



ARSN 088 581 097

26 February 2010

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## 2009-10 Half-Year Report

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Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust wishes to advise that the 2009-10 Half-Year Report will be available on 26 February 2010 and will be forwarded to Unitholders who have elected to receive a Half-Year Report.

A copy of the 2009-10 Half-Year Report is attached to this announcement and will also be available on the Trust's website at [www.bwptrust.com.au](http://www.bwptrust.com.au).

A handwritten signature in black ink, appearing to read "Karen Lange".

KAREN LANGE  
Company Secretary

A S X A N N O U N C E M E N T



BUNNINGS WAREHOUSE PROPERTY TRUST  
**HALF-YEAR REPORT 2009/10**  
SIX MONTHS TO 31 DECEMBER 2009

The Bunnings Warehouse Property Trust aims to provide unitholders with a secure, growing income stream and long-term capital growth through acquiring, developing and managing property, predominantly for use in the bulky goods retail sector.



[www.bwptrust.com.au](http://www.bwptrust.com.au)

**Bunnings Warehouse Property Trust**  
ARSN 088 581 097

**Responsible Entity**  
**Bunnings Property Management Limited**  
ABN 26 082 856 424

**Australian Financial Services License**  
No. 247830

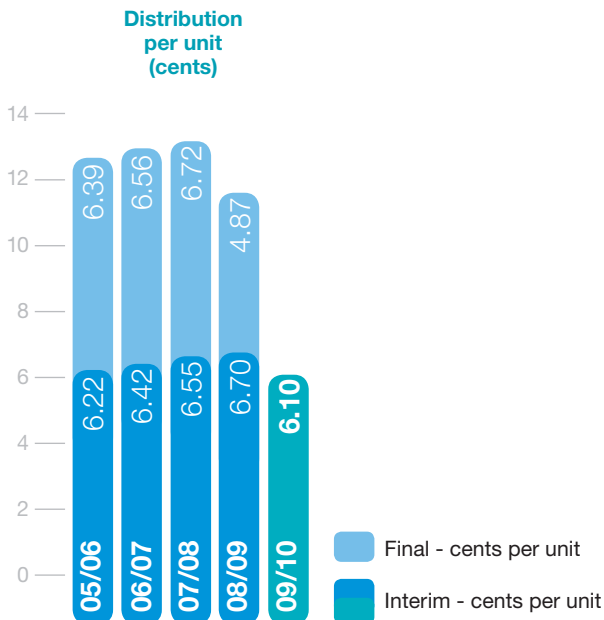


### **Croydon, Victoria**

One of eleven properties independently revalued during the half-year.

## HALF-YEAR HIGHLIGHTS

- Income of \$39.0 million for the six months – up 11.0 per cent on the previous corresponding period
- Distributable profit of \$25.3 million for the six months – up 23.4 per cent on the previous corresponding period
- Interim distribution of 6.10 cents per unit – down 9.0 per cent on the previous corresponding period due to the increase in the number of issued units
- Portfolio value \$972.2 million – up by \$16.7 million from 30 June 2009 following a net revaluation gain of \$15.9 million and capital expenditure of \$0.8 million for the six months
- Gearing (debt/total assets) 19.2 per cent at 31 December 2009 (2008: 35.5 per cent)
- Covenant gearing (debt and non-current liabilities/total assets) 19.5 per cent (2008: 37.3 per cent)



# FINANCIAL & MARKET PERFORMANCE

## Financial performance

Half-year ended 31 December		2009	2008
Total income	\$m	39.0	35.1
Net profit/(loss), including net unrealised (gain)/loss in fair value of investment properties	\$m	41.1	(23.4)
Net unrealised (gain)/loss in fair value of investment properties	\$m	(15.9)	43.9
Distributable profit for the period	\$m	25.3 <sup>1</sup>	20.5
Distribution per ordinary unit	cents	6.10	6.70
Tax advantaged component (estimated)	%	26.63	26.39
Total assets	\$m	986.7	968.3
Borrowings	\$m	189.8	344.2
Unitholders' equity	\$m	758.7	574.8
Gearing (debt to total assets)	%	19.2	35.5
Number of units on issue	m	414	306
Number of unitholders		12,725	12,275
Net tangible asset backing per unit	\$	1.83	1.88
Unit price at 31 December	\$	1.86	1.65
Management expense ratio (annualised)	%	0.70	0.68

<sup>1</sup> adjusted for rounding

## Market performance

The Trust delivered an 18.0 per cent total return for the six months to 31 December 2009, compared with 23.9 per cent for the broader listed property market, represented by the benchmark S&P/ASX 200 A-REIT index<sup>1</sup>.

