BUNNINGS
WAREHOUSE PROPERTY TRUST

ARSN 088 581 097

12 August 2010

2010 Annual Report

ASX RELEASE

Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust wishes to advise that the 2010 Annual Report will be available on 27 August 2010 and will be forwarded to Unitholders who have elected to receive an Annual Report.

A copy of the 2010 Annual Report is attached to this announcement and will also be available on the Trust's website at www.bwptrust.com.au.

KAREN LANGE
Company Secretary

BUNNINGS WAREHOUSE PROPERTY TRUST
ANNUAL REPORT 2010

Contents

Cover photo: Artarmon, NSW

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

Core purpose

The Bunnings Warehouse Property Trust aims to provide a premium commercial real estate investment product, delivering unitholders a secure and growing income stream and long-term capital growth.

Bibra Lake, WA

Our investment approach

The Trust's investments comprise commercial real estate - predominantly warehouse retailing properties and, in particular, Bunnings Warehouse properties. Investments are made on behalf of the Trust by the responsible entity, according to the following strategies and investment criteria:

Strategies

- Drive better returns from existing assets through focused and pro-active asset management
- Generate growth by acquiring quality commercial properties that meet the Trust's investment criteria
- Deliver efficiency, sustainability and value through effective management of the Trust and its capital

Investment criteria

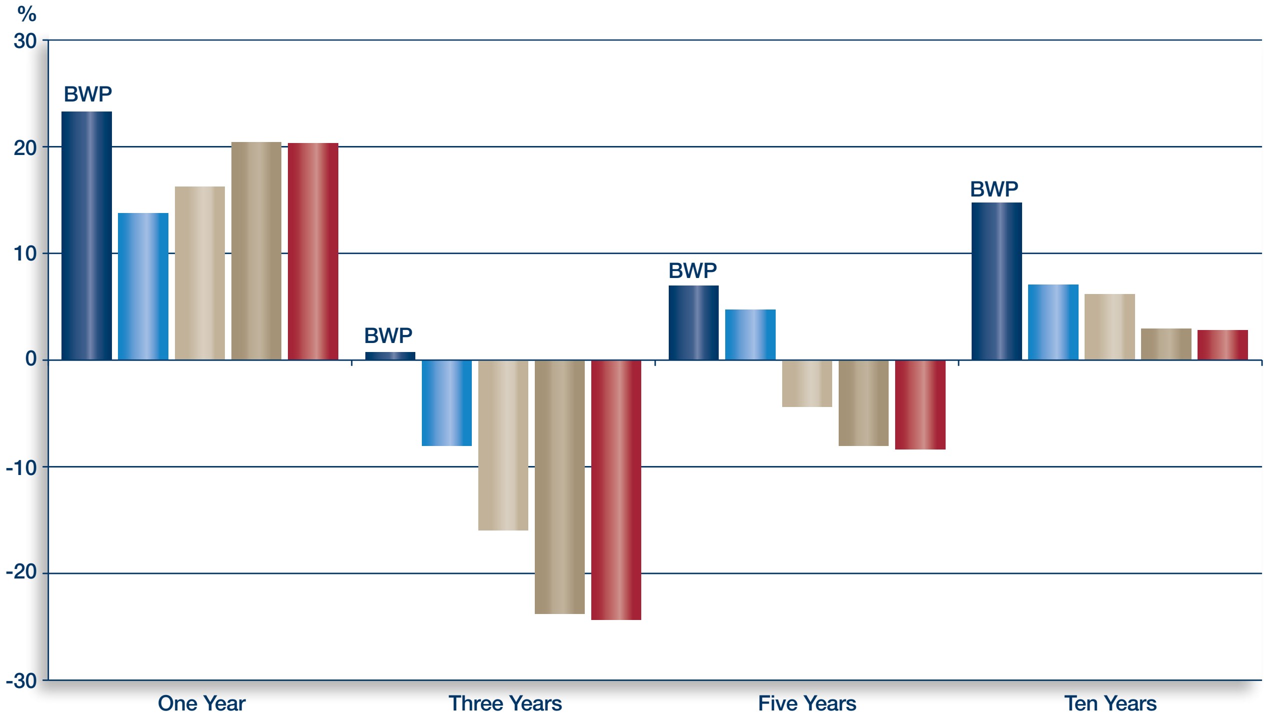
- Ample land area (average 3 hectares)
- Visible and accessible from a major road, highway or freeway
- Ready vehicle access and ample on-site parking
- Significant catchment area
- Offers geographic diversity
- Financially substantial tenant in an economically, socially and environmentally sustainable business
- Includes sustainability measures or prospects

Hawthorn, VIC

Highlights

- Income of $78.5 million for the year – up 7.3 per cent on the previous year
- Full-year distribution of 12.08 cents per unit – up 4.4 per cent on the previous year
- Market rent reviews on 9 properties completed during the year - average 9.2 per cent increase in annual rent
- Portfolio value $1,000.1 million - up by $44.5 million following full-year net revaluation gain of $41.8 million and capital expenditure of $2.7 million during the year
- Net Tangible Assets of $1.88 per unit at 30 June 2010 (2009: $1.79)
- Weighted Average Lease Expiry of 9.3 years at 30 June 2010 (2009: 6.3 years)
- Gearing (debt/total assets) 18.8 per cent at 30 June 2010 (2009: 22.6 per cent)
  Covenant gearing (debt + non-current liabilities/total assets) 19.3 per cent (2009: 23.1 per cent)

BWP total returns compared to market - periods ended 30 June 2010



Total returns include distributions and movement in price (assumes distributions are reinvested). Source: UBS

Bunnings Warehouse Property Trust (BWP)
ASX All Ordinaries Accumulation Index
UBS Retail 200
S&P/ASX 200 Property Accumulation Index
S&P/ASX 300 Property Accumulation Index

Letter from the Chairman

This year Bunnings Warehouse Property Trust continued to outperform both the property sector and the broader market. The Trust's ability to outperform the market over the longer term and its resilience through the recent global financial crisis has, in our view, affirmed the value in providing a premium commercial real estate investment product.

Dear unitholder

On behalf of the board of directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, I am pleased to present the Trust's 2010 Annual Report.

Thankfully, during the year the financial and economic environment improved, with some stability and confidence returning to markets; although ongoing global and local events underline how fragile and uncertain conditions remain. As the graph opposite shows, Australian equity markets improved over the course of the year, particularly the property sector, which performed better than the 9.6 per cent gain in the broader market's All Ordinaries Index. This year Bunnings Warehouse Property Trust continued to outperform both the property sector and the broader market, with an increase of 15.6 per cent in unit price over the year.

The Trust also outperformed the markets based on total returns for the year (movement in unit price and distributions) providing a total return of 23.3 per cent. Over the longer term the Trust continues to outperform, ranking either first or second in the S&P/ASX 200 A-REIT sector for total returns over one, three, five and ten year periods. The Trust has provided the highest return over 10 years of any of the property trusts in the ASX 200; with a total compound annual return of 14.8 per cent.

The Trust's ability to outperform the market over the longer term and its resilience through the recent global financial crisis has, in our view, affirmed the value in providing a premium commercial real estate investment product - focused on quality properties and sound management. Several of the responsible entity's priorities during the year have been directed towards building on this position.

