



ARSN 088 581 097

21 February 2011

2010-11 Half-Year Report

Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, wishes to advise that the accompanying 2010-11 Half-Year Report is now available on the website at www.bwptrust.com.au and will be forwarded on 25 February 2011 to Unitholders who have elected to receive a Half-Year Report.

A handwritten signature in black ink, appearing to read "Karen Lange".

KAREN LANGE
Company Secretary

A S X R E L E A S E



**BUNNINGS WAREHOUSE
PROPERTY TRUST
HALF-YEAR REPORT 2010/11**

SIX MONTHS TO 31 DECEMBER 2010



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www.bwptrust.com.au

Bunnings Warehouse Property Trust
ARSN 088 581 097

Responsible Entity
Bunnings Property Management Limited
ABN 26 082 856 424

Australian Financial Services License
No. 247830

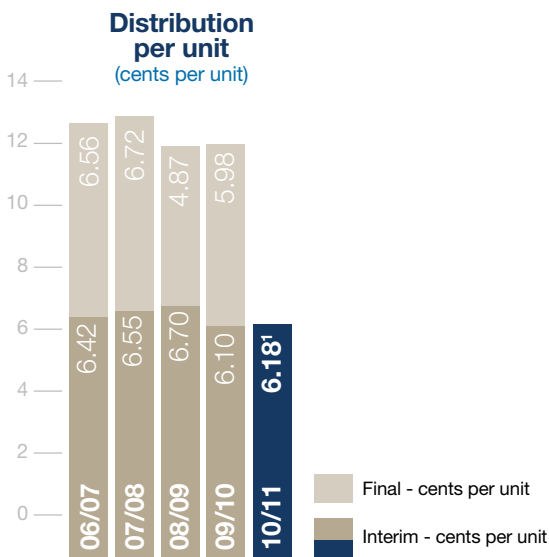


The Bunnings Warehouse Property Trust aims to provide unitholders with a secure, growing income stream and long-term capital growth through acquiring, developing and managing property, predominantly for use in the bulky goods retail sector

Port Melbourne, VIC

Half-year highlights

- Income of \$40.4 million for the six months - up 3.6 per cent on the previous corresponding period
- Distributable profit of \$26.4 million for the six months - up 4.5 per cent on the previous corresponding period
- Interim distribution of 6.18 cents per unit - up 1.3 per cent on the previous corresponding period
- Portfolio value \$1,053.3 million - up by \$53.2 million following a net revaluation gain of \$28.2 million, capital expenditure of \$32.4 million and the sale of one property for net sale proceeds of \$7.4 million for the six months
- Acquired an established Bunnings Warehouse at Port Melbourne, Victoria for \$24.0 million, plus acquisition costs of \$1.4 million
- Net Tangible Assets of \$1.96 per unit at 31 December 2010 (2009: \$1.83)
- Weighted Average Lease Expiry of 8.9 years at 31 December 2010 (2009: 5.9 years)
- Gearing (debt/total assets) 18.0 per cent at 31 December 2010 (2009: 19.2 per cent)
Covenant gearing (debt and non-current liabilities/total assets) 18.0 per cent (2009: 19.5 per cent)



¹ includes a capital distribution of 0.09 of a cent per unit resulting from the sale of an investment property

Financial & market performance

Financial performance

Half-year ended 31 December		2010	2009
Total income	\$m	40.4	39.0
Net profit, including net unrealised gain in fair value of investment properties	\$m	54.2	41.1
Net unrealised gain in fair value of investment properties	\$m	28.2	15.9
Distributable profit for the period	\$m	26.4²	25.3 ¹
Distribution per ordinary unit	cents	6.18	6.10
Total assets	\$m	1,077.0	986.7
Borrowings	\$m	193.6	189.8
Unitholders' equity	\$m	837.5	758.7
Gearing (debt to total assets)	%	18.0	19.2
Number of units on issue	m	427	414
Number of unitholders		12,682	12,725
Net tangible asset backing per unit	\$	1.96	1.83
Unit price at 31 December	\$	1.75	1.86
Management expense ratio (annualised)	%	0.70	0.70

¹ adjusted for rounding

² includes \$0.4 million capital profit on sale of an investment property

Market performance

The Trust delivered a negative 4.0 per cent total return for the six months to 31 December 2010, compared with a positive 2.5 per cent for the broader listed property market, represented by the benchmark S&P/ASX 200 A-REIT index (source: UBS Australia).

