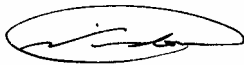


1 March 2006

Half-Year Report to 31 December 2005

Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust wishes to advise that the Half-Year Report to 31 December 2005 was mailed to Unitholders who have elected to receive reports.

A copy of the Half-Year Report to 31 December 2005 is attached to this announcement and will also be available on the Trust's website at www.bunningspropertytrust.com.au.



ANTHONY NIARDONE
COMPANY SECRETARY

Bunnings Warehouse Property Trust

half-yearly report

six months to 31 December 2005



The Trust's performance in the six month period to 31 December 2005 resulted in a 10.3 per cent increase in income to \$27.2 million and distributable income up 7.3 per cent to \$18.8 million in comparison with the previous corresponding period.

total land area =



Bunnings Warehouse Property Trust
ARSN 088 581 097
Responsible Entity
Bunnings Property Management Limited
ABN 26 082 856 424
Australian Financial Services Licence
No. 247830

149ha



Performance summary

The Bunnings Warehouse Property Trust is focused on warehouse retailing properties and, in particular, Bunnings Warehouses tenanted by Bunnings Group Limited, a wholly-owned subsidiary of Wesfarmers Limited.

total retail area =

		December 05	December 04
Financial performance			
Total income	(\$m)	27.2	24.6
Distributable income	(\$m)	18.8	17.5
Distribution per ordinary unit	(cents)	6.22	5.79
Tax advantaged component (estimate)	(%)	24.45	26.54
Total assets	(\$m)	702.5	627.6 ¹
Borrowings	(\$m)	195.8	163.8
Unitholders' equity	(\$m)	479.5	440.1 ¹
Gearing (debt to total assets)	(%)	27.9	26.1 ¹
Number of units on issue	(m)	301	301
Number of unitholders		12,320	12,114
Net tangible asset backing per unit	(\$)	1.59	1.46 ¹
Unit price at 30 June	(\$)	1.95	1.82
Management expense ratio (annualised)	(%)	0.67	0.67

¹ inclusive of International Financial Reporting Standard adjustment to previously disclosed accounts

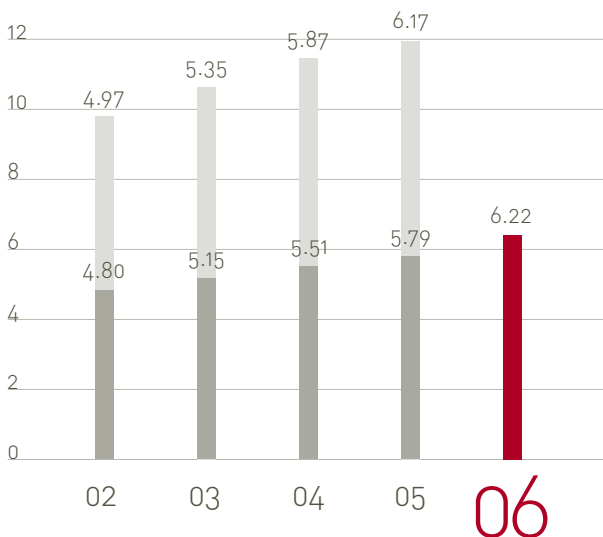
Bunnings Property Management Limited, the responsible entity for the Trust, is committed to maximising value for all unitholders by providing a secure, growing income stream and capital growth.

624,116m²

Final Interim

Distribution

cents per unit



Highlights

Distribution of 6.22 cents per ordinary unit – up 7.4 per cent on December 2004

Acquisition of an ex Hardwarehouse property from Wesfarmers Limited

Completion of a new Bunnings Warehouse store and a property upgrade



Solid gains from
revaluations

Net tangible
asset backing
per unit of \$1.59
at 31 December
2005



Property portfolio

total properties =

PROPERTY	LAND AREA ha	TOTAL RETAIL AREA sq.m	ANNUAL RENTAL \$'000
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As at 31 December 2005

Western Australia

Albany	2.0	13,843	514
Balcatta	4.3	24,932	1,370
Bibra Lake	3.2	17,124	1,098
Geraldton	3.3	16,337	759
Joondalup	2.5	13,358	951
Mandurah	2.5	12,062	806
Midland	2.4	14,437	967
Mindarie	3.1	14,612	998
Morley	1.8	9,877	860
Rockingham	3.3	17,179	1,120
Total	28.4	153,761	9,443