First, we concluded an agreement with the Trust's main tenant, Bunnings Group Limited, to extend the leases of 35 of the Trust's Bunnings Warehouses leased to Bunnings. The effect of this transaction was to secure an additional six years' average committed rental income (around $280 million of future income based on current rentals) for the Trust, enhancing the value and quality of the Trust's portfolio. Details of the extended lease tenure are provided in the "Our property portfolio" section of the report. We believe this was a great outcome for the Trust and I thank our unitholders for their overwhelming support for this transaction.

Second, the board has refined the objectives and strategies of the Trust, to better express the focus on the premium nature of the Trust and its assets. The Trust's main objective and strategies are presented earlier in this report.

Third, we have improved our focus on and efforts towards sustainability and in particular, climate change. The scope and nature of the Trust's operations mean that the Trust's social and environment impacts are considered to be relatively minor. However, the board and management recognise the imperatives of climate change and the increased interest in sustainability by investors, tenants, suppliers, regulators and the broader community.

During the year we have been working on sustainability initiatives and improving disclosure and we have included a separate section in the annual report to outline our progress.

It has been another challenging year and I would like to thank management and my fellow directors for their valuable contribution throughout the year, and our unitholders for their continuing support.

J A Austin
Chairman
Bunnings Property
Management Limited

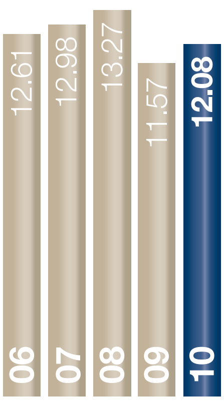
Financial summary

Financial performance

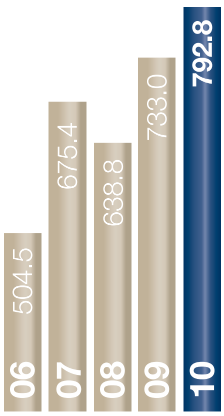
Year ended 30 June			2010	2009	2008	2007	2006
Total income		$m	**78.5**	73.2	65.9	59.8	55.1
Net profit/(loss)		$m	**92.2**	(11.7)	0.7	207.0	75.2
Unrealised (gain)/loss in fair value of investment properties		$m	**(41.8)**	52.1	39.3	(167.9)	(37.2)
Distributable profit		$m	**50.4**	40.5[1]	40.0	39.1	38.0
Distribution per ordinary unit	interim	cents	**6.10**	6.70	6.55	6.42	6.22
	final	cents	**5.98**	4.87	6.72	6.56	6.39
	total	cents	**12.08**	11.57	13.27	12.98	12.61
Tax advantaged component		%	**23.93**	28.07	23.55	23.62	24.22
Total assets		$m	**1,026.4**	999.9	979.9	963.4	731.6
Borrowings		$m	**193.5**	225.9	308.5	258.6	200.9
Unitholders' equity		$m	**792.8**	733.0	638.8	675.4	504.5
Gearing (debt to total assets)		%	**18.8**	22.6	31.5	26.8	27.5
Number of units on issue		m	**421**	410	301	301	301
Number of unitholders			**12,507**	12,583	12,471	12,840	12,477
Net tangible asset backing per unit		$	**1.88**	1.79	2.12	2.24	1.67
Unit price at 30 June		$	**1.89**	1.63	1.65[2]	2.23[2]	1.93[2]
Management expense ratio (annualised)		%	**0.70**	0.69	0.67	0.70	0.67

[1] adjusted for rounding
[2] prior years adjusted to reflect effect of $150 million capital raising in May 2009

Distribution per unit
(cents per unit)



Unitholders' equity
($ million)



BWP unit price vs market indices

Manager's report

Increased rental from rent reviews during the year contributed to 7.3 per cent growth in revenue. Distributable profit per unit of 12.08 cents was 4.4 per cent higher than last year. Net tangible assets per unit of $1.88 were 2.7 per cent higher than at 31 December 2009 mainly as a result of a 2.9 per cent increase in the fair value of the property portfolio for the six months to 30 June 2010.

Financial results

Total income for the full-year to 30 June 2010 was $78.5 million, up by 7.3 per cent from last year, due to increases in rental income from rent reviews, a full year of new income received from acquisitions and developments completed last year and increased interest income.

Finance costs of $19.1 million were 10.1 per cent lower than last year due to a lower average level of debt, in spite of the higher average cost of borrowings. The average level of debt was 38.1 per cent lower at $198.2 million compared with $320.2 million for 2009, as a result of debt reduction following the $150 million capital raising in May 2009. The weighted average cost of net borrowings (finance costs less finance income/average borrowings) was 9.40 per cent, compared with 6.55 per cent in the previous year. The average cost of borrowings was higher due to:

- increases in bank fees and margins on facilities that were repriced during the last two years;
- the increased bank fees being applied to lower levels of borrowings, increasing the effective rate.

Distributable profit for the year was $50.4 million, an increase of 24.6 per cent on the distributable profit last year; although last year's profit was affected by the one-off costs of approximately $3.3 million associated with debt reduction from proceeds of the $150 million capital raising in May 2009. Distributable profit for the year ended 30 June 2010 excludes the unrealised net gain of $41.8 million on the revaluations of the fair value of the portfolio at 30 June 2010 (see revaluations section in "Our property portfolio").

The management expense ratio for the year ended 30 June 2010 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.70 per cent (2009: 0.69 per cent).

As at 30 June 2010 the Trust's total assets were $1,026.4 million (2009: $999.9 million), with unitholders' equity of $792.8 million and total liabilities of $233.6 million. Investment properties made up the majority of total assets, comprising $1,000.1 million (2009: $955.6 million).

Details of investment properties are contained in the "Our property portfolio" section at pages 10 to 13.

The underlying net tangible asset backing of the Trust's units ("NTA") at 30 June 2010 was $1.88 per unit, an increase of 2.7 per cent from $1.83 per unit at 31 December 2009 (30 June 2009: $1.79). The increase in NTA over the six months to 30 June 2010 is mainly due to the increase in the fair value of the portfolio during the six months.

The Trust's gearing ratio (debt to total assets) at 30 June 2010 was 18.8 per cent (2009: 22.6 per cent), slightly below the board's preferred range of 20 to 40 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 19.3 per cent (2009: 23.1 per cent). The interest cover ratio (earnings before interest and tax to interest expense) was 3.7 times (2009: 2.9 times).

Distribution to unitholders

A final distribution of 5.98 cents per ordinary unit has been declared and will be made on 27 August 2010 to unitholders on the Trust's register at 5.00pm on 30 June 2010.

The final distribution takes the total distribution for the year to 12.08 cents per unit, a 4.4 per cent increase on last year.

The tax advantaged component of the distribution is 23.93 per cent.

Units issued under the Trust's Distribution Reinvestment Plan ("DRP") in respect of the final distribution will be issued at $1.8028 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.

Capital management

As a result of the $150 million capital raised in May 2009, the Trust was able to reduce its bank borrowings from more than $340 million at the time of the capital raising, to less than $200 million at 30 June 2010.

In order to remove unnecessary borrowing costs associated with holding excess debt capacity, while maintaining sufficient debt capacity for future growth, in March 2010 the Trust reduced its debt facility limits by $50 million, to $330 million. Details of the Trust's current facilities are provided below.