However, the Trust outperformed the broader listed property market for total returns over one, three, five and ten year periods, as shown in the following table:

Total returns¹ compared to market (source: UBS Australia)

Periods ended 31 Dec 2010	1 year (%)	3 years (%) ²	5 years (%) ²	10 years (%) ²
BWP	0.4	-2.0	5.0	13.3
S&P / ASX 200 A-REIT Accumulation index	-0.4	-20.9	-9.5	2.3

¹ total returns include movement in security price and dividends/distributions (which are assumed to be reinvested)

² annual compound returns

Our property portfolio

Portfolio rental summary

As at 31 December 2010

	Land area ha	Gross lettable area ¹ sqm	Annual rental ² \$000
Western Australia			
Albany	2.0	13,660	768
Balcatta	4.3	25,439	1,757
Bibra Lake	3.2	13,977	1,535
Geraldton	3.3	17,809	924
Geraldton Showrooms	1.2	1,511	215
Joondalup	2.5	13,358	1,255
Mandurah	2.5	12,097	1,298
Midland	2.4	13,694	1,377
Mindarie	3.1	14,479	1,333
Morley	1.8	9,852	1,168
Rockingham	3.3	17,179	1,475
Total	29.6	153,055	13,105
Victoria			
Altona ³	3.4	9,254	1,040
Bayswater	4.9	15,193	1,527
Bayswater showrooms		2,484	406
Blackburn (Industrial)	4.1	20,420	1,587
Broadmeadows	1.8	12,379	1,627
Croydon	3.8	13,292	1,562
Dandenong	3.1	12,313	1,300
Epping	3.1	12,027	1,093
Fountain Gate	3.2	12,624	1,325
Frankston	3.7	13,843	1,888
Hawthorn	0.8	7,462	2,863
Hoppers Crossing	2.7	11,170	1,163
Maribyrnong ⁴	3.4	-	-
Mentone	2.5	11,814	1,432
Mornington	4.0	13,324	1,490
Northland	3.3	12,027	1,628
Nunawading ⁵	3.4	14,766	2,065
Oakleigh South	4.4	16,949	1,760
Port Melbourne	3.0	13,846	1,650
Sandown	3.1	12,180	1,056
Scoresby	3.4	11,938	1,226
Sunshine	2.0	9,958	946
Vermont South ⁶	5.2	16,634	1,959
Total	72.3	275,897	32,595
Australian Capital Territory			
Fyshwick ⁷	2.8	6,648	1,106
Tuggeranong	2.8	11,857	1,447
Total	5.6	18,505	2,552

As at 31 December 2010	Land area	Gross lettable area¹	Annual rental²
	ha	sqm	\$000
South Australia			
Mile End	3.3	14,786	2,080
Noarlunga	2.6	15,054	1,341
Regency Park (Blackwoods)	1.1	4,682	403
Total	7.0	34,522	3,824
New South Wales			
Artarmon	0.7	5,746	1,484
Belmont North	4.0	12,640	844
Belrose	2.5	8,888	1,876
Blacktown (Blackwoods)	1.3	8,346	763
Coffs Harbour	2.5	8,657	820
Lismore	2.1	10,076	861
Maitland	3.7	12,797	1,193
Minchinbury	3.1	12,048	1,587
Port Macquarie	2.0	8,801	837
Thornleigh	1.2	5,301	1,224
Villawood	2.6	10,886	1,414
Wollongong	2.7	10,811	1,279
Total	28.4	114,997	14,182
Queensland			
Burleigh Heads	3.3	12,428	1,468
Cairns	2.4	12,917	1,192
Cannon Hill	3.6	16,470	1,944
Hemmant Distribution Centre	3.5	21,523	2,124
Hervey Bay	3.0	11,824	1,093
Morayfield	3.1	12,507	1,557
Mount Gravatt	2.7	11,824	1,033
Rocklea	3.1	12,671	1,477
Southport	3.5	12,431	1,445
Underwood	2.9	12,245	1,358
Total	31.1	136,840	14,689
Grand Total	174.0	733,816	80,948

