bwp TRUST

Level 6, 40 The Esplanade
Perth WA 6000

GPO Box M978
Perth WA 6843

T +61 8 9327 4356
F +61 8 9327 4344
www.bwptrust.com.au

5 August 2015

The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Results for the full-year ended 30 June 2015

In accordance with ASX Listing Rule 4.3A, the following documents are attached for release to the market:

> Appendix 4E – full-year results to 30 June 2015; and

> Full-year results announcement.

Released separately, but immediately following, will be the:

> 2015 Annual Report to Unitholders (contains the business review, corporate governance information and financial statements)

> Full-year results investor presentation

> Appendix 4G – Key to Disclosures : Corporate Governance Council Principles and Recommendations.

It is recommended that the full-year results announcement be read in conjunction with the 2015 Annual Report for a more detailed review of BWP Trust's activities and financial performance for the year ended 30 June 2015 and the outlook for the year ahead.

An investor/analyst briefing teleconference call, with a question and answer session, will be held on **5 August 2015** at **12:00pm AWST** (2:00pm EST).

Investors and analysts wishing to participate should dial **1800 725 000** from within Australia (+612 8373 3610 from outside Australia) and ask to join the **BWP Trust full-year results investor presentation** (conference ID number **79815111**). This briefing is recorded and made available via our website.

Yours faithfully

K A Lange
Company Secretary

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ASX release

5 August 2015

APPENDIX 4E | FINANCIAL YEAR ENDED 30 JUNE 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET		**30 June 2015**	30 June 2014	Variance %
Revenue from ordinary activities	$000	**144,877**	127,426	14
Profit before gains on investment properties	$000	**101,571**	91,968	10
Gains in fair value of investment properties	$000	**108,508**	57,113	90
Profit from ordinary activities attributable to unitholders	$000	**210,079**	149,081	41
Net tangible assets per unit	$	**2.24**	2.07	8
DISTRIBUTIONS				
Interim distribution paid	$000	**49,067**	42,835	15
Final distribution payable	$000	**52,483**	49,991 [1]	5
Interim distribution per unit	cents	**7.67**	6.83	12
Final distribution per unit	cents	**8.17**	7.88 [1]	4

1 The final distribution for the year ended 30 June 2014 includes capital profits released from undistributed income reserve of $825,000, which represents 0.13 cents per unit in the final distribution

Record date for determining entitlements to the final distribution	30th June 2015
Payment date for final distribution	27th August 2015

Distribution Reinvestment Plan

The Distribution Reinvestment Plan (“DRP”) applied for both the interim and final distributions for the year ended 30 June 2015.

Audit

This report is based on accounts that have been audited.

Commentary on the results for the year

The commentary on the results for the year is contained in the ASX release dated 5 August 2015 accompanying this statement.

This report should be read in conjunction with the annual financial report of the Trust and any announcements made in the period by or on behalf of the Trust in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

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ASX release

5 August 2015

FULL-YEAR RESULTS TO 30 JUNE 2015

The directors of BWP Management Limited, the responsible entity for the BWP Trust ("the Trust"), today announced the results of the Trust for the 12 months to 30 June 2015.

2015 full-year highlights

> 13.7 per cent increase in income to $144.9 million for the year

> Final distribution of 8.17 cents, bringing the full-year distribution to 15.84 cents, up 7.7 per cent, on the previous year

> Acquired the Australind Bunnings Warehouse development site and newly constructed store, and completed the development of the Manly West, West Ipswich, Brendale and Maribyrnong Bunnings Warehouse stores

> Finalised the upgrade of the Minchinbury Bunnings Warehouse store, and progressed the upgrade of the Lismore and Rockingham stores

> Completed the divestment of six non-core properties

> 20 market rent reviews were finalised during the year – weighted average 8.2 per cent increase in annual rent; including 17 Bunnings Warehouses – weighted average 8.0 per cent increase in annual rent

> Like-for-like rental growth of 2.6 per cent for the 12 months to 30 June 2015, compared to an adjusted 4.0 per cent (includes market rent reviews for the 2013/14 financial year that were finalised in 2014/15) for the previous year

> Repriced and extended all bank facilities, and reduced unused facilities by $45 million

> Weighted average cost of debt of 5.5 per cent for the year, 5.0 per cent at financial year end

> Weighted average lease expiry of 6.6 years at 30 June 2015, with 100 per cent occupancy