Bank facilities as at 30 June 2010	Limit $m	Amount drawn[1] $m	Expiry date
Australia and New Zealand Banking Group Limited	100.0	48.8	31 July 2013
Commonwealth Bank of Australia	100.0	49.9	14 January 2012
Westpac Banking Corporation	80.0	45.5	2 July 2012
National Australia Bank Limited	50.0	50.0	Evergreen[2]
	330.0	**194.2**	

1 Amount drawn includes accrued interest of $0.7 million as at 30 June 2010.

2 Facility 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 Trust's DRP was reinstated during 2008 and applied to both the interim and final distributions for the year ended 30 June 2010. During the year 10,710,718 new units were issued under the DRP. The Trust has continued to maintain an active DRP as a component of longer-term capital management, in spite of current low gearing levels and the strong cash position of the Trust.

At 30 June 2010, the Trust's hedging cover was 99.2 per cent of borrowings, with $192.0 million interest rate swaps against interest bearing debt of $193.5 million. The weighted average term to maturity of hedging was 3.26 years, including delayed start swaps.

Sustainability

Following our initial reporting of a formal position on sustainability last year, we have devoted a separate section of the report this year to sustainability. This can be found on pages 14 to 17.

Grant Gernhoefer
General Manager
Bunnings Property Management Limited

Outlook

The Trust has a strong balance sheet to fund growth through appropriate property acquisitions and improvements to existing properties.

We will continue to actively pursue new assets that fit the Trust's investment criteria. Quality Bunnings Warehouses will continue to be the main focus for acquisitions. Other assets will be considered, selectively, that provide similar characteristics to Bunnings Warehouse properties by having a large land area with warehouse style improvements, being well located and with a quality tenant under a longer-term lease. Availability of appropriate properties will be the main challenge for the Trust in acquiring new assets in the short-term, as prime properties seem to be tightly held in the current environment.

We will also pursue value enhancing improvements to existing assets. There is one upgrade in progress, due for completion by 31 December 2010, expanding the Bunnings Warehouse at Broadmeadows, Victoria, which will provide an eight per cent return on the estimated $5.4 million capital outlay. Other upgrades may be negotiated with tenants based on the needs of their businesses.

Income growth will also be derived from scheduled rent reviews. There are four market rent reviews due in the year ending 30 June 2011; two in Victoria and two in Western Australia and these are likely to be subject to determination by independent valuers, based on current rentals of comparable properties, particularly other Bunnings Warehouses. The balance of the properties in the portfolio will be reviewed to the Consumer Price Index ("CPI") or by a fixed percentage increase. The average CPI increase for the portfolio during the year ended 30 June 2010 was approximately 1.6 per cent, providing potential for improved CPI increases in the 2011 financial year.

Finance costs will continue to constrain earnings in the short to medium term, with the effect of increased fees and margins from a facility extended in January 2010 and the repricing of another facility due at the end of March 2011 offsetting the benefits of reducing facility limits by $50 million in April 2010. The Trust's relatively high level of interest rate hedging means that increases in interest rates are not expected to adversely affect borrowing costs.

Nunawading, VIC

Our property portfolio

The Trust comprises predominantly warehouse retailing properties, particularly Bunnings Warehouse properties tenanted by Bunnings Group Limited, a wholly owned subsidiary of Wesfarmers Limited.
As at 30 June 2010 the Trust owned 60 investment properties, all within Australia, with a total value of $1,000.1 million and a weighted average lease expiry of 9.3 years (compared with 6.3 years at 30 June 2009).

Portfolio at a glance

	2010	2009	2008	2007	2006
Bunnings Warehouses	53	53	51	50	49
Bunnings Distribution Centre (“DC”)	1	1	2	2	2
Bunnings Warehouse development sites	1	1	2	2	1
Retail/bulky goods properties	2*	2*	2*	1*	1*
Office/warehouse industrial properties	4	4	4	3	-
Annual capital expenditure	$2.7 m	$45.4 m	$51.4 m	$62.0 m	$33.8 m

* Showrooms at Bayswater are on the same site as the Trust’s Bayswater Bunnings Warehouse

The portfolio comprises 53 established Bunnings Warehouses, 1 development site on which a Bunnings Warehouse is to be developed, 1 Bunnings distribution centre, 4 office warehouse industrial properties and 1 stand-alone bulky goods showrooms complex.

Property acquisitions

Land adjoining Bunnings Warehouse, Broadmeadows, Victoria

In May 2010 the Trust acquired a small parcel of vacant land adjoining the Trust’s Bunnings Warehouse in the suburb of Broadmeadows, approximately 15 kilometres north-west of the Melbourne central business district.

The 433 square metres of land, acquired for $0.3 million (including acquisition costs), combined with another small adjoining parcel acquired in 2004, enables the expansion of the adjoining Bunnings Warehouse. Bunnings Group Limited pays the Trust an access fee of eight per cent per annum on the Trust’s total capital outlay until the adjoining Bunnings Warehouse is expanded over the additional sites. Details of the proposed expansion of the Bunnings Warehouse are provided in the following section.

Developments and upgrades

Upgrade of Bunnings Warehouse Broadmeadows, Victoria

A $5.4 million upgrade of the existing Trust-owned Bunnings Warehouse store at Broadmeadows, Victoria, was commenced by Bunnings Group Limited as project manager for the Trust during the year. The upgrade, utilising surplus land, will increase the retail area by 1,287 square metres and is expected to be completed towards the end of the 2010 calendar year.

On completion of the development, the Trust will receive an eight per cent return on the development cost and the parties will enter into a new ten year lease of the Bunnings Warehouse with one ten year option, exercisable by the tenant. The rent will be reviewed to market every five years and by the Consumer Price Index in all other years. All other terms and conditions of the existing lease will remain the same.

Other improvements

Mechanical ventilation and associated works were completed at the Trust's Hawthorn Bunnings Warehouse, at a cost of $0.3 million. The Trust will receive a return of eight per cent per annum on the cost of the improvements.

Improvements to roof safety and access at 17 properties were completed during the year at a cost of approximately $1.1 million.

Approximately $1.0 million was spent on other non-income producing improvements to the portfolio during the year.

Rent reviews

The rent payable for each leased property is increased annually, either by a fixed percentage or by the Consumer Price Index ("CPI"), except when a property is due for a market review. Market reviews occur for each Bunnings Warehouse, generally, every five years from the date of the commencement of the lease. The market rental is determined according to generally accepted rent review criteria, based on rents paid at comparable properties in the market.

During the year, 50 properties had annual fixed or CPI increases, resulting in an average increase of 1.8 per cent in the annual rent for these properties.

Market rent reviews were completed on nine properties during the year. The outstanding rent review for the Bunnings Warehouse at Minchinbury, New South Wales, which was due 31 December 2008, was completed subsequent to year end. The Mile End market review, scheduled for March 2010 is expected to be concluded by 31 December 2010.

The results of the completed market rent reviews (including Minchinbury, completed post-balance date) are shown in the table below. Of the ten reviews completed, five were negotiated between both parties and five were determined by an independent valuer. There was a 9.1 per cent average increase in annual rent for these 10 properties as a result of the market rent reviews.