Australian Capital Territory

Fyshwick	1.8	6,400	974
Tuggeranong	2.8	11,941	1,151
Total	4.6	18,341	2,125

Queensland¹

Burleigh Heads	3.3	12,522	1,169
Cairns	2.4	10,601	962
Cannon Hill	2.8	12,676	1,154
Cannon Hill Distribution Centre	0.7	4,181 ²	328
Hemmant Distribution Centre	3.5	11,250 ²	1,232
Hervey Bay	3.5	11,070	871
Morayfield	2.7	10,581	950
Rocklea	3.2	12,516	1,331
Southport	3.5	12,431	1,158
Underwood	2.9	12,245	1,074
Total	28.5	110,073	10,229

South Australia

Mile End	3.3	15,121	1,278
Noarlunga	2.7	11,845	840
Total	6.0	26,966	2,118

52

PROPERTY	LAND AREA ha	TOTAL RETAIL AREA sq.m	ANNUAL RENTAL \$'000
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As at 31 December 2005

New South Wales

Artarmon	0.7	5,945	1,231
Belrose	2.5	10,228	1,515
Coffs Harbour	2.5	11,905	679
Lismore	2.1	9,942	680
Maitland	3.1	12,798	988
Minchinbury	3.1	12,048	1,324
Port Macquarie	2.0	8,801	714
Thornleigh	1.2	5,301	1,024
Wollongong	2.7	12,559	1,074
Total	19.9	89,527	9,229

Victoria

Altona	2.4	9,254	910
Bayswater	4.9	15,193	1,376
Broadmeadows	1.7	10,435	902
Croydon	2.5	10,146	914
Dandenong	2.7	12,390	1,035
Epping	3.1	12,078	940
Fountain Gate	3.2	12,624	1,119
Frankston	3.8	13,795	1,697
Hoppers Crossing	2.7	11,170	995
Maribyrnong ³	3.4	N/A	N/A
Mentone	2.5	11,814	1,040
Mornington	4.1	13,183	1,236
Northland	3.3	12,027	1,289
Nunawading	3.3	14,766	1,683
Oakleigh South	4.4	15,157	1,563
Sandown	3.1	12,180	856
Scoresby	3.4	11,938	1,050
Sunshine	2.0	10,664	773
Vermont South	5.3	16,634	1,750
Total	61.8	225,448	21,128

Grand Total	149.2	624,116	54,272
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¹ Queensland land tax is payable from rent received² gross lettable area³ development site

Report to unitholders

distribution growth for 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 2005 and a brief overview of the activities of the Trust.

Activities during the period included the acquisition of an established Bunnings Warehouse property, the completion of a new development as well as a property upgrade, a positive market rent review result and strong upward revaluation results across the portfolio.

These activities produced strong financial results.

Financial results

Total income for the period was \$27.2 million, up by 10.3 per cent from last year's \$24.6 million due to the additional income received from additions to the property portfolio, the programmed rental escalation of a number of properties in the portfolio, and the market rent review result.

The Trust reported a distributable income of \$18.8 million for the half-year, an increase of 7.3 per cent on the distributable income of \$17.5 million in the comparative period last year.

Finance costs of \$5.9 million were 20.5 per cent higher than the comparative six months due to an increased level of debt.

The management expense ratio, which is based on annualised expenses other than borrowing costs, in the period to 31 December 2005 was in line with the period ended 30 June 2005.

Interim distribution

An interim distribution of 6.22 cents per ordinary unit has been declared. This exceeds the 5.79 cents per unit in the previous comparative period and the forecast of 6.19 cents per unit released to the Australian Stock Exchange in December 2005.

Interim distributions will be made on 1 March 2006 to unitholders on the Trust's register as at 5.00 pm on 30 December 2005.

The estimated tax advantaged component of the distribution is 24.45 per cent.

Property acquisitions and developments

During the half-year, the Trust purchased an established Bunnings Warehouse property at Morley in Perth from a subsidiary of Wesfarmers Limited. This property was formerly a BBC Hardwarehouse.