> Net revaluation gain on the property investment portfolio of $108.5 million for the year

> Net tangible assets of $2.24 per unit at 30 June 2015, up 8.2 per cent on the previous year

> Gearing (debt/total assets) 24.1 per cent at 30 June 2015

Results summary

Year ended 30 June		**2015**	2014
Total income	$m	**144.9**	127.4
Net profit	$m	**210.1**	149.1
(Gains)/losses in fair value of investment properties	$m	**(108.5)**	(57.1)
Capital profits released from undistributed income reserve	$m	**-**	0.8
Distributable profit	$m	**101.6**	92.8
Distribution per ordinary unit – interim	cents	**7.67**	6.83
– final	cents	**8.17**	7.88
Total distribution per ordinary unit	cents	**15.84**	14.71
Tax advantaged component	%	**18.27**	14.69
Total assets	$m	**2,018.0**	1,837.4
Borrowings	$m	**485.4**	448.3
Unitholders' equity	$m	**1,441.8**	1,311.4
Gearing (debt to total assets)	%	**24.1**	24.4
Number of units on issue	$m	**642**	634
Number of unitholders		**24,374**	23,668
Net tangible asset backing per unit	$	**2.24**	2.07
Unit price at 30 June	$	**3.06**	2.48
Management expense ratio (annualised)	%	**0.65**	0.64

Total income for the full-year to 30 June 2015 was $144.9 million, up by 13.7 per cent from last year. The increase in income was mainly due to rental growth from the existing property portfolio, and additional rental income from developments completed during the year.

Finance costs of $25.8 million were 23.5 per cent higher than last year due mainly to the average level of borrowings of $462.7 million being 39.2 per cent higher than the previous corresponding period. The weighted average cost of debt for the year (finance costs less finance income, as a percentage of average borrowings) was 5.5 per cent, compared to 6.1 per cent for the previous year. The reduced cost of debt was the result of lower floating and fixed interest rates, and reductions in funding costs and margins during or since last year. At financial year end the cost of debt was 5.0 per cent.

Other expenses of $6.4 million for the year were 7.2 per cent higher than last year, due to an additional $1.0 million in non-recoverable outgoings including land tax on properties located in Queensland, acquired during or since last year. The majority of the increase in non-recoverable outgoings is reflected in an increase in rental income for the period relating to the purchase of properties during the year.

The management expense ratio for the year ended 30 June 2015 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.65 per cent (2014: 0.64 per cent).

The underlying net tangible asset backing of the Trust's units ("NTA") as at 30 June 2015 was $2.24 per unit, an increase of 2.8 per cent from $2.18 per unit as at 31 December 2014 and 8.2 per cent from $2.07 per unit as at 30 June 2014. The increase in NTA over the 12 months to 30 June 2015 was due to the increase in net assets through property revaluations.

Capital expenditure

	$m
Acquisitions	
Australind[1]	18.3
Developments	
Brendale	19.2
Manly West	21.3
West Ipswich	17.9
Harrisdale showrooms	0.7
Maribyrnong	32.0
Minchinbury	8.6
Rockingham (under construction)	2.5
Lismore (under construction)	3.2
	105.4
Other	
Other non-income producing	0.9
Total	**124.6**

[1] Total outlay comprising purchase price of land, development and acquisition costs

In November 2014, the Trust committed to acquire a Bunnings Warehouse development site in Australind, Western Australia for a purchase price of $8.3 million (plus acquisition costs of approximately $0.5 million). Settlement of the property occurred in June 2015, following subdivision and the issue of the certificate of title. The development was also completed in June 2015 at a cost of approximately $9.6 million. The net annual rental income of the property is approximately $1.3 million.

In September 2014, construction of the Trust's Bunnings Warehouse at Manly West, Queensland, was completed at a cost of $21.3 million. The Trust purchased the Manly West development site for $7.2 million (including acquisition costs) in September 2013. The net annual rental income of the property is approximately $2.1 million.

In September 2014, construction of the Trust's Bunnings Warehouse at West Ipswich, Queensland, was completed at a cost of $17.9 million. The Trust purchased the West Ipswich development site for $13.1 million (including acquisition costs) in September 2013. The net annual rental income of the property is approximately $2.3 million.