However, the Trust outperformed the broader listed property market for total returns over one, three, five and ten year periods, as shown in the following table:

### Total returns<sup>2</sup> compared to market<sup>1</sup>

Periods ended 31 Dec 2009	1 year (%)	3 years (%) <sup>3</sup>	5 years (%) <sup>3</sup>	10 years (%) <sup>3</sup>
BWP	24.2	2.5	7.7	14.1
S&P / ASX 200 A-REIT Accumulation index	7.9	-23.1	-7.3	4.0

<sup>1</sup> Source: UBS Australia

<sup>2</sup> Total returns include movement in security price and dividends/distributions (which are assumed to be reinvested)

<sup>3</sup> Annual compound returns

# OUR PROPERTY PORTFOLIO

As at 31 December 2009

	Land area	Gross lettable area <sup>1</sup>	Annual rental
	ha	sq.m	\$000
<b>Western Australia</b>			
Albany	2.0	13,660	570
Balcatta	4.3	25,439	1,704
Bibra Lake	3.2	13,977	1,217
Canning Vale (Blackwoods)	1.4	6,945	576
Geraldton	3.3	17,809	899
Geraldton Showrooms	1.2	1,511	208
Joondalup	2.5	13,358	1,217
Mandurah	2.5	12,097	1,263
Midland	2.4	13,694	1,337
Mindarie	3.1	14,479	1,293
Morley	1.8	9,852	1,016
Rockingham	3.3	17,179	1,262
<b>Total</b>	<b>31.0</b>	<b>160,000</b>	<b>12,564</b>
<b>Victoria</b>			
Altona <sup>2</sup>	3.4	9,254	1,009
Bayswater	4.9	15,193	1,501
Bayswater showrooms		2,484	394
Blackburn (Industrial)	4.1	20,420	1,535
Broadmeadows <sup>3</sup>	1.8	10,435	1,075
Croydon	3.8	13,292	1,515
Dandenong	3.1	12,313	1,262
Epping	3.1	12,027	1,070
Fountain Gate	3.2	12,624	1,281
Frankston	3.7	13,843	1,837
Hawthorn	0.8	7,462	2,768
Hoppers Crossing	2.7	11,170	1,127
Maribyrnong <sup>4</sup>	3.4		
Mentone	2.5	11,814	1,390
Mornington	4.0	13,324	1,374
Northland	3.3	12,027	1,453
Nunawading <sup>5</sup>	3.4	14,766	1,927
Oakleigh South	4.4	16,949	1,724
Sandown	3.1	12,180	1,025
Scoresby	3.4	11,938	1,190
Sunshine	2.0	9,958	918
Vermont South <sup>6</sup>	5.2	16,634	1,959
<b>Total</b>	<b>69.3</b>	<b>260,107</b>	<b>29,340</b>

As at 31 December 2009

	Land area ha	Gross lettable area <sup>1</sup> sq.m	Annual rental \$000
<b>Australian Capital Territory</b>			
Fyshwick <sup>7</sup>	2.8	6,648	1,083
Tuggeranong	2.8	11,857	1,408
<b>Total</b>	<b>5.6</b>	<b>18,505</b>	<b>2,491</b>
<b>South Australia</b>			
Mile End	3.3	14,786	1,646
Noarlunga	2.6	15,054	1,280
Regency Park (Blackwoods)	1.1	4,682	395
<b>Total</b>	<b>7.0</b>	<b>34,522</b>	<b>3,322</b>
<b>New South Wales</b>			
Artamon	0.7	5,746	1,465
Belmont North	4.0	12,640	826
Belrose	2.5	8,888	1,851
Blacktown (Blackwoods)	1.3	8,346	747
Coffs Harbour	2.5	8,657	795
Lismore	2.1	10,076	843
Maitland	3.7	12,797	1,160
Minchinbury	3.1	12,048	1,402
Port Macquarie	2.0	8,801	812
Thornleigh	1.2	5,301	1,128
Villawood	2.6	10,886	1,372
Wollongong	2.7	10,811	1,262
<b>Total</b>	<b>28.4</b>	<b>114,997</b>	<b>13,665</b>
<b>Queensland</b>			
Burleigh Heads	3.3	12,428	1,426
Cairns	2.4	12,917	1,169
Cannon Hill	3.6	16,470	1,905
Hemmant Distribution Centre	3.5	21,523	2,058
Hervey Bay	3.0	11,824	1,063
Morayfield	3.1	12,507	1,416
Mount Gravatt	2.7	11,824	1,003
Rocklea	3.1	12,671	1,433
Southport	3.5	12,431	1,403
Underwood	2.9	12,245	1,319
<b>Total</b>	<b>31.1</b>	<b>136,840</b>	<b>14,196</b>
<b>Grand Total</b>	<b>172.4</b>	<b>724,971</b>	<b>75,578</b>