Property location	Passing rent ($ pa)	Market review ($ pa)	Uplift (%)	Effective date
Albany, WA	570,300	745,000	+30.6	1 Nov 09
Bibra Lake, WA	1,217,470	1,489,250	+22.3	1 Nov 09
Fountain Gate, VIC*	1,280,920	1,325,000	+3.4	1 Feb 10
Hoppers Crossing, VIC*	1,127,440	1,162,500	+3.1	22 Mar 10
Maitland, NSW*	1,087,806	1,160,000	+6.6	18 Oct 09
Minchinbury, NSW#	1,402,287	1,525,000	+8.8	31 Dec 08
Morayfield, QLD^	1,367,688	1,508,000	+10.3	22 Mar 10
Mornington, VIC*	1,374,140	1,450,000	+5.5	13 Dec 09
Nunawading, VIC	1,926,863	2,065,000	+7.2	11 Feb 10
Thornleigh, NSW*	1,127,835	1,190,000	+5.5	6 Sep 09
Weighted average (%)			**+9.1**	

* Negotiated outcome

^ Excludes amortised rent not subject to review

Minchinbury determination was handed down subsequent to year end but has been included for completeness

Our property portfolio (continued)

Revaluations

The entire Trust portfolio was revalued at 31 December 2009 and again at 30 June 2010, including 21 property revaluations performed by independent valuers (11 at 31 December 2009 and 10 at 30 June 2010). Properties not independently revalued at each balance date are subject to directors' valuations, with an independent valuer reviewing the methodology adopted.

The value of the portfolio increased by $44.5 million to $1,000.1 million; following a net revaluation gain of $41.8 million and capital expenditure of $2.7 million during the year. Details of the revaluations are disclosed in Note 9 of the notes to the financial statements.

The net revaluation gain was due to rental growth from rent reviews and improvement in capitalisation rates, primarily as a result of the extension of a number of existing Bunnings Warehouse leases (refer to the Extended lease tenure section below). The Trust's weighted average capitalisation rate for the portfolio at 30 June 2010 was 7.65 per cent (December 2009: 7.78 per cent and June 2009: 7.81 per cent).

Extended lease tenure

In May 2010, unitholders approved a proposal to extend the leases of 35 of the 53 Bunnings Warehouses owned by the Trust.

The lease extensions involved increasing the current term that Bunnings Group Limited was committed to lease 34 of the properties from the Trust by a weighted average of 6.0 years and increased Bunnings Group Limited's tenure at 35 of the properties by a weighted average of 6.3 years.

Extending the leases has increased the Weighted Average Lease Expiry ("WALE") of the Trust's portfolio by an estimated 3.7 years, based on the position at 31 December 2009. At 30 June 2010, the Trust's WALE was 9.3 years.

In addition to securing an additional six years' committed rental income from the 34 properties and improving the WALE, the extended lease tenure has:

- improved the Trust's lease expiry profile by spreading the expiry of the committed term of leases over a longer period (from 11 to 17 years as at 31 December 2009);
- reduced the maximum number of leases expiring in any one calendar year from 22 to 10; and
- increased the capital value of the portfolio.

Apart from the change to the duration of the leases, there were no other changes to the terms and conditions of the leases or the basis on which rental income is derived. There was no financial consideration exchanged between the parties for the extended lease tenure and it has provided the Trust a low cost means of securing a future income stream and enhancing the quality and value of the Trust's portfolio.

Morayfield, QLD

Portfolio rental summary

As at 30 June 2010	Land area	Gross lettable area[1]	Annual rental[2]
	ha	sqm	$000
Western Australia			
Albany	2.0	13,660	745
Balcatta	4.3	25,439	1,704
Bibra Lake	3.2	13,977	1,489
Canning Vale (Blackwoods)[3]	1.4	6,945	-
Geraldton	3.3	17,809	899
Geraldton Showrooms	1.2	1,511	210
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
Total	**31.0**	**160,000**	**12,436**
Victoria			
Altona[4]	3.4	9,254	1,009
Bayswater	4.9	15,193	1,527
Bayswater showrooms		2,484	401
Blackburn (Industrial)	4.1	20,420	1,584
Broadmeadows[5]	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	1,093
Fountain Gate	3.2	12,624	1,325
Frankston	3.7	13,843	1,837
Hawthorn	0.8	7,462	2,777
Hoppers Crossing	2.7	11,170	1,163
Maribyrnong[6]	3.4	-	-
Mentone	2.5	11,814	1,390
Mornington	4.0	13,324	1,450
Northland	3.3	12,027	1,453
Nunawading[7]	3.4	14,766	2,065
Oakleigh South	4.4	16,949	1,760
Sandown	3.1	12,180	1,025
Scoresby	3.4	11,938	1,190
Sunshine	2.0	9,958	918
Vermont South[8]	5.2	16,634	1,959
Total	**69.3**	**260,107**	**29,778**

As at 30 June 2010	Land area	Gross lettable area[1]	Annual rental[2]
	ha	sqm	$000
Australian Capital Territory			
Fyshwick[9]	2.8	6,648	1,083
Tuggeranong	2.8	11,857	1,408
Total	**5.6**	**18,505**	**2,491**
South Australia			
Mile End	3.3	14,786	1,646
Noarlunga	2.6	15,054	1,301
Regency Park	1.1	4,682	403
Total	**7.0**	**34,522**	**3,351**
New South Wales			
Artarmon	0.7	5,746	1,484
Belmont North	4.0	12,640	844
Belrose	2.5	8,888	1,876
Blacktown (Blackwoods)	1.3	8,346	763
Coffs Harbour	2.5	8,657	795
Lismore	2.1	10,076	861
Maitland	3.7	12,797	1,160
Minchinbury	3.1	12,048	1,544
Port Macquarie	2.0	8,801	812
Thornleigh	1.2	5,301	1,190
Villawood	2.6	10,886	1,414
Wollongong	2.7	10,811	1,279
Total	**28.4**	**114,997**	**14,022**
Queensland			
Burleigh Heads	3.3	12,428	1,426
Cairns	2.4	12,917	1,192
Cannon Hill	3.6	16,470	1,944
Hemmant Distribution Centre	3.5	21,523	2,058
Hervey Bay	3.0	11,824	1,063
Morayfield	3.1	12,507	1,557
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
Total	**31.1**	**136,840**	**14,398**
Grand Total	**172.4**	**724,971**	**76,476**

Note: Totals and Grand Total adjusted for rounding

1 total retail area of the Bunnings Warehouse

2 annual rental figures do not include access fees detailed below

3 vacant property

4 includes additional land (1.0 hectares) for which Bunnings Group Limited pays the Trust an access fee of $221,636 per annum

5 includes additional land (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of $46,695 per annum

6 development site for which Bunnings Group Limited pays the Trust an access fee of $602,482 per annum

7 includes adjoining properties (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of $126,935 per annum

8 includes land (0.4 hectares) for which Bunnings Group Limited pays the Trust an access fee of $68,000 per annum

9 includes adjoining property (1.0 hectares) for which Bunnings Group Limited pays the Trust an access fee of $301,020 per annum

Number of properties

Western Australia	12
Victoria	21
Australian Capital Territory	2
South Australia	3
New South Wales	12
Queensland	10
Total	**60**

Sustainability

Last year was the first time that a formal position on sustainability, and more particularly, climate change, was provided by the responsible entity in respect of its operations and that of the Trust's business.

Last year our focus on sustainability was substantially on climate change and directed towards information gathering and improved understanding of opportunities to make a difference to climate change. Information gathering has continued in the current year, however, we were able to undertake a number of positive actions as a result of knowledge already gained. We have also increased our scope to contemplate our approach to broader sustainability issues.

Our commitment

The Board adopted a set of Sustainability Principles in 2008/09 for incorporating environmental, social and governance ("ESG") issues into the Trust's policies, practices and processes. These principles, shown in the accompanying table, are based on the United Nations Principles for Responsible Investment and were initially adopted for internal reference and self-assessment. During 2009/10 these principles were formally adopted as a public statement of the Trust's commitment to sustainability and as the benchmark against which the Trust will now report on its activities and achievements.