In December 2014, construction of the Trust's Bunnings Warehouse at Brendale, Queensland, was completed at a cost of $19.2 million. The Trust purchased the Brendale development site for $8.1 million (including acquisition costs) in June 2014. The net annual rental income of the property is approximately $1.9 million.

In February 2015, the Trust paid Bunnings a development fee of $32.0 million, to finalise the purchase of the Bunnings Warehouse at Maribyrnong, Victoria. The Trust had purchased the Maribyrnong development site in June 2001 for $7.1 million. As part of the acquisition of the site, Bunnings was required to undertake remediation of contamination associated with the property, to the satisfaction of all relevant authorities, which has been achieved. The commencing annual rental income of the property is $2.54 million.

In April 2015, an $8.6 million expansion of the Trust's Minchinbury Bunnings Warehouse, New South Wales was completed by Bunnings for the Trust. The expansion, including the acquisition of land adjoining the Bunnings Warehouse in September 2012 for $4.26 million (including acquisition costs), extended the total retail area by 4,821 square metres. The annual rental increased by approximately $0.94 million to $2.71 million.

During the year, the Trust incurred a further $0.7 million in development works to complete the additional showrooms at the Harrisdale property in Western Australia. The showrooms comprising 2,346 square metres are fully leased to three customers.

The Trust is in the process of expanding its Lismore Bunnings Warehouse, New South Wales, at a cost of $4.6 million. Following completion of the expansion, expected in August 2015 the parties will enter into a new 12 year lease of the Bunnings Warehouse with four, five year options, exercisable by Bunnings. The annual rental will increase by approximately $0.3 million.

The Trust is also in the process of finalising the expansion of its Rockingham Bunnings Warehouse, which is expected to cost $4.4 million. Following completion of the expansion, expected in October 2015, the parties will enter into a new 12 year lease of the Bunnings Warehouse with four, six year options, exercisable by Bunnings. The net annual rental income is expected to increase by approximately $0.3 million.

Flood damage Bunnings Warehouse Maitland, New South Wales

In April 2015, the Maitland Bunnings Warehouse store incurred flood damage which resulted in the closure of the store at that time. During the flood, the flow of water exceeded the capacity of stormwater pipes underneath the store, and undermined a large area under the floor of the building. In July 2015, works were completed to ensure part of the building was structurally safe for Bunnings to re-commence trading from an unaffected portion of the building. Work is continuing in clearing the damaged area, and determining and implementing an appropriate longer term rectification plan.

Under the terms of the lease, Bunnings is responsible for insuring the replacement of the building, but not for improvements below ground. As a result, the stormwater pipes are not covered under the policy and remain the Trust's responsibility. The expected capital cost to be incurred by the Trust in implementing a new storm water run-off solution is approximately $2.0 million, and is likely to take up to nine months to complete.

The Trust has loss of rent insurance for 12 months to cover the loss of rental income while the store is being repaired.

Property divestments

The Trust completed the sale of six of its properties during the year as detailed in the table below:

Property	State	Sale price $m	Settlement
Regency Park	SA	**3.9**	July 2014
Hemmant	QLD	**21.3**	September 2014
Sandown	VIC	**8.6**	October 2014
Sunshine	VIC	**13.0**	December 2014
Coffs Harbour	NSW	**7.3**	May 2015
Blackburn	VIC	**17.5**	June 2015

Occupancy and weighted average lease expiry

As at 30 June 2015, the portfolio was 100 per cent leased, with a weighted average lease expiry ("WALE") of 6.6 years.

Rent reviews

During the year, 94 leases in the portfolio had annual fixed or CPI increases, resulting in an average increase of 2.7 per cent in the annual rent for these properties.

During the year, market rent reviews were concluded on 17 Bunnings Warehouses and three showroom tenancies. Market rent reviews for five of the Trust's Bunnings Warehouses due during the year are still being negotiated and remain unresolved.

Excluding rental income from properties acquired or upgraded during or since the previous corresponding period, rental income increased by approximately 2.6 per cent for the 12 months to 30 June 2015 (compared to 4.0 per cent for the 12 months to 30 June 2014, which was previously disclosed as a 2.5 per cent increase but has now been updated following the finalisation of 12 market rent reviews related to that period).

The five unresolved market reviews at 30 June 2015 are not included in the calculation of like-for-like rental growth for the year.