Note: totals and grand total adjusted for rounding

<sup>1</sup> total retail area of the Bunnings Warehouse

<sup>2</sup> includes additional land (1.0 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$221,636 per annum

<sup>3</sup> includes additional land (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$20,194 per annum

<sup>4</sup> development site for which Bunnings Group Limited pays the Trust an access fee of \$602,482 per annum

<sup>5</sup> includes adjoining properties (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$126,935 per annum

<sup>6</sup> includes land (0.4 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$68,000 per annum

<sup>7</sup> includes adjoining property (1.0 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$301,020 per annum



## Altona, Victoria

One of eleven properties independently revalued during the half-year.





# REPORT TO 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 2009 and a brief overview of the activities of the Trust.

Activities during the period included minor improvements to existing properties, completion of one market rent review, the revaluation of the fair value of the portfolio and agreement by one bank to extend its existing \$100 million bank bill facility to July 2013.

## Financial results

Total income for the period was \$39.0 million - an increase of 11.0 per cent over the comparative period last year. The increase in income was mainly due to growth of the property portfolio during or since the comparative period, from rent reviews, acquisitions and improvements to investment properties.

Finance costs of \$9.3 million were 12.4 per cent lower than the comparative six months due to the average level of debt being 35.8 per cent lower than the corresponding period (\$200.9 million compared with \$312.8 million). The weighted average cost of borrowings for the half-year (finance costs/average borrowings) was 9.22 per cent, compared with 6.76 per cent in the corresponding period, as a result of significantly higher bank fees and margins (refer also to the Finance section).

For the half-year the Trust reported a distributable profit of \$25.3 million, an increase of 23.4 per cent on the distributable profit in the comparative period last year. The distributable profit excludes the unrealised net gain of \$15.9 million on the revaluations of the fair value of the portfolio (see Revaluations section).

The management expense ratio for the 12 months to 31 December 2009 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.70 per cent, compared with 0.68 per cent for the corresponding period.

## Interim distribution

An interim distribution of 6.10 cents per ordinary unit has been declared. This is 9.0 per cent lower than the previous corresponding period (6.70 cents per unit) due mainly to the increased number of units issued following the capital raising in May 2009.

The interim distribution will be made on 26 February 2010 to unitholders on the Trust's register at 5.00 pm on 31 December 2009.

The estimated tax advantaged component of the distribution is 26.63 per cent.

Units issued under the Trust's Distribution Reinvestment Plan in respect of the interim distribution will be issued at \$1.7424 per unit, representing a 2.5 per cent discount to the volume weighted average price of the Trust's units for the 10 trading days following the record date.

## Property portfolio

Total capital expenditure on the portfolio during the half-year amounted to \$0.8 million, relating to non-income producing improvements.

The improvements included remediation of underground fuel storage tanks at the Blacktown industrial property and car park works and improvements to roof safety and access at various properties.

At 31 December 2009 the weighted average lease expiry term of the portfolio was 5.9 years (2008: 6.8 years).

## Market rent reviews

During the period, market rent reviews were due for five properties. The result of the one market rent review completed during the half-year is shown below.

	Passing rent (\$ pa)	Market review (\$ pa)	Uplift	Effective date
Maitland, NSW	1,087,806	1,160,000*	+6.6%	18 Oct 09

\* negotiated outcome between the Trust and the tenant

Negotiations or an independent determination process continue for each of the four remaining market rent reviews and most of these are expected to be finalised prior to 30 June 2010.

In addition, the rent review for the Trust's Bunnings Warehouse at Minchinbury, New South Wales, was due on 31 December 2008, but has not yet been concluded due to clarification required on certain market evidence. This rent review is also expected to be completed by 30 June 2010 and the revised rent will be back-dated to 31 December 2008.

## Revaluations

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

Eleven property revaluations during the period were performed by independent valuers and the remaining 49 properties were subject to directors' revaluations.