Note: totals and grand total adjusted for rounding

¹ total retail area of the Bunnings Warehouse

² annual rental figures do not include access fees detailed below

³ includes additional land (1.0 hectare) for which Bunnings Group Limited pays the Trust an access fee of \$221,636 per annum

⁴ development site for which Bunnings Group Limited pays the Trust an access fee of \$602,482 per annum

⁵ includes adjoining properties (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$126,935 per annum

⁶ includes land (0.4 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$68,000 per annum

⁷ includes adjoining property (1.0 hectare) for which Bunnings Group Limited pays the Trust an access fee of \$301,020 per annum

An upgrade of the Broadmeadows Bunnings Warehouse during the period extended the fully-enclosed covered area by 3,824m² at a cost of \$5.9m and increased the annual rent by approximately \$472,000



Broadmeadows, VIC

Report to unitholders

The directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, are pleased to present this interim report to unitholders covering the financial results of the Trust for the six months to 31 December 2010 and a brief overview of the activities of the Trust.

Activities during the period included the acquisition of an established Bunnings Warehouse, completion of an upgrade of an existing Bunnings Warehouse, minor improvements to existing properties, completion of five market rent reviews, the revaluation of the fair value of the portfolio and agreement by one bank to extend its existing \$80 million bank bill facility to November 2013.

Financial results

Total income for the period was \$40.4 million, an increase of 3.6 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 \$9.7 million were 3.9 per cent higher than the comparative six months due to the higher average cost of borrowings, in spite of a slightly lower average level of debt. The weighted average cost of net borrowings for the half-year (finance costs less finance income/average borrowings) was 9.40 per cent, compared to 9.03 per cent in the corresponding period, as a result of increases in bank fees and margins during or since the corresponding period. The average level of debt was 3.3 per cent lower than the corresponding period (\$194.3 million compared with \$200.9 million).

For the half-year the Trust reported a distributable profit of \$26.4 million an increase of 4.5 per cent on the distributable profit in the comparative period last year. The distributable profit excludes the unrealised net gain of \$28.2 million on the revaluations of the fair value of the portfolio but includes a capital distribution of \$0.4 million on the sale of one of the Trust's properties (see Property portfolio section).

The management expense ratio for the 12 months to 31 December 2010 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.70 per cent, the same as for the previous corresponding period.

Interim distribution

An interim distribution of 6.18 cents per ordinary unit has been declared. This is 1.3 per cent higher than the previous corresponding period (6.10 cents per unit) due mainly to the capital distribution of 0.09 of a cent relating to the sale of one of the Trust's properties.

The interim distribution will be made on 25 February 2011 to unitholders on the Trust's register at 5.00 pm on 31 December 2010.

Report to unitholders (continued)

Units issued under the Trust's Distribution Reinvestment Plan in respect of the interim distribution will be issued at \$1.7261 per unit, representing a 1.5 per cent discount to the volume weighted average price of the Trust's units for the ten trading days following the record date.

Property portfolio

Total capital expenditure on the portfolio during the half-year amounted to \$32.4 million, comprising the items outlined below.

In December 2010, the Trust purchased an established Bunnings Warehouse in the Melbourne suburb of Port Melbourne, Victoria. The property was acquired from an institutional owner for \$25.4 million (including acquisition costs). The 3.0 hectare property is situated on the corner of Williamstown Road and Bertie and Bridge Streets in Port Melbourne, approximately 2.5 kilometres south-west of the Melbourne central business district. The building comprises a total retail and office area of 13,846 square metres with approximately 327 car parking spaces.

The property is leased to Bunnings Group Limited, with an initial term expiring in March 2020 and four options, exercisable by the tenant, for a further five years each. The rent is reviewed annually to the consumer price index and subject to a market review in March 2013 and at the exercise of each option. Market reviews are subject to a 10 per cent cap and 5 per cent collar; ensuring that the revised rent may be no greater than 110 per cent, nor less than 95 per cent, of the rent in the preceding year.

Also in December 2010, a \$5.9 million upgrade of the Trust's Broadmeadows Bunnings Warehouse was completed by Bunnings Group Limited for the Trust. The upgrade extended the fully-enclosed covered area by 3,824 square metres. The annual rental increases by approximately \$472,000 commencing in January 2011.