The Trust also completed a Bunnings Warehouse development at Vermont South, in Victoria and completed an upgrade to the Trust property at Northland in Victoria.

Capital expenditure on the portfolio during the half-year amounted to \$30.2 million.

The property investments made are consistent with the responsible entity's strategy of acquiring properties with long term leases to substantial tenants, ensuring that the properties are well located and the portfolio is geographically diversified, and adding value to Trust properties. At 31 December 2005 the average lease expiry term of the portfolio was 9.4 years.

Market rent review

During the period a market rent review was completed on the Rockingham property, in Western Australia, by an independent valuer appointed by the Trust and the lessee.

The determined rent represented a 17.2 per cent uplift on the passing rent.

Revaluations

During the half-year the entire Trust portfolio was revalued in accordance with newly introduced Australian Equivalents to International Financial Reporting Standards (AIFRS).

In accordance with AIFRS, the portion of the revaluation gain attributable to the six month period ended 31 December 2005,

\$15.8 million, is recorded as a gain on the Income and Distribution Statement. However, and in accordance with a resolution passed by unitholders in December 2005, such unrealised gains will not be distributed to unitholders.

Financial position

As at 31 December 2005 the Trust's total assets had grown to \$702.5 million with unitholders' equity of \$479.5 million and total liabilities of \$222.9 million.

The Trust's gearing ratio (debt to total assets) at 31 December 2005 was 27.9 per cent, and within the preferred range of 20 to 40 per cent.

Unitholder return

The Trust's unit price at 31 December 2005 was \$1.95, up from \$1.82 at the same time last year.

The Trust provided unitholders with a total return, comprising capital appreciation and distributions, of 14.1 per cent in the 2005 calendar year, which exceeded the S&P/ASX 200 Property Accumulation Index total return of 12.5 per cent.

Interest rate management

The Trust has a policy of hedging the majority of its borrowings against interest rate movements to ensure stability of distributions. The responsible entity continues to actively manage the Trust's exposure to interest rates, taking additional cover to meet debt related commitments.

At 31 December 2005, the Trust's hedging cover was \$177.0 million against interest bearing debt of \$195.8 million.

The average interest rate paid on debt excluding margins for the six month period was 5.7 per cent, which was in line with that for the comparative period last year.

Board and management changes

In September 2005 Peter Johnston was appointed as a director of the Board replacing Gene Tilbrook following Gene's appointment as Finance Director of Wesfarmers Limited. The Board records its appreciation of the valuable contribution made by Gene during his time on the Board.

In January 2006, Grant Gernhoefer was appointed General Manager of Bunnings Property Management Limited following the appointment of Andrew Hopkins to a senior management position in the Wesfarmers Group. The Board records its appreciation of the valuable contribution made by Andrew in his capacity as General Manager since April 2002.

Outlook

Growth in revenue and earnings is expected as a result of more properties being added to the portfolio, improvements made to existing properties and programmed rental escalation.

The ongoing expansion of the Bunnings hardware business is expected to continue to provide the Trust with investment opportunities.

The Trust will also continue to explore the acquisition of Bunnings Warehouse properties owned by Wesfarmers Limited, as well as Bunnings Warehouse properties owned by parties not related to Wesfarmers Limited.

Internet site

The Bunnings Warehouse Property Trust internet site, www.bunningspropertytrust.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 Stock Exchange covering matters of relevance to investors.

Distribution Reinvestment Plan

In view of the gearing level of the Trust the directors have resolved to keep the Distribution Reinvestment Plan suspended until further notice.

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

For Bunnings Property Management Limited.



Bill Cairns
CHAIRMAN



Grant Gernhoefer
GENERAL MANAGER

13 February 2006



Condensed income and distribution statement

For the half-year ended 31 December

	December 05 \$000	December 04 \$000
Continuing operations		
Revenue		
Rental income	26,575	23,742
Other property income	533	842
Interest income	61	38
	<u>27,169</u>	<u>24,622</u>
Unrealised gain in fair value of investment properties	15,807	19,739
Responsible entity's fees	(1,896)	(1,729)
Other operating expenses	(588)	(523)
	<u>40,492</u>	<u>42,109</u>
Finance costs	(5,897)	(4,894)
	<u>34,595</u>	<u>37,215</u>
Net profit from continuing operations attributable to unitholders of the Bunnings Warehouse Property Trust	34,595	37,215
Statement of distribution		
Net profit attributable to unitholders of the Bunnings Warehouse Property Trust	34,595	37,215
Undistributed income at the beginning of the financial period	133,964	90,087
	<u>168,559</u>	<u>127,302</u>
Distribution paid or payable	(18,749)	(17,453)
Undistributed income at the end of the financial period	149,810	109,849
Basic and diluted earnings (cents per unit) for the half-year	11.5	12.3
Interim distribution (cents per unit) for the half-year	6.22	5.79