## REPORT TO UNITHOLDERS (continued)

The value of the portfolio increased by \$16.7 million to \$972.2 million; following a net revaluation gain of \$15.9 million at 31 December 2009 and capital expenditure of \$0.8 million during the half-year.

The net revaluation gain was predominantly a result of growth in rental income across the portfolio. There was also an improvement in market capitalisation rates for some properties, bringing the weighted average capitalisation rate for the Trust's portfolio at 31 December 2009 down slightly to 7.78 per cent (June 2009: 7.81 per cent and December 2008: 7.57 per cent).

### Finance

As at 31 December 2009 the Trust's total assets were \$986.7 million, with unitholders' equity of \$758.7 million and total liabilities of \$228.0 million.

The underlying net tangible asset backing of the Trust's units increased by 4.0 cents per unit, from \$1.79 per unit at 30 June 2009 to \$1.83 per unit at 31 December 2009. This increase was the result of the net unrealised gain on revaluation of investment properties, referred to above, and an increase in the fair value of interest rate hedging derivatives.

At 31 December 2009 the Trust had \$190.2 million drawn under debt facilities with a combined limit of \$380.0 million. Details of the facilities are provided below.

- The Trust's \$80 million bank bill facility with Westpac Banking Corporation is committed until 2 July 2012.
- The Trust has a \$100 million evergreen facility with National Australia Bank, which is extended annually in March each year provided there has been no event of default or potential event of default; with any change to pricing to apply from 1 April the following year. The next review is due in March 2010; with pricing to apply from 1 April 2011.
- As at 31 December 2009, Australia and New Zealand Banking Group had made an offer to extend the Trust's \$100 million facility to 31 July 2013. This extension has been formalised subsequently.
- The Trust's \$100 million cash advance facility with the Commonwealth Bank of Australia is committed until 14 January 2012.

The Trust's gearing ratio (debt to total assets) at 31 December 2009 was 19.2 per cent (2008: 35.5 per cent), slightly below the preferred range of 20 to 40 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 19.5 per cent, well below the maximum allowable 45 per cent under banking facilities.

Borrowing costs for the half-year including bank fees and margins were 6.35 per cent of average borrowing before hedging and 9.22 per cent after hedging, compared with 7.51 per cent before hedging and 6.76 per cent after hedging for the previous corresponding period.

The Trust has a policy of hedging the majority of its borrowings against interest rate movements to ensure stability of distributions. At 31 December 2009, the Trust's hedging cover was 98.3 per cent of borrowings, with \$187.0 million interest rate swaps against borrowings of \$190.2 million. Hedging levels are currently higher than the Board's preferred 50 to 75 per cent range, as a result of reducing borrowings following the Trust's \$150 million capital raising in May 2009. Hedging levels are likely to remain high until borrowing levels increase, or as interest rate swaps expire over the next 2 to 3 years.

The weighted average term to maturity of hedging was 3.03 years, including delayed start swaps.

## Outlook

Economic conditions appear to have improved from the corresponding period last year, although access to and the cost of finance remains an issue in the broader commercial property market. The Trust, however, has debt capacity to fund growth and we will continue to actively manage the Trust's portfolio by looking to acquire new assets that fit the Trust's investment criteria and by extracting more value from existing assets.

For new assets, quality Bunnings Warehouses will be the main focus. We will also consider other assets, selectively, that provide similar characteristics to Bunnings Warehouse properties by having a large area, being well located and with a quality tenant under a longer-term lease. The aim is to acquire properties that will provide a sound income stream and long term capital growth.

For existing assets, growth is most likely to come from increased rental as a result of scheduled rent reviews, upgrades to existing properties and acquiring adjoining land for future upgrades. We have 10 market rent reviews remaining to be completed this financial year (5 outstanding as at 31 December 2009 and 5 due in the second half of 2009/10) and 19 leases will be reviewed to the Consumer Price Index or by a fixed percentage increase during the second half of 2009/10.

Containing or reducing finance costs will also be a focus in the short to medium term. The Trust's relatively high level of interest rate hedging means that increases in interest rates are not expected to adversely affect borrowing costs. However, increased bank fees and margins and upfront fees from extending or refinancing existing facilities will continue to affect borrowing costs over the second half of 2009/10. Capital management initiatives being considered include reducing limits to avoid paying for surplus capacity. Borrowing costs are not expected to be above what was factored into our capital raising forecasts for 2009/10 distributions.

