

ASX release

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ACQUISITION OF BUNNINGS-ANCHORED BULKY GOODS CENTRE, GLADSTONE, QUEENSLAND

The directors of BWP Management Limited, the responsible entity for the BWP Trust ("the Trust"), today announced the acquisition of a bulky goods centre anchored by a Bunnings Warehouse and Harvey Norman in Gladstone, Queensland for a purchase price of \$27.0 million (plus acquisition costs of approximately \$1.6 million). The purchase price is supported by an independent valuation of the property and reflects an initial yield of 8.84 per cent.

The Gladstone Home centre is situated on the south-eastern side of the Dawson Highway in Clinton, approximately six kilometres south-west of Gladstone's business centre. Gladstone is a major regional industrial centre, approximately 533 kilometres north of Brisbane, Queensland. Gladstone's economy is supported by a variety of refining, chemical and mining industries and it has one of the world's top five coal export ports, handling in excess of 50 million tonnes of coal per annum. The estimated current trade area population is approximately 70,000 residents, including over 55,000 residents in the primary catchment.

Development surrounding the Gladstone Home centre comprises a mixture of residential and recreational properties. Dawson Highway is one of the main arterial roads linking Gladstone and Biloela in the west, also providing access to the Bruce Highway, Queensland's major north-south arterial road.

Covering approximately 5.5 hectares, the subject site comprises a gross lettable area of 21,791 square metres with approximately 527 car parking spaces. A summary of the tenancies is provided in the following table.

Tenant	Gross lettable area (m ²)	Proportion of income (%)	Committed lease term remaining (years)
Bunnings	12,971 ¹	41	4.4
Harvey Norman	4,004	25	4.5
BCF	1,019	9	4.4
Pillow Talk	1,267	9	7.1
Betta Electrical	826	5	2.4
Eureka Street Furniture	742	5	3.4
Port City Pet World	561	4	2.2
Open House	401	2	4.5
Total	21,791	100	4.4

¹ comprises the total retail area of the Bunnings Warehouse



The property is fully leased with a passing net annual rental income of approximately \$2.38 million and has a weighted average lease expiry (by income) of approximately 4.4 years.

Settlement of the acquisition is scheduled to occur late September or early October 2012. The acquisition will be funded from existing debt facilities and will be accretive to earnings from settlement.

The acquisition of Gladstone Home secures another quality Bunnings Warehouse for the Trust, with complementary bulky goods tenancies. The Trust's non-Bunnings rental income will comprise only 6.8 per cent of the Trust's total annual rental income following the acquisition.

The acquisition increases the number of Bunnings Warehouses owned by the Trust to 67 and brings the total number of properties in the portfolio to 73.

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