Property revaluations

The entire Trust portfolio was revalued at 31 December 2014 and again at 30 June 2015, including 23 property revaluations performed by independent valuers (12 at 31 December 2014 and 11 at 30 June 2015). Properties not independently revalued at each balance date are subject to internal valuations, with an independent valuer reviewing the methodology adopted. Factors that may affect the valuation of properties from time to time include: the supply of and competition for investment properties; leasing market conditions; the quality and condition of the particular property, including the duration of the lease; and the level of rent paid at the property compared with the broader market.

The value of the Trust's portfolio increased by $162.3 million to $1,981.3 million during the year following: acquisitions of $18.3 million, developments and capital expenditure of $106.3 million, less net proceeds from divestments of $70.8 million, and a net revaluation gain of $108.5 million during the year.

The net revaluation gain was due to growth in rental income and an average decrease in capitalisation rates across the portfolio during the year. The Trust's weighted average capitalisation rate for the portfolio at 30 June 2015 was 7.33 per cent (December 2014: 7.41 per cent; June 2014: 7.59 per cent).

Capital management

As at 30 June 2015, the weighted average duration of the Trust's debt facilities was 4.2 years to expiry (2014: 3.7 years) and average utilisation of debt facilities (average borrowings/average facility limits) for the year was 80.4 per cent (2014: 74.2 per cent).

As at 30 June 2015, the Trust's interest rate hedging cover was 78.2 per cent of borrowings (outside the Board preferred range of 50 to 75 per cent), with $180.0 million of interest rate swaps and the $200.0 million fixed rate corporate bond, against interest bearing debt of $485.7 million. The weighted average term to maturity of hedging was 3.17 years, including delayed start swaps.

The Trust's gearing ratio (debt to total assets) at 30 June 2015 was 24.1 per cent (2014: 24.4 per cent), which is at the middle of the Board's preferred range of 20 to 30 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 24.6 per cent (2014: 25.0 per cent) which is well within the Trust's debt covenant requirements. The interest cover ratio (earnings before interest and tax/interest expense) was 5.1 times (2014: 5.7 times), also well within the Trust's debt covenant requirements.

Distribution

A final distribution of 8.17 cents per ordinary unit has been declared and will be made on 27 August 2015 to unitholders on the Trust's register at 5.00 pm (AEST) on 30 June 2015. The final distribution takes the total distribution for the year to 15.84 cents per unit (2014: 14.71 cents per unit). The tax advantaged component of the distribution is 18.27 per cent, lower than in previous years due to the property divestments, and taxable capital gains resulting from them.

Units allocated under the Trust's Distribution Reinvestment Plan ("DRP") in respect of the final distribution will be allocated at $3.2561 per unit, representing the average of the daily volume weighted average price of the Trust's units for the 20 trading days from and including 6 July 2015 to 31 July 2015, with no discount applied. Units to be allocated under the DRP were acquired on market and will be transferred to participants on 27 August 2015.

Outlook

Slow global economic growth, and continuing low interest rates have resulted in strong demand for prime real estate over the last 12 months. Recent sales of Bunnings Warehouse properties reflect this. Demand for property is expected to remain strong, while these factors continue to dominate the macro-economic outlook.

The extent to which property capitalisation rates tighten further, is likely to be a function of how long interest rates continue at current levels. The current strength of the property market is reflected in the value accretion of the Trust's portfolio at 30 June 2015, and will also be a factor in property acquisitions in the near term, which may limit portfolio growth while these economic conditions prevail. The current relatively low inflation environment, as measured by the Consumer Price Index ("CPI") results in lower incremental growth of rental income for the Trust. Approximately 65 per cent of the Trust's rental income is subject to CPI annual adjustment, other than in years in which respective properties are due for a market rent review (typically every five years for most of the Trust's existing portfolio).

For the year ending 30 June 2016, CPI reviews will apply to 58 per cent of the base rent, with leases subject to a market rent review comprising seven per cent of the base rent, and with the balance of 35 per cent reviewed to fixed increases of three to four per cent.

On the basis of continued rental growth from the existing portfolio, and no significant unforeseen changes in the operating environment, the Trust could expect distribution per unit growth of approximately five per cent for the 2016 financial year.

For further information please contact:

Michael Wedgwood

Managing Director

BWP Management Limited

Telephone: +61 3 9608 7473

E-mail: mwedgwood@bwptrust.com.au

Website: bwptrust.com.au