## REPORT TO UNITHOLDERS (continued)

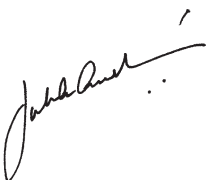
### Internet site

The Bunnings Warehouse Property Trust internet site, [www.bwptrust.com.au](http://www.bwptrust.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 Securities Exchange covering matters of relevance to investors.

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

For Bunnings Property Management Limited



**John A Austin**  
Chairman



**Grant Gernhoefer**  
General Manager

10 February 2010



# Condensed Income and Distribution Statement

For the half-year ended 31 December 2009

	Note	Dec 2009 \$000	Dec 2008 \$000
<b>INCOME STATEMENT</b>			
Rental income		<b>38,080</b>	34,000
Other property income		<b>704</b>	1,015
Finance income		<b>198</b>	111
<b>Total income</b>		<b>38,982</b>	35,126
Finance costs		<b>(9,345)</b>	(10,663)
Responsible entity's fees		<b>(2,763)</b>	(2,828)
Other operating expenses		<b>(1,619)</b>	(1,166)
Net profit before unrealised gain/(loss) in fair value of investment properties		<b>25,255</b>	20,469
Unrealised gain/(loss) in fair value of investment properties		<b>15,891</b>	(43,878)
<b>Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust</b>		<b>41,146</b>	(23,409)
<b>DISTRIBUTION STATEMENT</b>			
Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust		<b>41,146</b>	(23,409)
Undistributed income at the beginning of the period		<b>247,616</b>	299,742
Distribution paid or payable		<b>(25,268)</b>	(20,470)
<b>Undistributed income at the end of the period</b>		<b>263,494</b>	255,863
Basic and diluted earnings (cents per unit) for the half-year	2	<b>9.97</b>	(7.66)
Interim distribution (cents per unit) for the half-year	2	<b>6.10</b>	6.70

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



## Condensed Statement of Comprehensive Income Statement

For the half-year ended 31 December 2009

	<b>Dec 2009 \$000</b>	Dec 2008 \$000
<b>Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust</b>	<b>41,146</b>	(23,409)
<b>Other comprehensive income</b>		
Effective portion of change in fair value of cash flow hedge	<b>3,101</b>	(26,766)
<b>Total comprehensive income/(loss) for the period attributable to the unitholders of Bunnings Warehouse Property Trust</b>	<b>44,247</b>	(50,175)

The condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

# Condensed Statement of Financial Position

As at 31 December 2009

	Dec 2009 \$'000	June 2009 \$'000	Dec 2008 \$'000
Note			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	8,234	38,721	9,253
Receivables and prepayments	2,852	1,847	1,874
Derivative financial instruments	-	-	4
<b>Total current assets</b>	<b>11,086</b>	40,568	11,131
<b>Non-current assets</b>			
Investment properties	3 972,211	955,562	956,311
Other receivables	850	850	850
Derivative financial instruments	2,570	2,916	-
<b>Total non-current assets</b>	<b>975,631</b>	959,328	957,161
<b>Total assets</b>	<b>986,717</b>	999,896	968,292
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables and deferred income	9,593	14,185	10,895
Derivative financial instruments	271	1,508	1,047
Distribution payable	25,268	19,967	20,470
<b>Total current liabilities</b>	<b>35,132</b>	35,660	32,412
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	8 189,786	225,937	344,225
Derivative financial instruments	3,063	5,275	16,905
<b>Total non-current liabilities</b>	<b>192,849</b>	231,212	361,130
<b>Total liabilities</b>	<b>227,981</b>	266,872	393,542
<b>Net assets</b>	<b>758,736</b>	733,024	574,750
<b>Unitholders' equity</b>			
Issued capital	496,006	489,273	336,829
Reserves	6 (764)	(3,865)	(17,942)
Undistributed income	263,494	247,616	255,863
<b>Total unitholders' equity</b>	<b>758,736</b>	733,024	574,750
<b>Net tangible asset backing per unit</b>	<b>\$1.83</b>	\$1.79	\$1.88

The condensed statement of financial position should be read in conjunction with the accompanying notes.