Context and content of our sustainability reporting

The scale, domestic scope and relatively passive nature of our operations (refer to the next section) mean that our impacts on the environment and society are relatively minor in local, national and global contexts. We recognise, however, the interest in sustainability by investors, tenants, suppliers, regulators and the broader community and their right to understanding how and to what extent our business affects them, directly and indirectly, positively and negatively. We also recognise that even modest impacts, taken collectively and over time, can have a meaningful effect on the environment and society. We can also help to promote a focus on sustainability and contribute to developing better ways to measure and monitor sustainability performance.

With stakeholders' interest in disclosure in mind, and our own commitment to provide a premium investment product to investors, we aim to disclose information relating to key aspects of ESG in order to demonstrate the Trust's ESG impacts and risks and our performance in managing these impacts and risks. We consider that key aspects are those areas where ESG impacts and risks are material to our operations or are significantly important to stakeholders in their decision making processes to warrant disclosure.

The scale, scope and nature of our operations also mean that it may not be relevant, economic, or statistically accurate to collect and present data relating to ESG impacts and risks. Accordingly, much of the information presented is not quantified in terms that may be readily compiled or compared by stakeholders. Where possible we will attempt to use estimates or otherwise indicate some measure of relativity as a guide to materiality and performance. The operations of both the Trust and the responsible entity are considered collectively and disclosed separately to the extent that it is relevant.

Given the range and breadth of ESG topics, we have given priority to those aspects that we consider to be

Our Sustainability Principles

We are committed to acting responsibly and ethically and operating our business in a manner that is sustainable.

We have developed the following principles for incorporating environmental, social and governance ("ESG") issues into our policies, practices and processes.

1. **We will consider ESG issues in our investment analysis and decision-making processes.**
2. **We will address ESG issues in policies and practices regarding our ownership of our assets and our use of resources.**
3. **We will engage with suppliers and tenants on ESG issues.**
4. **We will report on the progress of our ESG activities and initiatives.**
5. **We will continue to build on our knowledge and understanding of ESG and ways of addressing ESG issues in order that we can assess opportunities for improved ESG performance.**

most relevant to our operations and that provide the most opportunity for improved performance. On this basis our primary focus remains on the environment, more particularly climate change. We will endeavour to report more comprehensively on other relevant and material topics as we progress.

The scale, scope and nature of our operations

The Trust's property business is relatively small on the global and national scales. It owns 60 properties, all in Australia, comprising land and warehouse-style improvements leased to other entities for use primarily as bulky goods or warehouse retailing. The total area of land owned by the Trust is approximately 172 hectares, with gross lettable area of approximately 725 thousand square metres. The total fair value of the Trust's investment properties is approximately $1,000 million.

Most properties are subject to whole-of-site leases and the Trust has no operational control over the properties or the businesses operated at them. Some multi-tenanted properties have common areas for which the Trust is responsible for maintaining, typically car parks and other common access areas.

The responsible entity's management team occupies a Perth based office of 127 square metres and the business is managed with a team of less than six employees.

1. ESG in investment analysis and decisions

As part of the strategic planning process during the year, sustainability has been expressly incorporated into the Trust's strategies, objectives, investment criteria and business plan.

One of the outcomes of this has been that all new property acquisition and building upgrade proposals presented for Board approval now expressly consider ESG matters relevant to the property to ensure that these matters assume appropriate focus and oversight.

An example of where this has been applied in practice is in the decision of choice of material to use for roof safety improvements at several properties. During the year the responsible entity sought tenders for the installation of safer roof access walkways for many of the Trust's properties. During this process, fibreglass walkways were considered as a more sustainable alternative to aluminium. While we were not able to conduct full Life Cycle Assessments of the two products, approximations were made using generic calculations in relation to the embodied energy and embodied carbon for the project. These calculations indicated that the installation of new fibreglass walkways instead of aluminium walkways could contribute substantial energy savings and emissions reductions over the product life. As a result, the fibreglass product has been installed at 17 of the Trust's properties, and is likely to be the preferred material going forward.

2. Addressing ESG issues in our ownership of assets and use of resources

Almost all of the Trust's properties are subject to "whole of site" leases where the tenants have operational control of their facilities. However, the Trust retains operational control over "common areas" at its multi-tenanted properties, being those areas not for exclusive use by the respective tenants, such as common parking areas and road and pedestrian access ways. During the year, lighting and energy usage audits were conducted on most of these common areas and a database of the energy use and emissions of these common areas was established. Total energy costs of the common areas reviewed were found to be less than $50,000 per annum. Following the audits, changes were made at the larger Blackburn site to lighting controllers, lamps and fittings to improve the efficiency of the lighting.

The design and installation of safer roof access improvements for 17 Trust properties (refer to the immediately preceding section) is another of our initiatives to improve the safety, amenity and longer-term condition of the properties.

An example of an environmental improvement undertaken in conjunction with Bunnings Group Limited during the year has been the commencement of phasing out of aging air-conditioners operating on the R22 gas system in the office areas of the Trust's Bunnings Warehouses. The R22 gas is mildly ozone depleting, whereas the new gas R410A is non-ozone depleting and non carcinogenic.

3. Engaging with our suppliers and tenants on ESG issues

Bunnings Group Limited, the Trust's principle tenant, is committed to materially reducing its environmental impact through a range of actions including energy efficiency measures, water conservation, waste reduction and ethical sourcing. More detailed information on Bunnings Group Limited's ongoing commitment to sustainability is available in the Wesfarmers Sustainability Report which can be viewed online at www.bunnings.com.au.

Sustainability (continued)

3. Engaging with our suppliers and tenants on ESG issues (continued)

One of Bunnings Group Limited's initiatives has included an ongoing research partnership with Murdoch University in Western Australia, the objectives of which included a review of the built environment, and future building standards at warehouse stores. The research has identified several potential initiatives for evaluation and possible inclusion into new building specifications and refits where appropriate.

The Trust aims to support Bunnings Group Limited in its initiatives where it is able to. During the year this included consenting to lodgement of development applications for sustainability improvements such as installation at many properties of rain water harvesting systems made by Bunnings Group Limited and the installation of wind turbine systems at our Rockingham property. To date, 48 of the Trust's 53 Bunnings Warehouses have rainwater harvesting systems installed by Bunnings Group Limited

Also, we continued to consult with Bunnings Group Limited on sustainability intitiatives, including LED lighting, installation of solar panels, water conservation measures and skylight replacement. We hope that with an ongoing understanding of Bunnings Group Limited's energy objectives, the Trust is better placed to consider Bunnings Group Limited's proposals in relation to future warehouse design and upgrade proposals.

During the year the Trust undertook an exercise with suppliers of roof walkway materials to understand energy and emissions efficiencies offered by different materials for use on Trust properties (refer to the safer roof access project in the two preceding sections).

4. Reporting on our ESG activities and initiatives

The sustainability principles adopted during the year have provided a framework for the Trust to address and benchmark sustainability issues and performance. This should allow for a structured approach to ESG activities, initiatives and disclosure. In addition to adopting these principles, we have researched the Sustainability Reporting Guidelines (version 3) issued by the Global Reporting Initiative ("GRI") as a guide to reporting content and format. We will consider the application of the GRI reporting framework and other formats that we consider are appropriate to our operations and stakeholder requirements to improve our disclosure as we progress.