The condensed income and distribution statement should be read in conjunction with the accompanying notes.

Condensed balance sheet

	December 05 \$000	June 05 \$000	December 04 \$000
Current assets			
Cash and cash equivalents	5,728	5,752	5,014
Other	591	977	583
Total current assets	6,319	6,729	5,597
Non-current assets			
Investment properties	695,300	650,100	622,000
Receivables	850	-	-
Total non-current assets	696,150	650,100	622,000
Total assets	702,469	656,829	627,597
Current liabilities			
Payables	7,826	7,013	6,180
Derivative financial instruments	532	-	-
Distribution payable	18,749	18,599	17,453
Total current liabilities	27,107	25,612	23,633
Non-current liabilities			
Payables	-	75	75
Interest bearing borrowings	195,818	166,945	163,807
Total non-current liabilities	195,818	167,020	163,882
Total liabilities	222,925	192,632	187,515
Net assets	479,544	464,197	440,082
Unitholders' equity			
Issued capital	330,233	330,233	330,233
Hedging reserve	(499)	-	-
Undistributed income	149,810	133,964	109,849
Total unitholders' equity	479,544	464,197	440,082
Net tangible asset backing per unit	\$1.59	\$1.54	\$1.46

The condensed balance sheet should be read in conjunction with the accompanying notes.

Condensed cash flow statement

For the half-year ended 31 December

	December 05 \$000	December 04 \$000
Cash flows from operating activities		
Rent received	28,681	27,560
Payments to suppliers	(857)	(3,367)
Payments to the responsible entity	(1,996)	(1,656)
Interest received	61	38
Finance costs	(6,106)	(5,108)
Net cash flows from operating activities	19,783	17,467
Cash flows from investing activities		
Payments for purchase of, and additions to, the Trust's property investments	(30,208)	(19,075)
Net cash flows used in investing activities	(30,208)	(19,075)
Cash flows from financing activities		
Proceeds of borrowings	29,000	8,587
Distribution paid	(18,599)	(7,331)
Net cash flows from financing activities	10,401	1,256
Net decrease in cash equivalents	(24)	(352)
Cash and cash equivalents at beginning of period	5,752	5,366
Cash and cash equivalents at end of period	5,728	5,014

The condensed cash flow statement should be read in conjunction with the accompanying notes.

Condensed statement of changes in equity

For the half-year ended 31 December

	Issued Capital	Undistributed Income	Other Reserves	Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2004 under AGAAP	320,249	1	75,079	395,329
AIFRS transition adjustments	-	90,086	(75,079)	15,007
Balance at 1 July 2004 under AIFRS	320,249	90,087	-	410,336
Total income and expense for the period recognised directly in equity	-	-	-	-
Net profit for the period	-	37,215	-	37,215
Total income/expense for the period	-	37,215	-	37,215
Distribution reinvestment	9,984	-	-	9,984
Equity distributions	-	(17,453)	-	(17,453)
Balance at 31 December 2004	330,233	109,849	-	440,082
Balance at 1 July 2005 under AGAAP	330,233	16	104,335	434,583
AIFRS transition adjustments	-	133,948	(105,539)	28,410
Balance at 1 July 2005 under AIFRS	330,233	133,964	(1,204)	462,993
Total income and expense for the period recognised directly in equity				
- Movement in hedge derivatives	-	-	705	705
Net profit for the period	-	34,595	-	34,595
Total income/expense for the period	-	34,595	705	35,300
Equity distributions	-	(18,749)	-	(18,749)
Balance at 31 December 2005	330,233	149,810	(499)	479,544

The condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the half-year financial statements

1. Basis of preparation of the half-year financial report

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Bunnings Warehouse Property Trust (the Trust) as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of the Trust as at 30 June 2005, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 (AGAAP).