## Condensed Statement of Cash Flows

For the half-year ended 31 December 2009

	<b>Dec 2009 \$000</b>	Dec 2008 \$000
<b>Cash flows from operating activities</b>		
Rent received	<b>43,518</b>	39,758
Payments to suppliers	<b>(8,199)</b>	(8,025)
Payments to the responsible entity	<b>(2,769)</b>	(2,873)
Finance income	<b>195</b>	111
Finance costs	<b>(9,807)</b>	(10,547)
<b>Net cash flows from operating activities</b>	<b>22,938</b>	18,424
<b>Cash flows from investing activities</b>		
Payments for purchase of, and additions to, the Trust's property investments	<b>(4,040)</b>	(37,889)
<b>Net cash flows used in investing activities</b>	<b>(4,040)</b>	(37,889)
<b>Cash flows from financing activities</b>		
(Repayments)/proceeds of borrowings	<b>(36,151)</b>	35,726
Distributions paid	<b>(13,234)</b>	(13,633)
<b>Net cash flows (used in)/from financing activities</b>	<b>(49,385)</b>	22,093
Net (decrease)/increase in cash	<b>(30,487)</b>	2,628
Cash at the beginning of the period	<b>38,721</b>	6,625
<b>Cash at the end of the period</b>	<b>8,234</b>	9,253

The condensed statement of cash flows should be read in conjunction with the accompanying notes

## Condensed Statement of Changes in Equity

For the half-year ended 31 December 2009

	Issued capital	Undist- ributed income	Hedge Reserve	Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2008	330,206	299,742	8,824	638,772
Total comprehensive loss for the period attributable to the unitholders of Bunnings Warehouse Property Trust	-	(23,409)	(26,766)	(50,175)
Distributions payable	-	(20,470)	-	(20,470)
Issue of units under the Distribution Reinvestment Plan	6,623	-	-	6,623
<b>Balance at 31 December 2008</b>	<b>336,829</b>	<b>255,863</b>	<b>(17,942)</b>	<b>574,750</b>
Balance at 1 July 2009	489,273	247,616	(3,865)	733,024
Total comprehensive income for the period attributable to the unitholders of Bunnings Warehouse Property Trust	-	41,146	3,101	44,247
Distributions payable	-	(25,268)	-	(25,268)
Issue of units under the Distribution Reinvestment Plan	6,733	-	-	6,733
<b>Balance at 31 December 2009</b>	<b>496,006</b>	<b>263,494</b>	<b>(764)</b>	<b>758,736</b>

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

# Notes to the Financial Statements

For the half-year ended 31 December 2009

## 1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS

The financial statements of Bunnings Warehouse Property Trust (the Trust) for the half-year ended 31 December 2009 were authorised for issue in accordance with a resolution of the directors on 10 February 2010. The Trust was constituted under a Trust Deed dated 18 June 1998 as amended. The Trust is managed by Bunnings Property Management Limited. Both the Trust and the responsible entity are domiciled in Australia.

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the full financial statements.

The half-year financial statements should be read in conjunction with the annual financial statements of the Trust as at 30 June 2009.

It is also recommended that the half-year financial statements be considered together with any public announcements made by the Trust during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### (a) Basis of accounting

The half-year financial statements have been prepared in accordance with the requirements of the Constitution of the Trust and Australian Accounting Standards. The half-year financial statements have been prepared on an historical cost basis, except for investment properties and derivative financial instruments, which have been measured at their fair value.

The financial statements are presented in Australian dollars, which is the Trust's functional currency and all values are rounded to the nearest thousand dollars (\$'000) under the option available to the Trust under ASIC Class Order 98/0100, unless otherwise stated.

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

### (b) Statement of compliance

The half-year financial statements are a general purpose financial report which has been prepared in accordance with AASB134 Interim Financial Reporting and the Corporations Act 2001.

## Notes to the Financial Statements

For the half-year ended 31 December 2009

The Trust applies revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Trust presents in the condensed statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the condensed statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per unit.

Significant accounting policies applied by the Trust in these interim financial statements are the same as those applied by the Trust in its financial statements as at and for the year ended 30 June 2009.