As reported last year, the responsible entity completed a review of the Trust's properties to determine the Trust's reporting obligations, if any, under the Commonwealth Government's National Greenhouse and Energy Reporting Act 2007 ("NGER"). The responsible entity has no access to energy usage, consumption or emissions data for most of the activities undertaken at the Trust's properties and no NGER reporting obligation in relation to the properties.

A summary of our performance during the year and future priorities, based on each of the Trust's sustainability principles, is included in the table on page 17.

5. Building our ESG knowledge and understanding

During the year, the responsible entity's Portfolio Manager attended a Green Star Accredited Professional course in Perth, Western Australia, and a two day Green Cities 2010 sustainability conference held in Melbourne, Victoria. These training forums have provided a better understanding of green building practices. As the manager primarily responsible for assessing all new property acquisitions and building upgrades, the knowledge gained by him at courses and conferences of this nature is expected to provide valuable insights into improvement opportunities for Trust owned properties going forward.

Also, in developing the Trust's sustainability strategies, principles and reporting framework, the responsible entity's management has researched various organisations' and companies' approaches to sustainability initiatives and disclosure. It is hoped that this research will provide a background for further enhancement of the responsible entity and Trust's ESG activities and in particular to understand and meet the needs of stakeholders.

Summary of performance and future priorities

<table>
<tr><th>Sustainability principle</th><th colspan="2">Performance during the year</th><th>Future priorities</th></tr>
<tr><td>1 ESG in investment analysis and decisions</td><td>Introduced express ESG assessment in all investment proposals
Introduced sustainability as an express component of business strategy, objectives and investment criteria</td><td rowspan="3">Roof access and safety improvements made to 17 properties to improve workplace safety. Supplier engagement to ascertain embodied energy and carbon in roof walkway materials lead to choice of glass fibre over aluminium material</td><td>Comprehensive and detailed risk assessment to understand ESG impacts and opportunities
Continue to refine ESG assessment criteria for investment analysis and decision making</td></tr>
<tr><td rowspan="2">2 ESG in asset ownership and resource use</td><td>Lighting and energy use audits lead to energy efficient lighting installed in common areas at Blackburn property</td><td rowspan="2">Review and update current policies, procedures and systems to incorporate ESG principles and concepts where relevant
Complete lighting and energy use audits of common areas
Continue phase out programme for ozone depleting air conditioning
Continue with roof access and safety improvements for further properties</td></tr>
<tr><td>Joint initiative to commence phasing out ozone depleting air conditioning units</td></tr>
<tr><td>3 Tenant and supplier engagement</td><td colspan="2">Engagement with main tenant on its climate change initiatives to foster co-operate approach</td><td>Continue to engage with tenants for a co-operative approach to sustainability initiatives
Develop ESG related supplier selection and performance criteria</td></tr>
<tr><td>4 ESG reporting</td><td>Adopted ESG principles (based on UNPRI) as a framework for addressing and benchmarking sustainability issues</td><td rowspan="2">Researched Global Reporting Initiative as a reporting framework to the nature, scope and format of information expected in comprehensive sustainability reporting</td><td>Broaden scope of ESG disclosure to other relevant and material topics
Assess opportunity to improve data collection, assessment and disclosure to provide more quantitative reporting
Refine reporting format to improve comparability and compilation by users</td></tr>
<tr><td>5 Build knowledge and understanding</td><td>Portfolio Manager attendance at green building course and conference</td><td>Continue to improve technical knowledge for application to operations and decision making
Improve understanding of user requirements</td></tr>
</table>

Directors and senior management

John A Austin
Assoc Dip Val, FAPI (Val&Econ), Age: 64
Chairman, Non-executive external director

Joined the board in 2004 and was appointed Chairman in December 2007. John has been actively involved in professional property investment markets for over 39 years, during which he has been a proprietor of Jones Lang Wootton and an advisor in institutional property markets. He was the Managing Director of GRW Property Ltd, the sponsor and manager of the National Industrial Property Trust that listed in 1993 and was on a number of industry boards and committees. Currently he is Executive Chairman of Ringmer Pacific Pty Ltd, a private property investment company, Chairman of Leighton Properties Pty Ltd and is a non-executive director of the MREEF series of unlisted private property funds, managed by Macquarie Bank.

Peter J Mansell
BComm, LLB, H.Dip Tax, Age: 63
Non-executive external director

Joined the board in 1998. Peter practised as a commercial lawyer for over 35 years until he retired as a partner in Freehills in February 2004. Over the years as a solicitor, he has advised extensively on a number of wide-ranging corporate transactions. He was President of the Council of the Australian Institute of Company Directors, Western Australian Division, having sat on the national board of the Australian Institute of Company Directors Ltd in 2002 and 2003. During the past three years he has served as a director of the following companies:

Current directorships include:

- Nystar NV (Belgium)
- Ferngrove Vineyards Ltd
- Cancer Research Trust.

Past Australian listed company directorships:

- OZ Minerals Limited (June 2008 to April 2010)
- ThinkSmart Ltd (April 2007 to May 2010)
- Great Southern Limited (November 2005 to September 2009)
- West Australian Newspapers Holdings Ltd (September 2001 to December 2008) (Chairman 2007-08)
- Zinifex Ltd (Chairman) (March 2004 to June 2008).

Other past directorships:

- Western Power Corporation (December 2005 to April 2010).

Peter J Johnston
FCIS, FCPA, Age: 67
Non-executive external director

Joined the board September 2005. Peter previously held the position of Company Secretary of Wesfarmers Limited between 1994 and 2001 and during that time was also an inaugural director of Bunnings Property Management Limited from 1998 until his retirement in 2001. He was a director of Kresta Holdings Limited and a number of Kresta group subsidiaries until 23 June 2010.

Rick D Higgins
FAPI, Age: 64
Non-executive external director

Joined the board in December 2007. Rick is a property professional with over 38 years experience, having provided valuations and consultancy advice to a range of large institutional clients relating to a broad range of properties, including homemaker and bulky goods centres. Before joining the board, Rick was the National Director, Business Development for Colliers International Consultancy & Valuation and prior to this, he was employed by Jones Lang Wootton for 30 years as a National Director (formally proprietor) responsible for the national valuation and consultancy division. Rick provides ongoing consulting services to Colliers' Retail Client Development Team and he is a non-executive director of Paragon Capital Pty Ltd, a private property investment company. He is also a non-executive director of Charter Hall Direct Property Management Limited, a subsidiary of Charter Hall Group, and the responsible entity for a number of unlisted retail funds that invest in office, industrial and retail properties.

Bryce J H Denison
FCA FCPA, Age: 62
Non-executive director (non-external)

Joined the board in October 2009. Bryce is a qualified accountant who previously held the position of General Manager, Group Accounting with Wesfarmers Limited from 1986 to 2004. He has previously been the National President of the

Group of 100 and has been a member of the Australian Accounting Standards Board. Prior to joining Wesfarmers Limited, Mr Denison held various positions with accounting firm Ernst & Young over a 19 year period. He is a Fellow Member of the Institute of Chartered Accountants in Australia and CPA Australia.

Prior to joining the board, Mr Denison had been providing a consultancy service to the Bunnings Property Management Limited's board on finance and accounting matters since 2005.

Grant W Gernhoefer

BComm, LLB, Age: 47

General Manager

Manager since January 2006. For the 12 years prior to becoming General Manager, Grant worked for Wesfarmers Limited, initially as an in-house legal counsel and then in managing the group's risk management and insurance program. Prior to joining Wesfarmers, Grant worked in the building industry in Australia and overseas.