It is also recommended that the half-year financial report be considered together with any public announcements made by the Trust during the half-year ended 31 December 2005 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Constitution of the Trust, the Corporations Act 2001, applicable Accounting Standards including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for investment properties and derivative financial instruments that have been measured at fair value.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Statement of compliance

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with IAS 34 Interim Financial Reporting.

This is the first half-year financial report based on AIFRS and comparatives for the half-year ended 31 December 2004 and full-year ended 30 June 2005 have been restated accordingly. A summary of the significant accounting policies of the Trust under AIFRS are disclosed in Note 1 (c) below.

Reconciliations of AIFRS equity as at 1 July 2004, 31 December 2004 and 30 June 2005; and AIFRS profit for the half-year 31 December 2004 and full-year 30 June 2005, to the balances reported in the 31 December 2004 half-year report, and the 30 June 2005 full-year financial report prepared under AGAAP are detailed in Note 1 (e) below.

Notes to the half-year financial statements

(c) Summary of significant accounting policies

(i) Finance costs

Finance costs are recognised as an expense when incurred with the exception of interest charges on funds invested in properties with substantial development and construction phases which are capitalised to the property until such times as the construction work is complete.

(ii) Investment properties

Initially, investment properties are measured at cost including transaction costs.

Expenditure capitalised to properties includes the cost of acquisition, capital and refurbishment additions, and during development includes rates, taxes, financing charges and related professional fees incurred, net of sundry income. Leasing fees incurred in relation to the on-going renewal of major tenancies are deferred and amortised over the lease period to which they relate.

Subsequent to initial recognition investment properties are stated at fair value.

Gains or losses arising from changes in the fair values of investment properties are included in the Income and Distribution Statement in the period in which they arise.

Where assets have been revalued, the potential effect of the capital gains tax (CGT) on disposal has not been taken into account in the determination of the revalued carrying amount because the Trust does not expect to be ultimately liable for CGT in respect of the sale of assets.

(iii) Cash and cash equivalents

Cash in the Balance Sheet comprises cash at bank and in hand.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(iv) Interest-bearing borrowings

Bank overdraft

Any bank overdraft is carried at its principal amount subject to set-off arrangements. Interest is charged on a monthly basis as an expense at the banks' benchmark rate as it accrues.

Bank loans

Bank loans are carried at their principal amount less any unexpired discount for bank bills. These loans are generally borrowed for short terms under long term facilities. These loans are allocated between current and non-current based on the

Notes to the half-year financial statements

repayment period for the facilities. Interest is charged as an expense at short term commercial rates as it accrues.

(v) Payables

Liabilities are recognised for amounts to be paid in future for goods and services received, whether or not billed to the Trust. These liabilities are normally settled on 30 day terms.

(vi) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rental and other property income

Rental and other property income is recognised as income when receivable under the terms of the rental agreement.

Interest

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(vii) Taxation

Under current Australian income tax legislation, the Trust is not liable for income tax provided that its taxable income (including any realised capital gains) is fully distributed to unitholders each year.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the half-year financial statements

(viii) Derivative financial instruments

The Trust uses interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are stated at fair value. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or a liability or a forecasted transaction.

In relation to cash flow hedges (interest rate swaps) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity as a hedging reserve and any ineffective portion is recognised in the Income and Distribution Statement.

The Trust manages its financial derivatives (interest rate swaps) to ensure they meet the requirements of a cash flow hedge.

(ix) Earnings per unit

Basic earnings per unit is calculated as the net profit attributable to unitholders adjusted to exclude costs of servicing equity (other than distributions), divided by the weighted average number of units, adjusted for any bonus element.

The diluted earnings per unit is not materially different from the basic earnings per unit.

(x) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreements so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum rental revenues of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased items, are included in the determination of the net profit in equal instalments over the lease term.

(xi) Rounding

The amounts contained in this report are rounded to the nearest thousand dollars under the option available to the company under ASIC Class Order 98/100.

