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ASX release

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PROPERTY TRANSACTIONS AND SPECIAL DISTRIBUTION

The directors of BWP Management Limited, the responsible entity for the BWP Trust ("the Trust"), today announced the acquisition of a Bunnings Warehouse and three bulky goods/retail showrooms at Browns Plains, Queensland. Separately, the Trust has executed a contract to sell the Bunnings Warehouse at Hoppers Crossing, Victoria and it is intended that part of the proceeds will be used to make a special distribution to unitholders of up to 1.17 cents per unit.

Browns Plains Acquisition

The Trust has acquired a Bunnings Warehouse and three bulky goods/retail showrooms in Browns Plains, Queensland. The purchase price of the property is $24.0 million (plus acquisition costs of approximately $1.4 million), which is supported by an independent valuation.

The subject property is situated on the corner of Browns Plains Road and Commerce Drive in Browns Plains, approximately 25 kilometres south of the Brisbane central business district. Surrounding development comprises existing bulky goods and retail properties such as the Village Square development, directly to the rear, and the nearby Grand Plaza Shopping Centre.

Covering approximately 4.7 hectares, the subject site comprises a total gross lettable area of 16,019 square metres with approximately 533 car parking spaces. A summary of the tenancies is provided in the following table.

Tenant	Gross lettable area (m^2)	Proportion of annual rental
Bunnings Group Limited	9,922*	57%
Spotlight	2,712	16%
The Good Guys	2,315	16%
Healthy Pharmacy	1,070	11%

*Covered trading area

The passing net annual rental income of the property is approximately $2.16 million, including scheduled annual rental escalations in April and May 2012[1]. The Bunnings Warehouse, The Good Guys and Healthy Pharmacy leases have scheduled annual rental escalations to the consumer price index in April and May 2012 and the Spotlight tenancy is due for a market rent review in October 2012, should it exercise its option in April 2012.

[1] Estimated rental escalations for April and May 2012 assume a 2.5 per cent annual consumer price index increase

The subject property currently has a weighted average lease expiry of approximately 1.7 years. While this is relatively low, the Trust's responsible entity considers that the re-leasing potential for the property is strong, due to the quality of the property and its prominent location as the gateway into the Village Square retail and bulky goods precinct at the rear, which includes other national and chain bulky goods retailers. Re-leasing activity will be a priority for the responsible entity following acquisition of the property.

Settlement of the acquisition is scheduled to occur on 5 April 2012. The acquisition will be funded from existing debt facilities and will be accretive to earnings from settlement. Contribution to earnings this half-year will be relatively modest and is unlikely to materially impact the Trust's forecast distribution of 13.3 cents per unit for the full-year ending 30 June 2012.

Hoppers Crossing Divestment

The Trust has entered into a contract to sell the Bunnings Warehouse at Hoppers Crossing, Victoria. The sale price of the property is $14.55 million, which reflects a capitalisation rate of 8.5 per cent on the passing income.

The property was offered for sale by expression of interest in a public campaign that closed on 15 March 2012, with strong interest in the property. The sale to a private investor is subject to the tenant, Bunnings Group Limited ("Bunnings"), not exercising its right of first refusal pursuant to the lease.

The property was acquired by the Trust in 1999/2000 for $8.0 million with an additional $0.2 million in capital expenditure since acquisition, taking the total capital cost of the property to $8.2 million. While the sale price is below the book value of $15.4 million at 31 December 2011 (due to market concerns regarding Bunnings' longer-term commitment to the site), the property will realise a capital profit of approximately $6.2 million and has achieved an internal rate of return of 13.5 per cent per annum since it was acquired.

Special Distribution

Settlement of the sale of the Hoppers Crossing property is scheduled to occur on 20 June 2012. The divestment is expected to allow for a capital distribution of up to 1.17 cents per unit, which will be made with the final distribution in August 2012. Further details for distribution and taxation purposes will be provided as part of the final distribution.

The balance of the net proceeds amounting to approximately $8.2 million will be reinvested in upgrades of existing properties or acquisitions.

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