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Acquisition: Blackburn, Victoria

The directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, announce the acquisition of a 4.1 hectare industrial property in Melbourne's eastern suburb of Blackburn, Victoria approximately 18 kilometres from the Melbourne CBD. The property is being acquired from a property syndicate for a purchase price of \$19.0 million on an initial passing yield of 7.5 per cent. Settlement is expected to take place mid January 2008.

Located at 15-33 Alfred Street, the property is just off Whitehorse Road's "Golden Mile" retail/ bulky goods strip, which includes the Trust's Nunawading Bunnings Warehouse.

The property features a fully leased industrial office/ warehouse facility constructed in the 1970's with a gross lettable area of 20,464 square metres, generating net annual rental income of approximately \$1.43 million. The major tenants, SleepMaster Pty Ltd (which owns the Jason and Onkaparinga brands) and Gainsborough Hardware Industries Limited (a subsidiary of ASX listed GWA International Limited) occupy 12,684 and 7,225 square metres respectively. Both major tenants have an option for a further five years following the expiry of their leases in 2012.

This acquisition secures a well located property which, with an area of over four hectares, is consistent with the average size property in the existing portfolio and offers longer-term redevelopment potential while generating sound rental income from its existing use.

The property will be funded from a new two-year evergreen \$100 million dollar cash advance facility with the Commonwealth Bank of Australia. The acquisition will take the Trust's total debt level to approximately \$287 million under facilities with a combined limit of \$380 million. Following the acquisition, the Trust's gearing level will be approximately 29 per cent (debt to total assets).

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