1. Grant W Gernhoefer
2. Peter J Johnston
3. Bryce J H Denison
4. John A Austin
5. Peter J Mansell
6. Rick D Higgins

Corporate governance

The responsible entity is committed to fostering a strong governance culture and framework based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

The governance framework is embedded in the Trust's compliance plan (referred to under the heading "Risk control and compliance" on page 23) to ensure ethical behaviour and transparency and to protect unitholders' interests.

This statement outlines the main corporate governance practices of the responsible entity, which were in place throughout the year and at the date of this report. In accordance with the ASX Principles, the responsible entity has posted copies of its corporate governance practices on its website: www.bwptrust.com.au.

The ASX Principles have been drafted primarily for listed companies, and not all of the recommendations are readily applicable for a registered managed investment scheme and its responsible entity. However, the responsible entity seeks to comply with the majority of the ASX Principles. Where it does not, it is largely in respect of obligations to disclose material or matters where the nature of regulation of listed trusts or of the Trust's business is such that the board of the responsible entity considers that there has been no detriment to the unitholders of the Trust from non-compliance. Areas of non-compliance and the reasons for non-compliance are noted in this statement.

Relationship between the responsible entity and Wesfarmers Limited

The responsible entity is a wholly owned subsidiary of Wesfarmers Limited ("Wesfarmers"). A majority of the property income of the Trust is received from wholly owned subsidiaries of Wesfarmers. The Trust has purchased property from Wesfarmers subsidiaries, and utilised a Wesfarmers subsidiary, Bunnings Group Limited, as project manager on property developments. Wesfarmers is a substantial unitholder in the Trust, and details of Wesfarmers' unitholding can be found on page 59 of this report. Further information regarding the relationship and transactions with Wesfarmers is detailed in Note 18(d) in the notes to the financial statements. Details of transactions with Wesfarmers are also provided in announcements released to ASX and published on the Trust's website.

ASX Waiver

The Trust holds a waiver from ASX dated 16 September 2004 ("waiver"), which allows the responsible entity to enter into certain leasing transactions on behalf of the Trust with Bunnings Group Limited, a related party, without the need to obtain unitholder approval under Listing Rule 10.1.

The waiver is subject to certain conditions including disclosure of new leases, that lease agreements are substantially on the same terms and conditions established by the parties for leases of Bunnings Warehouse properties, and appropriate five yearly rent review provisions are in place.

The waiver applies for six years from 16 September 2004 and expires on 16 September 2010.

Application has been made to ASX for a further six year renewal from 16 September 2010.

Roles of the board and management

The respective roles and responsibilities of the board and management are set out in the compliance plan.

The role of the board of the responsible entity is to ensure that the Trust is managed in a manner that protects and enhances the interests of its unitholders and takes into account the interests of officers of the responsible entity, customers, suppliers, lenders and the wider community.

The board has overall responsibility for corporate governance, including setting the strategic direction for the Trust, establishing goals for management and monitoring the achievement of these goals. The board's responsibilities and duties include:

- adopting annual operating budgets for the Trust and monitoring progress against budgets;
- monitoring and overseeing the Trust's financial position;
- determining that satisfactory arrangements are in place for auditing the Trust's financial affairs;
- ensuring that all transactions with Wesfarmers and other related parties are carried out at arm's length, including obtaining independent valuation support for property related transactions;

- reviewing the level and adequacy of services provided by external service providers including services provided by Wesfarmers;
- ensuring that appropriate policies and compliance systems are in place, and that the responsible entity and its officers act legally, ethically and responsibly on all matters; and
- complying with the statutory duties and obligations as imposed by law.

The board has delegated responsibility for the day to day management of the Trust to the General Manager.

The separation of responsibilities between the board and management is clearly understood and respected.

Board meetings

As provided for in the Trust's compliance plan, the board holds at least six scheduled meetings each year, although additional meetings may be called as and when required.

During the year the board held 14 meetings.

Board structure

The board is currently comprised of five non-executive directors including the Chairman. The board is satisfied that the composition of the board is appropriate and accords with the requirements in the Trust's compliance plan to maintain an appropriate range of backgrounds, skills and experience.

Details of directors in office at the date of this report, including their status as executive, non-executive or "external" directors are set out on pages 18 to 19 of this report.

Director independence

Directors of the responsible entity are expected to bring an independent view to the board's deliberations.

It is the responsible entity's policy that the board composition will comprise a majority of non-executive directors who are considered to be "independent". Under the regulations applicable to managed investment schemes, "independence" is determined according to the definition of "external directors" in section 601JA of the Corporations Act ("the Act").

Under section 601JA of the Act, a director of the responsible entity is an external director if they:

(a) are not, and have not been in the previous two years, an employee of the responsible entity or a related body corporate; and

(b) are not, and have not been in the previous two years, a senior manager of a related body corporate; and

(c) are not, and have not been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the responsible entity or a related body corporate; and

(d) are not a member of a partnership that is, or has been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the responsible entity or a related body corporate; and

(e) do not have a material interest in the responsible entity or a related body corporate; and

(f) are not a relative of a person who has a material interest in the responsible entity or a related body corporate.

Four directors of the responsible entity including the Chairman are external directors as defined by section 601JA of the Corporations Act.

This definition against which their independent status is assessed differs from that applied by the ASX Principles to directors of listed companies.

The board's assessment of the independence of each of the directors is included as part of the directors' details on pages 18 to 19 of this report.

Mr Bryce Denison was a consultant to the responsible entity in the previous two years and is therefore not an external director as defined by section 601JA of the Corporations Act.

The board is satisfied that all directors bring an independent judgement to bear on board decisions in relation to the affairs of the Trust and its unitholders.

Corporate governance (continued)

Selection and appointment of directors

The responsible entity has recognised the importance of having a balanced board comprised of directors with an appropriate range of backgrounds, skills and experience. In considering potential candidates for appointment to the board, the board considers the following factors:

- the skills, knowledge and experience of the person which are relevant to the role of director of the responsible entity;
- the extent to which the skills, knowledge and experience of the person complement the qualifications, expertise and experience of incumbent directors;
- the professional and personal reputation of the person; and
- any person nominated as an executive director must be of sufficient stature and security of employment to express independent views on any matter.

All non-executive directors are expected to voluntarily review their membership of the board from time to time taking into account length of service, age, qualifications and expertise relevant to the responsible entity's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the responsible entity and the Trust.

In addition, each quarter, all non-executive directors are required to review the number of directorships that they hold and confirm that they are able to devote sufficient time and attention to properly fulfil their duties and responsibilities to the board of the responsible entity.

The board considers that the establishment of a nomination committee is unnecessary given that:

- the board consists of only five directors and is not of a size sufficient to justify the formation of a board committee for this task;
- the board complies with the independence standards applicable to registered managed investment schemes as set out above; and
- when considering new candidates for nomination or appointment as directors, the board assesses the skills, knowledge and experience of its existing members, and based on that evaluation is able to select from those candidates who bring a complementary range of skills and expertise to the responsible entity's board.

Given that there is not a nomination committee, the responsible entity does not comply with Recommendation 2.4 of the ASX Principles.

Independent professional advice

Subject to prior approval of the Chairman, directors may obtain independent professional advice at the expense of the responsible entity on matters arising in the course of their board duties.

Trading in units

Trading in the Trust's securities by directors, employees and contractors of the responsible entity is restricted under the responsible entity's Securities Dealing Policy and applicable statutory regulations.

The policy is published on the Trust's website at www.bwptrust.com.au.

