



BUNNINGS PROPERTY MANAGEMENT LIMITED

ABN 26 082 856 424

Responsible Entity for the Bunnings Warehouse Property Trust

14 November 2002

BUNNINGS WAREHOUSE PROPERTY TRUST ANNOUNCES \$33 MILLION CAPITAL RAISING TO FUND EXPANSION

The directors of Bunnings Property Management Limited (BPML), the responsible entity for the Bunnings Warehouse Property Trust (the Trust), announced today that it had entered into an underwriting agreement with JBWere Limited for a placement to institutional investors of approximately 26.1 million units in the Trust, expected to raise about \$33 million.

The Chairman of BPML, Mr Bill Cairns, said that the capital raised from this placement would, in the short-term, be applied to retire debt, reducing the Trust's gearing to about 18 per cent debt to total assets.

He said that the Trust would then be well-positioned to acquire new Bunnings Warehouses in a timely manner, including four properties which have recently been offered to the Trust by BBC Hardware Limited (BBCH), a subsidiary of Wesfarmers Limited for a total acquisition cost of approximately \$56 million.

"These four Warehouses are the first to be offered to the Trust following the acquisition of Howard Smith Limited by Wesfarmers in August 2001" Mr Cairns said.

"Since that date a detailed evaluation of the 18 BBC Hardwarehouse properties included in the acquisition of Howard Smith has been advanced by Bunnings Building Supplies Pty Ltd, the tenant of the Bunnings Warehouses. The four properties offered are located at Artarmon, Belrose and Wollongong in New South Wales, and Cairns in Queensland."

Mr Cairns said that the board of BPML welcomed the opportunity to add these Bunnings Warehouses to its portfolio, particularly as three of the properties are located in New South Wales where the Trust's presence is relatively small.

"All four properties are in good condition and are likely to provide the Trust with income growth and capital appreciation over time," he said. "The directors of BPML also look forward to considering the purchase of other former BBC Hardwarehouse properties if, and when, they are offered."

Mr Cairns said that the proposed purchase would result in a number of significant benefits to unitholders including an extended average lease expiry profile, a broader geographic spread of assets and a positive impact on earnings per unit.

Because the four properties are to be purchased from a party related to BPML, unitholder approval is required under the ASX Listing Rules and the Corporations Act. A meeting of unitholders will be held on 16 December 2002 in Perth at which members would be asked to consider the approval of the proposed property transaction.

“An independent expert, PricewaterhouseCoopers Securities Ltd, had concluded that the proposed acquisition by the Trust is fair and reasonable to the non-associated unitholders of the Trust,” he said.

Mr Cairns said that, having decided to call a meeting to approve the acquisition of the four properties from a related party, the directors had decided to also ask unitholders to consider ratification of the issue of approximately 26.1 million units so as to refresh the Trust’s capacity to raise further capital by way of a unit placement in the future. “At the same meeting, unitholders would also be asked to approve a change to the Trust’s Constitution so that any units issued to unitholders under a unitholder purchase plan in the future would not count towards the Trust’s 10 per cent unit placement limit,” he said.

The directors of BPML also announced a number of other Bunnings Warehouse property acquisitions, developments and revaluations.

- **Acquisitions**

Hervey Bay, Queensland – The Trust is acquiring a 3.1 hectare development site for \$2.8 million upon which a 6,600 square metre Bunnings Warehouse is scheduled for development by December 2002. Upon completion, the investment by the Trust would be \$9.2 million and an annual rental of \$785,000 (net of land tax) would be received. The site has approximately 0.5 hectares of land surplus to the requirements of the Trust. The surplus land would be sold on behalf of the Trust by Bunnings Building Supplies Pty Ltd, at which time the total outlay by the Trust would be reduced by \$725,000; and

Rocklea, Queensland – The Trust acquired a 3.2 hectare development site on 29 October 2002 for \$6.2 million, upon which an 8,000 square metre Bunnings Warehouse is likely to be developed in the near future.

- **Development**

Dandenong, Victoria – The Trust completed the development of a 9,700 square metre Bunnings Warehouse for \$6.7 million on 11 November 2002. The total outlay by the Trust on the property is approximately \$11.0 million, and an annual rental of \$960,000 is to be received.

- **Revaluations**

Albany, Western Australia – The recent revaluation of the property to \$4.5 million represents an increase of 10 per cent on the purchase price and five per cent on book value; and

Cannon Hill Distribution Centre, Queensland – The recent revaluation of the property to \$3.5 million represents an increase of 13 per cent on the purchase price and eight per cent on book value.

“As a result of these transactions and if unitholders approve the acquisition of the four properties from BBCH, the Trust’s portfolio would increase from 39 to 43 properties and the assets under management would exceed \$400 million,” Mr Cairns said.

“At the same time, the momentum of the nationwide expansion of the Bunnings hardware business is being maintained, presenting significant ongoing growth opportunities for the Trust,” he said.

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