

ASX release

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AGREEMENT TO ACQUIRE INTEREST IN DOMAIN CENTRAL HOME MAKER CENTRE, TOWNSVILLE, QUEENSLAND

The Directors of BWP Management Limited, the responsible entity for the BWP Trust ("BWP" or the "Trust"), today announced an agreement for the Trust to acquire a 50 per cent interest in the Domain Central homemaker centre in Townsville, Queensland for a purchase price of \$61.5 million. The purchase price is supported by an independent valuation of the property and reflects a capitalisation rate of 9.0 per cent.

Under the agreement, the current owner, which has extensive experience in owning and managing bulky goods properties, will retain a 50 per cent interest in the property and a company related to the current owner will continue to manage the property.

The agreement to acquire the property is subject to conditions precedent relating to refinancing by the current owner, the outcome of which is expected to be determined prior to the end of the 2011 calendar year. Settlement will take place shortly after the satisfaction of the conditions precedent and will be funded from the Trust's existing and new finance facilities.

The acquisition is forecast to be accretive to the Trust's earnings and distributions from settlement.

Information on Domain Central

The property, located approximately six kilometres south-west of the Townsville central business district, comprises a modern single level homemaker centre, constructed over several stages between 2005 and 2007. The gross lettable area of 48,797 square metres covers approximately 40 per cent of the 12.3 hectare site.

The centre has a weighted average lease expiry of 3.9 years and comprises 65 tenancies with retailers including JB Hi-Fi, Dick Smith, Freedom Furniture and Nick Scali. National and chain retailers account for approximately 88 per cent of the lettable area and approximately 90 per cent of these national and chain retailers are company owned, with the balance being franchised stores. The centre has less than one per cent vacancy.

Domain Central forms part of an integrated homemaker precinct, which includes a freestanding Bunnings Warehouse and Harvey Norman immediately adjoining the property, and a Spotlight and Anaconda homemaker complex situated directly opposite the property.

BWP Trust investment strategy

BWP's main aim is to provide unitholders with a secure and growing income stream and long-term capital growth. To achieve this objective, in addition to acquiring Bunnings Warehouses, BWP will consider appropriately priced quality non-Bunnings properties offering accretive yields.

Grant Gernhoefer, general manager of the Trust's responsible entity, stated: "Domain Central is precisely the type of non-Bunnings property that suits the Trust. We see prime bulky goods centres, such as Domain Central, as being a good fit with BWP's portfolio of Bunnings Warehouses, and providing greater exposure to bulky goods retailing, which tends to be increasingly co-located with Bunnings properties. Bulky goods and big-box formats, such as Bunnings Warehouses, can generally provide retailers with a lower occupancy cost base and a larger floor space than traditional retail centres and should provide greater flexibility to adapt to changes in retailing and consumer trends."



“While we will continue to consider other quality prime bulky goods or other big-box warehouse retailing properties, Bunnings Warehouse properties will remain our main focus and the core of BWP’s portfolio”, Mr Gernhoefer said. “We will maintain a disciplined approach to acquisitions and it is likely that the availability of the right quality and reasonably priced bulky goods and other big-box retailing properties will naturally limit the extent of non-Bunnings properties in the Trust’s portfolio. Even over time, if the right acquisition opportunities allow, the Board has determined that Bunnings properties will make up at least 80 per cent of the Trust’s rental income.”

Further details of the transaction will be provided on completion of the acquisition.

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