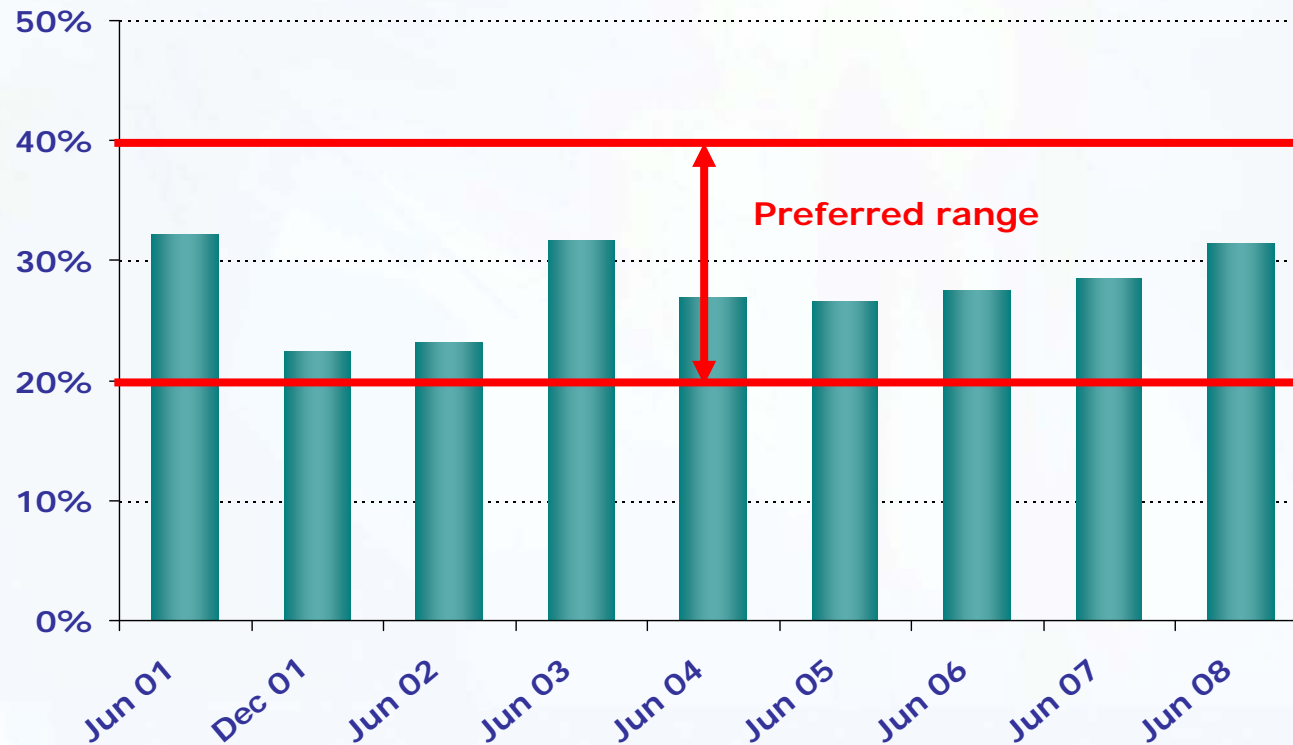
2 NAB - pricing review to apply from 1 April 2009 to 31 March 2010 with a further review in March 2009 for pricing to apply from 1 April 2010 to 31 March 2011 and subsequent March pricing reviews on a rolling basis

3 CBA - review in Oct 2008 to extend to Jan 2011 at bank's option and subsequently on a rolling basis

4 WBC – review in July 2009 to extend to July 2011 at bank's option and subsequently on a rolling basis

Interest cover ratio: 3.3x (2007: 3.9x)

Gearing at 31.5%



Interest rate management

- \$240.0 m hedged (77 %)
- 6.39% weighted average rate for all debt across 2008 after hedging and including margins (2007: 6.06%)
- 2.4 years weighted average maturity, including delayed starts (2007: 3.5 years)

Hedge book overview	Financial year ended				
	June 04	June 05	June 06	June 07	June 08
% debt hedged ¹	95	100	88	82	77
Swap rates (%)					
Maximum	6.62	6.62	6.62	6.67	7.88
Minimum	4.97	4.97	4.97	5.09	5.09
Weighted average ²	5.75	5.73	5.72	5.99	6.21

¹ interest bearing debt at 30 June

² at 30 June (excluding margins)

Manager: Bunnings Property Management Limited

Subsidiary of Wesfarmers Limited *but*...independent board

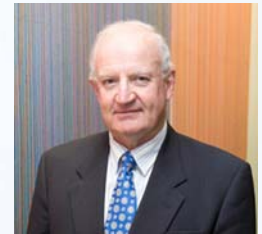
- **John Austin** (Chairman); Leighton Properties (Chairman), MREEF, Ringmer Pacific, ex Jones Lang LaSalle
- **Peter Mansell**; WAN (Chairman), ThinkSmart (Chairman), OZ Minerals, Great Southern
- **Peter Johnston**; Kresta
- **Rick Higgins** (joined Dec 07); ex Colliers

Major Tenant: Bunnings Group Limited

- subsidiary of Wesfarmers Limited

Register

- Wesfarmers 23%
- “institutions” approximately 24%
- retail, other approximately 53%



The Trust is well placed to weather current market volatility

- Low gearing and headroom under debt facilities allow selective acquisitions
- Hedged for short term – look for opportunities to extend hedging duration
- Focus on acquiring Bunnings Warehouses
- Improve existing properties
- Grow rental income from existing portfolio (annual CPI escalation and market rent reviews)