Other non-income producing capital improvements made by the Trust to investment properties during the half-year totalled \$1.1 million. These included concrete slab works within the Trust's Bunnings Warehouse at Cairns, Queensland; car park works at the Blackburn industrial property and at the Trust's Bunnings Warehouse at Bayswater, Victoria; and minor works at various properties.

In December 2010, the Trust committed to upgrade its Bunnings Warehouse at Fyshwick, Australian Capital Territory, with an estimated cost of \$15.0 million. On completion of the upgrade, the parties will enter into a new 12-year lease of the Bunnings Warehouse with four five-year options exercisable by the tenant.

Also in December 2010, the Trust entered into a contract to acquire a 0.5 hectare vacant site adjoining the Trust's Bunnings Warehouse in Minchinbury, New South Wales for a cost of \$4.0 million (excluding acquisition costs). The acquisition is subject to completion of due diligence by the Trust in February 2011.

In October 2010, the Trust sold its Canning Vale industrial facility, vacated by J Blackwood and Sons Limited in February 2010. Selling the property was considered a better outcome for the Trust than re-leasing and the sale price of \$7.5 million realised a modest capital appreciation, resulting in a distribution to unitholders of 0.09 of a cent per unit as part of the interim distribution for half-year ended 31 December 2010.

At 31 December 2010 the weighted average lease expiry term of the portfolio was 8.9 years (2009: 5.9 years). The increase in weighted average lease expiry compared with the previous corresponding period is predominantly the result of the extension of a number of leases approved by unitholders in May 2010.

Market rent reviews

During the period, market rent reviews were concluded on five properties. The results of the five market rent reviews completed during the half-year are shown in the table below.

	Passing rent (\$ pa)	Market review ² (\$ pa)	Uplift (%)	Effective date
Mile End, SA ¹	1,411,052	1,845,000	+30.8	22 Mar 10
Morley, WA	1,015,777	1,168,142	+15.0	3 Jul 10
Northland, Vic	1,452,546	1,628,000	+12.1	19 Aug 10
Rockingham, WA	1,261,993	1,475,000	+16.9	16 Aug 10
Vermont South, Vic	1,959,187	1,959,187	-	15 Aug 10
Weighted Average (%)			+13.7	

¹ excludes amortised rent not subject to review

² Morley, Rockingham and Vermont South were negotiated between the Trust and the tenant; Mile End and Northland were determined by an independent valuer

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).

Six property revaluations and one acquisition valuation during the period were performed by independent valuers. The remaining 53 properties were subject to directors' revaluations.

The value of the portfolio increased by \$53.2 million to \$1,053.3 million during the half-year; following a net revaluation gain of \$28.2 million at 31 December 2010, capital expenditure of \$32.4 million and the sale of the Canning Vale industrial property for net sale proceeds of \$7.4 million.

The net revaluation gain was essentially a result of growth in rental income across the portfolio. There was also an improvement in market capitalisation rates for one property, bringing the weighted average capitalisation rate for the Trust's portfolio at 31 December 2010 down slightly to 7.62 per cent (June 2010: 7.65 per cent and December 2009: 7.78 per cent).

Report to unitholders (continued)

Finance

As at 31 December 2010 the Trust's total assets were \$1,077.0 million, with unitholders' equity of \$837.5 million and total liabilities of \$239.5 million.

The underlying net tangible asset backing of the Trust's units increased by 8.0 cents per unit, from \$1.88 per unit at 30 June 2010 to \$1.96 per unit at 31 December 2010. This increase was the result of the net unrealised gain on revaluation of investment properties, referred to in the Revaluations section, and an increase in the fair value of interest rate hedging derivatives.

At 31 December 2010 the Trust had borrowings of \$194.3 million, under debt facilities with a combined limit of \$330.0 million. Details of the facilities are provided below. As at 31 December 2010 the Trust has:

- \$100 million cash advance facility with the Commonwealth Bank of Australia, committed until 14 January 2012;
- \$80 million bank bill facility with Westpac Banking Corporation, committed until 2 November 2013;
- \$100 million bank bill facility with Australia and New Zealand Banking Group, committed to 31 July 2013; and
- \$50 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 2011; with pricing to apply from 1 April 2012.