Notes to the half-year financial statements

(d) AASB 1 Transitional exemptions

The Trust has made its election in relation to the transitional exemptions allowed by AASB 1 First-time Adoption of Australian Equivalents to International Reporting Standards as follows:

Exemption from the requirement to restate comparative information for AASB 132 and AASB 139

The Trust has elected to adopt this exemption and has not applied AASB 132 Financial Instruments: Presentation and Disclosure and AASB 139 Financial Instruments: Recognition and Measurement to its comparative information.

(e) Impact of adoption of AIFRS

The impacts of adopting AIFRS on the total equity and net profit as reported under Australian Accounting Standards applicable before 1 January 2005 (AGAAP) are illustrated below.

Reconciliation of total equity as presented under AGAAP to that under AIFRS

		1 July 2005	30 June 2005	31 Dec 2004	1 July 2004
	Note	\$000	\$000	\$000	\$000
Total equity under AGAAP		434,583	434,583	408,458	395,329
Deferred expenditure recognised	(i)	(52)	(52)	(36)	(31)
Unrealised gain in fair value of investment properties	(ii)	29,666	29,666	31,660	15,038
Fair value of hedge derivatives	(iii)	(1,204)	-	-	-
Total equity under AIFRS		<u>462,993</u>	<u>464,197</u>	<u>440,082</u>	<u>410,336</u>

Reconciliation of net profit under AGAAP to that under AIFRS

		Year ended 30 June 2005	Half-year ended 31 December 2004
	Note	\$000	\$000
Net profit under AGAAP		36,067	17,481
Deferred expenditure recognised	(i)	(21)	(5)
Unrealised gain in fair value of investment properties	(ii)	43,884	19,739
Net profit under AIFRS		<u>79,930</u>	<u>37,215</u>

Notes to the half-year financial statements

- (i) Under AGAAP, expenditure incurred in relation to the potential purchase of property was carried forward and written off over the period to which the benefit of the expenditure related.

Under AIFRS (AASB 138 Intangible Assets) research costs are expensed immediately. This change results in research costs being recognised when incurred in the Income and Distribution Statement.

- (ii) Under AGAAP, investment properties were independently valued at least every three years with revaluation increments being taken to an asset revaluation reserve and revaluation decrements recognised as an expense in the Income and Distribution Statement to the extent that they were not a reversal of a prior revaluation decrement. The carrying value of remaining properties not independently valued during the current period were assessed by the directors of the responsible entity, and where fair values materially differed from carrying values, those values were adjusted to their fair value. Materiality, in this case, was assessed purely on a balance sheet basis, as the revaluation of properties did not impact the Income and Distribution Statement.

Under AIFRS (AASB 140 Investment Properties) the fair value of investment properties reflects market conditions at reporting date, and changes in fair value are recognised in the Income and Distribution Statement. Materiality for these purposes is assessed on both a balance sheet and income statement basis and has given rise to transition adjustments to undistributed income and investment properties.

- (iii) Under AIFRS (AASB 139 Financial Instruments) the Trust's interest rate swap contracts qualify for hedge accounting as cash flow hedges, with the fair value adjustments reflected in the hedge reserve and the related receivable or payable recognised as an asset or liability.

Notes to the half-year financial statements

	December 05 \$000	December 04 \$000
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2. Non cash financing activities

Unit capital issues

Distribution Reinvestment Plan	-	9,984
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3. Issued capital

Issued and fully paid ordinary capital

There was no movement in ordinary units on issue during the current period.

4. Contingent liabilities

There have been no major changes since the last annual reporting date.

5. Segment reporting

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

6. Events after the balance sheet date

On 2 February 2006 the Trust committed to a seven year lease of a 1,378 square metre tenancy for a Clark Rubber outlet at the recently completed showroom complex adjoining the Bunnings Warehouse at Bayswater, Victoria. Negotiations continue with national retailers for the remaining 1,106 square metre tenancy.

On 3 February 2006 the Trust purchased a 1.0 hectare parcel of land adjacent to the Trust - owned property at Fyshwick, in the Australian Capital Territory, for \$3.5 million.

Directors' report

In accordance with the Corporations Act 2001, Bunnings Property Management Limited (ABN 26 082 856 424), as responsible entity for the Bunnings Warehouse Property Trust (the Trust), provides this report for the half-year ended 31 December 2005.