### 2 INTERIM DISTRIBUTION PER UNIT

In accordance with the Trust's constitution, the unrealised gains or losses on the revaluation of the fair value of investment properties are not included in the profit available for distribution to unitholders. The following shows the effect on earnings per unit of excluding unrealised gains or losses and the resulting distribution per unit:

	<b>Dec 2009</b>	Dec 2008
Basic and diluted earnings (cents per unit) for the half-year	<b>9.97</b>	(7.66)
Basic and diluted earnings (cents per unit) for the half-year excluding unrealised loss or gain in fair value of properties	<b>6.10</b>	6.70
Interim distribution (cents per unit) for the half-year	<b>6.10</b>	6.70

## Notes to the Financial Statements

For the half-year ended 31 December 2009

### 3 INVESTMENT PROPERTIES

	Balance at 30 June 2009	Movement during the period	Balance at 31 Dec 2009
	\$000	\$000	\$000
Purchase price	453,767	-	<b>453,767</b>
Acquisition costs	27,386	1	<b>27,387</b>
Capital improvements since acquisition	226,826	757	<b>227,583</b>
Cumulative fair value adjustment	247,583	15,891	<b>263,474</b>
Fair value	955,562	16,649	<b>972,211</b>

Investment properties are carried at fair value. Fair value for individual properties is determined by a full independent valuation completed at least every three years by an independent valuer who holds a relevant professional qualification and has recent experience in the location and category of the investment property. During the six months to 31 December 2009, 11 property valuations were performed by independent valuers.

Properties that have not been independently valued as at a balance date are carried at fair value by way of directors' valuation.

During the half-year the Trust's capital expenditure on investment properties amounted to \$0.8 million, relating to non-income producing improvements.

The improvements included remediation of underground fuel storage tanks at the Blacktown industrial property and car park works and improvements to roof safety and access at various properties.

### 4 SEGMENT REPORTING

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

### 5 ISSUED CAPITAL

During the period, 4,226,325 units (2008: 4,088,440) were issued under the Trust's distribution reinvestment plan, bringing the number of ordinary units on issue as at 31 December 2009 to 414,227,380.

## Notes to the Financial Statements

For the half-year ended 31 December 2009

### 6 RESERVES

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

	<b>Dec 2009 \$000</b>	Dec 2008 \$000
Opening balance at the beginning of the financial period	<b>(3,865)</b>	8,824
Amounts recognised in net profit/(loss) for the period	<b>1</b>	15
Net gains/(loss) on cash flow hedges for the period	<b>3,100</b>	(26,781)
Closing balance at the end of the financial period	<b>(764)</b>	(17,942)

The movement in the half-year was due to the increase in variable interest rates during the half-year.

### 7 CAPITAL EXPENDITURE COMMITMENTS

	<b>Dec 2009 \$000</b>	Dec 2008 \$000
Estimated capital expenditure contracted for at balance date, but not provided for in the financial statements, which is payable:		
Not later than one year		
Unrelated Parties	<b>111</b>	3,663
Related Parties	<b>500</b>	3,532
	<b>611</b>	7,195

#### Capital commitments to unrelated parties

In October 2009, the Trust committed to design and tender safe roof access improvements to 19 properties in the portfolio. The Trust is committed to consultant fees of \$111,000.

#### Capital commitments to related parties

In October 2009, the Trust committed to air conditioning works at the Trust's Hawthorn Bunnings Warehouse for an estimated cost of \$0.5 million. The incremental rent for the property following the upgrade will be eight per cent of the final development cost per annum (for example, \$40,000 per annum based on an anticipated \$0.5 million expenditure).



## Notes to the Financial Statements

For the half-year ended 31 December 2009

### 8 LOANS AND BORROWINGS

As at 31 December 2009 the Trust has the following loan facilities:

	<b>Limit</b>	<b>Amount</b>	
	<b>\$000</b>	<b>drawn<sup>(a)</sup></b>	<b>Expiry date</b>
	<b>\$000</b>	<b>\$000</b>	
Australia and New Zealand Banking Group Limited	<b>100,000</b>	25,500	31 July 2013
National Australia Bank Limited	<b>100,000</b>	100,000	Evergreen <sup>(b)</sup>
Commonwealth Bank of Australia	<b>100,000</b>	32,500	14 January 2012
Westpac Banking Corporation	<b>80,000</b>	32,200	2 July 2012
	<b>380,000</b>	190,200	

<sup>(a)</sup> Amount drawn includes accrued interest of \$0.4 million as at 31 December 2009.

<sup>(b)</sup> To be reviewed in March 2010 for pricing to apply from 1 April 2011 to 31 March 2012. Facility is extended annually provided there has been no event of default or potential event of default.

### 9 RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial statements.

# Directors' Report

For the half-year ended 31 December 2009

In accordance with the Corporations Act 2001, Bunnings Property Management Limited (ABN 26 082 856 424), the responsible entity of Bunnings Warehouse Property Trust, provides this report for the financial half-year ended 31 December 2009 and review report thereon. The information on page 8 to 12 forms part of this directors' report and is to be read in conjunction with the following information:

## Directors

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

J A Austin (Chairman)

B J H Denison (appointed 7 October 2009)

R D Higgins

P J Johnston

P J Mansell

Directors were in office for the entire period unless otherwise stated.