The Trust is in negotiations with the bank to change this facility to a three year term facility to improve the pricing structure.

The Trust's gearing ratio (debt to total assets) at 31 December 2010 was 18.0 per cent (2009: 19.2 per cent), slightly below the preferred range of 20 to 40 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 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 2010, the Trust's hedging cover was 98.8 per cent of borrowings, with \$192.0 million interest rate swaps against borrowings of \$194.3 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 3.37 years, including delayed start swaps.

Outlook

The responsible entity continues to pursue better returns from existing assets, acquisition of quality commercial properties and effective management of the Trust and its capital.

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. There are no market rent reviews remaining to be completed this financial year; with the four market reviews due for the year being completed in the first half. There are 24 leases due to be reviewed to the consumer price index or by a fixed percentage increase during the second half of 2010/11.

The acquisition of the Port Melbourne Bunnings Warehouse during the half-year demonstrates the Trust's focus on acquiring quality assets. While Bunnings Warehouses remain the preferred target for acquisitions, other assets will be considered, 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.

Improving the efficiency of funding is a key component of capital management initiatives for the Trust. Based on market commentary and the Trust's recent experience with refinancing, it appears that fees and margins on bank facilities are easing for better credit risks.

The second-half of 2010/11 will benefit from substantially lower fees and margins on the bank facility extended during the half-year to 31 December 2010. Refinancing discussions are continuing with the other three banks. The Trust's relatively high level of interest rate hedging means that in the short-term the Trust's exposure to fluctuations in interest rates is limited and interest rates on existing borrowings are expected to remain above current market bank bill rates for the second half of 2010/11.

Subsequent event

In February 2011, the Trust committed to upgrade its Bunnings Warehouse at Rocklea, Queensland, with an estimated cost of \$3.8 million. The Rocklea property was the only Trust property damaged by the flooding that impacted Brisbane and surrounding areas in January 2011. Fortunately, the flooding of the Rocklea store did not result in injury or loss of life; however the building was inundated with approximately two metres of flood water. The store has been temporarily closed to trading while repairs are undertaken by the tenant. Damage to the building is expected to be covered by insurance and the Trust will continue to receive rent as usual. The upgrade will be undertaken following completion of the repair of flood damage.

On completion of the Rocklea upgrade, anticipated to be in the second half of the 2011 calendar year, the annual rent will increase by approximately \$0.31 million. The parties will enter into a new ten-year

Report to unitholders (continued)

lease of the Bunnings Warehouse with one ten-year option exercisable by the tenant. The rent will be reviewed to market every five years and by the Consumer Price Index in all other years. All other terms and conditions of the lease will remain the same.

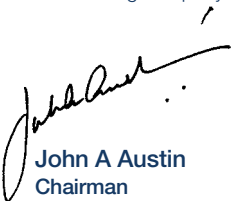
Internet site

The Bunnings Warehouse Property 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.

Thank you for your ongoing support of the Bunnings Warehouse Property Trust.

For Bunnings Property Management Limited.



John A Austin
Chairman

10 February 2011



Grant Gernhoefer
General Manager



Bunnings Warehouse Property Trust

Condensed Statement of Comprehensive Income

For the half-year ended 31 December 2010

	Dec 2010 \$000	Dec 2009 \$000
Rental income	39,028	38,080
Other property income	877	704
Finance income	497	198
Total revenue	40,402	38,982
Finance costs	(9,708)	(9,345)
Responsible entity's fees	(2,956)	(2,763)
Other operating expenses	(1,718)	(1,619)
Net profit before unrealised gain in fair value of investment properties	26,020	25,255
Unrealised gain in fair value of investment properties	28,198	15,891
Net profit attributable to unitholders of Bunnings Warehouse Property Trust	54,218	41,146
Other comprehensive income		
Effective portion of changes in fair value of cash flow hedges	5,433	3,101
Total comprehensive income for the period attributable to the unitholders of Bunnings Warehouse Property Trust	59,651	44,247
Basic and diluted earnings (cents per unit) resulting from net profit	2 12.76	9.97

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

Bunnings Warehouse Property Trust
Condensed Distribution Reconciliation and Statement
 For the half-year ended 31 December 2010

