

## Update on funding

The Directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, provide the following update of debt funding arrangements for the Trust.

The Trust has debt facilities totalling \$380 million with four major Australian banks. The facilities are bank bill or cash advance facilities based on 90 day bank bills.

Negotiations have been finalised recently with Australia and New Zealand Banking Group (“ANZ”) to extend the existing \$100 million facility until 31 July 2010 and with National Australia Bank (“NAB”) for repricing of bank margins and fees on its \$100 million facility. Negotiations are continuing with Commonwealth Bank of Australia (“CBA”) regarding repricing and extending the existing \$100 million facility to 14 January 2011. These negotiations are expected to be completed in December 2008 or January 2009.

Details of BWP’s facilities are summarised in the table below. Bank margins and fees that will apply from review dates have increased significantly, consistent with broader credit market conditions. However, increases for the ANZ facility apply only from 1 February 2009 and increases for the NAB facility apply only from 1 April 2009.

Other than the ANZ facility, which is a fixed term facility, all other facilities are structured to provide for review and extension at least 12 months before expiry. This is to provide more certainty of funding, by providing significant lead time to extend existing facilities or arrange alternative funding if extension terms are not agreed.

As at 4 Dec 08	Limit (\$m)	Drawn (\$m)	Pricing Review	Expiry
<b>ANZ</b>	\$100	\$98.2	February 2009 <sup>1</sup>	July 2010
<b>CBA</b>	\$100	\$100.0	December 2009 <sup>2</sup>	January 2010
<b>NAB</b>	\$100	\$89.3	March 2009 <sup>3</sup>	Evergreen
<b>Westpac</b>	\$80	\$46.2	July 2009 <sup>4</sup>	July 2010
	<b>\$380</b>	<b>\$333.7</b>		

1 ANZ – pricing to apply from Feb 2009 to July 2010

2 CBA – review in December 2008/January 2009 to extend to January 2011 at bank’s option still progressing and a further review due in October 2009 to extend to 2012 at the bank’s option and subsequently on a rolling basis

3 NAB – pricing review in March 2009 to apply from 1 April 2010 to 31 March 2011 and subsequent March pricing reviews on a rolling basis

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

At 4 December 2008 borrowings under the facilities were \$333.7 million including the payment of \$24.1 million for the completed Hawthorn development in Victoria (refer to separate announcement of 4 December 2008). The Trust's gearing ratio (debt to total assets) including the Hawthorn development and the acquisition of the Bunnings Warehouse at Mt Gravatt, Queensland for \$11.2 million (refer to separate announcement of 4 December 2008) will be 35 per cent. This remains comfortably within the responsible entity's target gearing range of 20-40 per cent and well within banking covenant limits of 45 per cent.

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