Directors

The names of directors of the responsible entity in office during the half-year and until the date of this report are:

J A Austin (Director)

W H Cairns (Chairman)

P J Johnston (Director) (appointed 15 September 2005)

P J Mansell (Director)

G T Tilbrook (Director) (resigned 14 September 2005)

Review and results of operations

	December 05 \$000	December 04 \$000
Net profit	34,595	37,215
Distributable income	18,752	17,482

The interim distribution is 6.22 cents per ordinary unit (last year 5.79 cents). This interim distribution will be made on 1 March 2006.

Auditor's Independence Declaration

The directors received the following declaration from the external auditor:



The Ernst & Young Building

 Tel 61 8 9429 2222
 11 Mounts Bay Road Fax 61 8 9429 2436
 Perth WA 6000
 Australia
 GPO Box M939
 Perth WA 6843

Auditor's Independence Declaration to the Directors of Bunnings Property Management Limited

In relation to our review of the financial report of Bunnings Warehouse Property Trust for the half-year ended 31 December 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Perth, 13 February 2006

G H Meyerowitz
Partner

Directors' report

Rounding

The amounts contained in the half-year financial report have been rounded to the nearest thousand dollars under the option available to the Trust under ASIC Class Order 98/0100.

Signed in accordance with a resolution of the directors.

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

WH Cairns

Chairman

Perth, 13 February 2006

Directors' declaration

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 2005 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.



WH Cairns

Chairman

Perth, 13 February 2006

Independent review report

Independent review report to unitholders of Bunnings Warehouse Property Trust

Scope

The financial report and directors' of Bunnings Property Management Limited responsibility

The financial report comprises the balance sheet, income and distribution statement, cash flow statement, statement of changes in equity and accompanying notes to the financial statements, the other information set out in Appendix 4D to the Australian Stock Exchange (ASX) Listing Rules, and the directors' declaration for Bunnings Warehouse Property Trust (the Trust), for the half-year ended 31 December 2005.

The directors of Bunnings Property Management Limited (the Responsible Entity) are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the Trust, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001, and the ASX Listing Rules as they relate to Appendix 4D. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the unitholders of the Trust, and in order for the Trust to lodge the financial report with the ASX and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, and the ASX Listing Rules as they relate to Appendix 4D, so as to present a view which is consistent with our understanding of the Trust's financial position, and of its performance as represented by the results of its operations and cash flows.

Independent review report

A review is limited primarily to inquiries of Bunnings Property Management Limited personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the Trust, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of Bunnings Property Management Limited a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Bunnings Warehouse Property Trust is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of Bunnings Warehouse Property Trust at 31 December 2005 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia and the ASX Listing Rules as they relate to Appendix 4D.



Ernst & Young

Perth, 13 February 2006



G H Meyerowitz
Partner



BUNN
warehouse

A vertical photograph of a roller coaster. The top half shows a bright blue sky with large, white, fluffy clouds. Below the sky is a dark green, vertically-ribbed wall. The bottom half of the image shows the silver metal tracks of a roller coaster, with a red roller coaster car in the foreground. The text 'INGS' is printed in large white letters on the green wall, and 'ouse' is printed in white on a red rectangular background below it.

INGS

ouse

visit us at

www.bunningspropertytrust.com.au

Directory

Responsible entity

Bunnings Property
Management Limited
ABN 26 082 856 424

Level 11, Wesfarmers House
40 The Esplanade
Perth WA 6000

Telephone: (08) 9327 4417
Facsimile: (08) 9327 4344
www.bunningspropertytrust.com.au

Directors and senior management

W H Cairns (Chairman)
J A Austin (Director)
P J Mansell (Director)
P J Johnston (Director)
G W Gernhoefer (General Manager)
A M Niardone (Secretary)

Registry manager

Computershare Investor
Services Pty Limited
Level 2, 45 St George's Terrace
Perth WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033
www.computershare.com.au

Auditor

Ernst & Young
The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

Stock exchange listing

Units are quoted on the Australian
Stock Exchange and reported in
the "Industrial" section in daily
newspapers – code BWP.

Unitholder enquiries

Enquiries related to holding
statements, payment directions
and notification of tax file number
or change of address should be
directed to the Registry.

All other enquiries should be
directed to the responsible entity.