	Dec 2010 \$000	Dec 2009 \$000
DISTRIBUTION RECONCILIATION		
Net profit attributable to unitholders of Bunnings Warehouse Property Trust	54,218	41,146
Net realised profit on sale of investment property ¹	376	-
Net unrealised gain in fair value of investment properties	(28,198)	(15,891)
Distributable profit for the period	26,396	25,255
Opening undistributed profit	16	33
Closing undistributed profit	(21)	(20)
Distributable amount	26,391	25,268
Distribution (cents per unit)	6.18	6.10

DISTRIBUTION STATEMENT

Net profit attributable to unitholders of Bunnings Warehouse Property Trust	54,218	41,146
Undistributed income at the beginning of the period	289,371	247,616
Distributions paid or payable	(26,391)	(25,268)
Undistributed income at the end of the period	317,198	263,494

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

Bunnings Warehouse Property Trust

Condensed Statement of Financial Position

As at 31 December 2010

	Dec 2010 \$000	June 2010 \$000	Dec 2009 \$000
Assets			
Current assets			
Cash	17,838	21,687	8,234
Receivables and prepayments	2,303	3,259	2,852
Total current assets	20,141	24,946	11,086
Non-current assets			
Other receivables	850	850	850
Investment properties	3 1,053,290	1,000,111	972,211
Derivative financial instruments	2,718	487	2,570
Total non-current assets	1,056,858	1,001,448	975,631
Total assets	1,076,999	1,026,394	986,717
Liabilities			
Current liabilities			
Payables and deferred income	18,333	10,531	9,593
Derivative financial instruments	593	203	271
Distribution payable	26,391	25,159	25,268
Total current liabilities	45,317	35,893	35,132
Non-current liabilities			
Interest-bearing loans and borrowings	8 193,574	193,474	189,786
Derivative financial instruments	638	4,230	3,063
Total non-current liabilities	194,212	197,704	192,849
Total liabilities	239,529	233,597	227,981
Net assets	837,470	792,797	758,736
Unitholders' equity			
Issued capital	518,785	507,372	496,006
Reserves	6 1,487	(3,946)	(764)
Undistributed income	317,198	289,371	263,494
Total unitholders' equity	837,470	792,797	758,736
Net tangible asset backing per unit¹	\$1.96	\$1.88	\$1.83

¹ Total net assets divided by the number of units on issue at period end date

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 2010

	Dec 2010 \$000	Dec 2009 \$000
Cash flows from operating activities		
Rent received	46,477	43,518
Payments to suppliers	(6,162)	(8,199)
Payments to the responsible entity	(2,855)	(2,769)
Finance income	497	195
Finance costs	(9,734)	(9,807)
Net cash flows from operating activities	28,223	22,938
Cash flows from investing activities		
Proceeds from the sale of a Trust's property investment	7,408	-
Payments for purchase of, and additions to, the Trust's property investments	(25,817)	(4,040)
Net cash flows used in investing activities	(18,409)	(4,040)
Cash flows from financing activities		
Proceeds/(repayments) of borrowings	100	(36,151)
Distributions paid	(13,763)	(13,234)
Net cash flows used in financing activities	(13,663)	(49,385)
Net decrease in cash	(3,849)	(30,487)
Cash at the beginning of the period	21,687	38,721
Cash at the end of the period	17,838	8,234

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 2010

	Issued capital \$000	Undist- ributed income \$000	Hedge Reserve \$000	Total \$000
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				
Net profit attributable to unitholders of Bunnings Warehouse Property Trust	-	41,146	-	41,146
Other comprehensive income: effective portion of changes in fair value of cashflow hedges	-	-	3,101	3,101
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(25,268)	-	(25,268)
Equity issued during the period: Distribution Reinvestment Plan	6,733	-	-	6,733
Balance at 31 December 2009	496,006	263,494	(764)	758,736
Balance at 1 July 2010	507,372	289,371	(3,946)	792,797
Total comprehensive income for the period attributable to the unitholders of Bunnings Warehouse Property Trust				
Net profit attributable to unitholders of Bunnings Warehouse Property Trust	-	54,218	-	54,218
Other comprehensive income: effective portion of changes in fair value of cashflow 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

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 2010

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 2010 were authorised for issue in accordance with a resolution of the directors on 10 February 2011. 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 2010.