## Review and results of operations

The operations of the Trust during the six months to 31 December 2009 and the results of those operations are reviewed on pages 8 to 12 of this report and the accompanying financial statements.

	<b>Dec 2009 \$000</b>	Dec 2008 \$000
Net profit/(loss) attributable to unitholders	<b>41,146</b>	(23,409)
Net unrealised (gain)/loss in fair value of investment properties	<b>(15,891)</b>	43,878
Distributable profit for the period	<b>25,255</b>	20,469
Opening undistributed profit	<b>33</b>	19
Closing undistributed profit	<b>(20)</b>	(18)
Distributable amount	<b>25,268</b>	20,470

The interim distribution is 6.10 cents per ordinary unit (2008: 6.70 cents). This interim distribution will be made on 26 February 2010.

## Directors' Report

For the half-year ended 31 December 2009

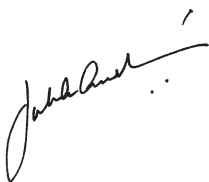
### Units on issue

At 31 December 2009, 414,227,380 units of Bunnings Warehouse Property Trust were on issue (30 June 2009: 410,001,055).

### Rounding Off

The responsible entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial statements and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors of Bunnings Property Management Limited.



### J A Austin

Chairman

Bunnings Property Management Limited

Perth, 10 February 2010

## Directors' Declaration

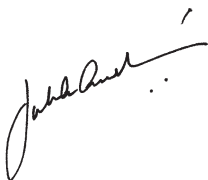
For the half-year ended 31 December 2009

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 2009 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.



### **J A Austin**

Chairman

Bunnings Property Management Limited

Perth, 10 February 2010

## Auditor's Independence Declaration

For the half-year ended 31 December 2009



### Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Bunnings Property Management Limited, the responsible entity of Bunnings Warehouse Property Trust

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'KPMG'.

**KPMG**

A handwritten signature in black ink that reads 'D P McComish'.

**D P McComish**

Partner

Perth, 10 February 2010

# Independent Auditor's Review Report to the Unitholders of Bunnings Warehouse Property Trust

## Report on the financial report

We have reviewed the accompanying half-year financial report of Bunnings Warehouse Property Trust (the Trust), which comprises the condensed statement of financial position as at 31 December 2009, condensed income statement and condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a description of accounting policies and other explanatory notes 1 to 9 and the directors' declaration.

### *Directors' responsibility for the half-year financial report*

The directors of Bunnings Property Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Trust's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Bunnings Warehouse Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

## Independent Auditor's Review Report to the Unitholders of Bunnings Warehouse Property Trust (continued)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bunnings Warehouse Property Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Trust's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

**KPMG**

**D P McComish**

Partner

Perth, 10 February 2010

# 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 4356

Facsimile: (08) 9327 4344

[www.bwptrust.com.au](http://www.bwptrust.com.au)

## Directors and Senior Management

<b>J A Austin</b>	(Chairman)
<b>B J H Denison</b>	(Director appointed 7 October 2009)
<b>R D Higgins</b>	(Director)
<b>P J Johnston</b>	(Director)
<b>P J Mansell</b>	(Director)
<b>G W Gernhoefer</b>	(General Manager)
<b>K A Lange</b>	(Secretary)

## Registry Manager

### **Computershare Investor Services Pty Limited**

Level 2, 45 St Georges Terrace, PERTH WA 6000

Telephone: 1300 136 972 (within Australia)

Telephone: (+61 3) 9415 4323 (outside Australia)

Facsimile: (08) 9323 2033

[www.computershare.com.au](http://www.computershare.com.au)

## Auditor

### **KPMG**

235 St Georges Terrace, PERTH WA 6000

## Investor information

### **Stock exchange listing**

The Bunnings Warehouse Property Trust is listed on the Australian Securities Exchange and reported in the "Industrial" section in daily newspapers – code BWP.

### **Unitholder enquiries**

Please contact the registry manager if you have any questions about your unitholding or distributions.





[www.bwptrust.com.au](http://www.bwptrust.com.au)

bunnings warehouse property trust  
**half yearly report 2009/10**  
six months to 31 December 2009

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