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 2010 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 2010.

Bunnings Warehouse Property Trust

Notes to the Financial Statements

For the half-year ended 31 December 2010

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 2010	Dec 2009
Basic and diluted earnings (cents per unit) for the half-year	12.76	9.97
Basic and diluted earnings (cents per unit) for the half-year excluding unrealised loss or gain in fair value of properties	6.12	6.10
Interim distribution (cents per unit) for the half-year	6.18¹	6.10

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

3 INVESTMENT PROPERTIES

	Balance at 30 June 2010	Movement during the period	Balance at 31 Dec 2010
	\$000	\$000	\$000
Purchase price	453,767	17,533	471,300
Acquisition costs	27,386	938	28,324
Capital improvements since acquisition	229,603	6,886	236,489
Cumulative fair value adjustment	289,355	27,822	317,177
Fair value	1,000,111	53,179	1,053,290

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 2010, seven 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.

Bunnings Warehouse Property Trust

Notes to the Financial Statements

For the half-year ended 31 December 2010

3 INVESTMENT PROPERTIES (continued)

During the half-year the Trust's capital expenditure on investment properties totalled \$32.4 million. In addition, the Trust sold its Canning Vale industrial property.

Port Melbourne, Victoria

In December 2010, the Trust purchased an established Bunnings Warehouse property at Port Melbourne, approximately 2.5 kilometres south-west of the Melbourne central business district. The property was acquired from an institutional owner for \$25.4 million (including acquisition costs).

Broadmeadows, Victoria

During the half-year a \$5.9 million upgrade of the Trust's Bunnings Warehouse in Broadmeadows, Victoria, was completed by Bunnings Group Limited as project manager for the Trust.

Miscellaneous

Other capital improvements made by the Trust to investment properties during the half-year totalled \$1.1 million. These included internal concrete slab works at the Trust's Bunnings Warehouse at Cairns, Queensland, car park works at the Blackburn industrial property and at the Trust's Bunnings Warehouse at Bayswater, Victoria and minor works at various properties.

Canning Vale, Western Australia

In October 2010, the Trust sold the Canning Vale industrial facility vacated by J Blackwood and Sons Limited for \$7.5 million.

4 SEGMENT REPORTING

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

5 ISSUED CAPITAL

During the period, 6,330,873 units (2009: 4,226,325) were issued under the Trust's distribution reinvestment plan, bringing the number of ordinary units on issue as at 31 December 2010 to 427,042,646.

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.

Bunnings Warehouse Property Trust
Notes to the Financial Statements
 For the half-year ended 31 December 2010

	Dec 2010 \$000	Dec 2009 \$000
Opening balance at the beginning of the financial period	(3,946)	(3,865)
Net gains on cash flow hedges for the period	5,433	3,101
Closing balance at the end of the financial period	1,487	(764)

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

7 CAPITAL EXPENDITURE COMMITMENTS

	Dec 2010 \$000	Dec 2009 \$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	279	111
Related Parties	30	500
Later than one year and not later than five years		
Related Parties	15,000	-
	15,309	611

Capital commitments to unrelated parties

During the half-year, the Trust committed to fund \$0.3 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 property with an estimated cost of \$15.0 million. On completion of the upgrade, the parties will enter into a new 12-year lease of the Bunnings Warehouse with four five-year options exercisable by the tenant.

Bunnings Warehouse Property Trust

Notes to the Financial Statements

For the half-year ended 31 December 2010

8 LOANS AND BORROWINGS

As at 31 December 2010 the Trust has the following loan facilities:

	Limit \$000	Amount drawn ¹ \$000	Expiry date
Australia and New Zealand Banking Group Limited	100,000	48,900	31 July 2013
Commonwealth Bank of Australia	100,000	49,900	14 January 2012
Westpac Banking Corporation	80,000	45,500	2 November 2013
National Australia Bank Limited	50,000	50,000	Evergreen ²
	330,000	194,300	

¹ Amount drawn includes accrued interest of \$0.7 million as at 31 December 2010.

² To be reviewed in March 2011 for pricing to apply from 1 April 2012 to 31 March 2013. 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 2010 annual financial statements.

10 SUBSEQUENT EVENTS

In February 2011, the Trust committed to upgrade its Bunnings Warehouse at Rocklea, Queensland, with an estimated cost of \$3.8 million. Upon completion, the annual rent will increase by approximately \$0.31 million and the parties will enter into a new ten-year lease, with one ten-year option exercisable by the tenant.

Bunnings Warehouse Property Trust

Directors' Report

For the half-year ended 31 December 2010

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 2010 and review report thereon. The information on pages 7 to 12 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 2010 and the results of those operations are reviewed on pages 7 to 12 of this report and the accompanying financial statements.

	Dec 2010 \$000	Dec 2009 \$000
Net profit attributable to unitholders	54,218	41,146
Net realised profit on sale of investment property	376	-
Net unrealised gain in fair value of investment properties	(28,198)	(15,891)
Distributable profit for the period	26,396	25,255
Opening undistributed profit	16	33
Closing undistributed profit	(21)	(20)
Distributable amount	26,391	25,268

The interim distribution is 6.18 cents per ordinary unit (2009: 6.10 cents). This interim distribution will be made on 25 February 2011.

Units on issue

At 31 December 2010, 427,042,646 units of Bunnings Warehouse Property Trust were on issue (30 June 2010: 420,711,773).

Events subsequent to reporting date

In February 2011, the Trust committed to upgrade its Bunnings Warehouse at Rocklea, Queensland, with an estimated cost of \$3.8 million. Upon completion, the annual rent will increase by approximately \$0.31 million and the parties will enter into a new ten-year lease, with one ten-year option exercisable by the tenant.

Auditor independence declaration

The lead auditor's independence declaration is set out on page 26 and forms part of the directors' report for the half-year ended 31 December 2010.

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 2011

Bunnings Warehouse Property Trust
Directors' Declaration

For the half-year ended 31 December 2010

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 2010 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 2011

Bunnings Warehouse Property Trust
Auditor's Independence Declaration

For the half-year ended 31 December 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 2010 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.

A handwritten signature in black ink, appearing to read 'KPMG', written in a cursive style.

KPMG

A handwritten signature in black ink, appearing to read 'D P McComish', written in a cursive style.

D P McComish

Partner

Perth, 10 February 2011

Bunnings Warehouse Property Trust
**Independent Auditor's Review Report to the
Unitholders of Bunnings Warehouse Property Trust**

For the half-year ended 31 December 2010

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 2010, 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 10 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 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 a Financial Report 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 2010 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.

Bunnings Warehouse Property Trust
**Independent Auditor's Review Report to the
Unitholders of Bunnings Warehouse Property Trust
(continued)**

For the half-year ended 31 December 2010

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 2010 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

D P McComish

Partner

Perth, 10 February 2011

Responsible Entity

Bunnings Property Management Limited

ABN 26 082 856 424

Level 11, Wesfarmers House
40 The Esplanade, PERTH WA 6000

Telephone: (08) 9327 4356

Facsimile: (08) 9327 4344

www.bwptrust.com.au

Directors and senior management

J A Austin	(Chairman)
B J H Denison	(Director)
R D Higgins	(Director)
P J Johnston	(Director)
P J Mansell	(Director)
G W Gernhoefer	(General Manager)
K A Lange	(Secretary)

Registry Manager

Computershare Investor Services Pty Limited

Level 2, 45 St Georges Terrace, PERTH WA 6000

Telephone: 1300 136 972 (within Australia)

Telephone: (+61 3) 9415 4323 (outside Australia)

Facsimile: 1800 783 447 (within Australia)

Facsimile: (+61 3) 9473 2555 (outside Australia)

www.computershare.com.au

Auditor

KPMG

235 St Georges Terrace, PERTH WA 6000

Investor information

Stock exchange listing

The Bunnings Warehouse Property Trust is listed on the Australian Securities Exchange and reported in the "Industrial" section in daily newspapers – code BWP.

Unitholder enquiries

Please contact the registry manager if you have any questions about your unitholding or distributions.

BUNNINGS WAREHOUSE PROPERTY TRUST HALF-YEAR REPORT 2010/11



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ISO 14001 Environmental Accreditation.

www.bwptrust.com.au