Financial reporting

General Manager declaration

In accordance with section 295A of the Corporations Act 2001, the Trust's financial report preparation and approval process for the financial year ended 30 June 2010, involved the General Manager of the responsible entity providing a written statement to the board that, to the best of his knowledge and belief:

- the Trust's financial report presents a true and fair view of the Trust's financial condition and operating results and is in accordance with applicable accounting standards; and
- the Trust's financial records for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001.

Audit and risk committee

The compliance plan entrenches processes for reporting and audit purposes.

The board has a formally constituted audit and risk committee. A copy of the Audit and Risk Committee Charter is available on the Trust's website.

The committee consists of the entire board and is chaired by an external director, who is not the chairman of the board. Four of the committee's five members are external directors. All are non-executive directors. During the year the committee held two meetings attended by all directors.

Risk control and compliance

As a registered managed investment scheme, the responsible entity has a compliance plan that has been lodged with the Australian Securities and Investments Commission (ASIC) and a copy of the compliance plan can be obtained from ASIC.

The compliance plan is reviewed comprehensively every year to ensure that the way in which the responsible entity operates protects the rights and interests of unitholders and that business risks are identified and properly managed.

In particular, the compliance plan establishes processes for:

- identifying and reporting breaches of, or non-compliance with, the Corporations Act, the compliance plan, the constitution of the Trust and the responsible entity's Australian Financial Services Licence;
- complying with the ASX Listing Rules;
- protecting Trust property;
- ensuring proper acquisition and disposal practices are followed in regard to Trust property;
- ensuring the timely collection of Trust income;
- completing regular valuations of Trust property;
- the maintenance of financial and other records to facilitate preparation of audited/reviewed financial reports;
- ensuring proper and timely distributions to unitholders;
- complying with the Trust's investment objectives;
- managing investment risk;
- managing potential conflicts of interest with the various related parties of the Trust;
- holding and maintaining adequate insurance cover;
- ensuring that borrowing occurs only within permitted limits and ensuring that borrowing terms are complied with; and
- handling complaints relating to the Trust.

KPMG, the external auditor of the compliance plan, has completed its annual audit for the year ended 30 June 2010. No material breaches of the plan were identified as a result of this audit.

The audit and risk committee is also responsible for assisting the board in overseeing the Trust's risk management systems. The committee is responsible for reviewing the effectiveness of those systems and recommending improvements to them.

In addition to the compliance plan, the responsible entity has in place a number of risk management controls which include the following:

- guidelines and limits for the approval of capital and operating expenditure;
- policies and procedures for the management of financial risk, including exposure to financial instruments and movement in interests rates; and
- an insurance and risk management programme.

As the majority of members of the board are "external directors" (as defined in section 601JA of the Corporations Act), the board does not consider it is currently necessary to form a separate compliance committee in addition to the board of the responsible entity.

General Manager's statement

In accordance with ASX Principle 7, the General Manager has provided the board with a written statement that:

- the statement given with respect to the integrity of the financial statements (referred to under the heading "Financial Reporting" above) was founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board of the responsible entity; and
- the Trust's risk management and internal compliance and control system was operating effectively in all material respects in relation to financial reporting risks.

Review of board and committee performance

The board and the audit and risk committee participate in performance evaluations on average every two years. The next evaluation is scheduled for 2011.

Remuneration policies

The right of the responsible entity to be remunerated and indemnified by the Trust is set out in the constitution of the Trust and disclosed in Note 4 to the financial statements in this report. The constitution is available from ASIC and is available to unitholders on request.

Corporate governance (continued)

Remuneration of directors and executives

Remuneration expenses of the responsible entity are not borne by the Trust. Directors are remunerated by the responsible entity, and management services are provided to the responsible entity by Wesfarmers Limited.

For the financial year ended 30 June 2010, each director was entitled to a director's fee. Directors do not receive options or bonus payments, nor do they receive retirement benefits in connection with their directorships other than statutory superannuation. There are no equity incentive schemes in relation to the Trust.

Details of the remuneration policy for directors are disclosed in Note 18 to the financial statements.

Remuneration committee

The board considers that the establishment of a remuneration committee is not necessary given that:

- the board consists of only five directors and is therefore not of a size sufficient to justify the formation of a separate remuneration committee;
- the responsible entity's fee is prescribed in the constitution of the Trust and any change to that fee would require the approval of unitholders; and
- as directors and officers of the responsible entity are not remunerated by the Trust, unitholders have no direct exposure to those remuneration expenses.

Given that there is not a remuneration committee, the responsible entity does not comply with Recommendation 8.1 of the ASX Principles.

Conflicts management policy

The Trust's compliance plan sets out the conflicts management policy, including the procedure for managing conflicts of interest. The policy applies to all directors and officers of the responsible entity.

The policy identifies circumstances where conflicts of interest may arise and outlines the requirement to evaluate conflicts, control or avoid conflicts and disclose relevant conflicts of interest. The policy also sets out who is responsible for managing conflicts and addresses the requirement to monitor, review and have appropriate approval of the conflicts management policy.

The board has also adopted a Directors' Conflict of Interests Policy that governs the disclosure of directors' interests and procedures for managing conflicts.

Continuous disclosure and communications with unitholders

The responsible entity has systems in place to ensure timely disclosure of price sensitive information to the market. Officers of the Trust receive training on their continuous disclosure obligations and all announcements made to the market, including information provided to analysts, are posted to the Trust's website.

The Continuous Disclosure and Market Communications Policy is available on the website.

To enhance communication with unitholders, important information including details of the Trust's properties, financial performance, ASX announcements, governance practices, distribution history and the Trust's complaints handling procedure can be found on the Trust's website.

Ethics and conduct

The responsible entity has adopted a code of conduct that sets out minimum acceptable standards of behaviour to ensure that dealings are conducted with integrity and honesty, and that the highest standards of corporate behaviour and accountability are maintained.

In addition, the board has adopted the Code of Conduct for directors recommended by the Australian Institute of Company Directors.

Sustainability

The responsible entity is committed to acting responsibly and ethically and operating its business in a manner that is sustainable. Further information on the Trust's sustainability principles and practices are provided on pages 14 to 17.

Financial statements

Bunnings Warehouse Property Trust

Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	**June 2010 $000**	June 2009 $000
Rental income		**76,619**	71,208
Other property income		**1,406**	1,662
Finance income	3	**513**	291
Total revenue		**78,538**	73,161
Finance costs	3	**(19,144)**	(21,295)
Costs associated with terminating interest rate swaps	3	**-**	(3,297)
Total finance expenses		**(19,144)**	**(24,592)**
Responsible entity's fees	4	**(5,543)**	(5,556)
Other operating expenses		**(3,441)**	(2,562)
Net profit before unrealised gain/(loss) in fair value of investment properties		**50,410**	40,451
Unrealised gain/(loss) in fair value of investment properties	9	**41,772**	(52,140)
Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust		**92,182**	(11,689)
Other comprehensive loss			
Effective portion of changes in fair value of cash flow hedges	3	**(81)**	(12,689)
Total comprehensive income/(loss) for the period attributable to the unitholders of Bunnings Warehouse Property Trust		**92,101**	(24,378)
Basic and diluted earnings (cents per unit) resulting from net profit/(loss)	6	**22.18**	(3.74)

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

Distribution Reconciliation and Statement

For the year ended 30 June 2010

	June 2010 $000	June 2009 $000
DISTRIBUTION RECONCILIATION		
Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust	**92,182**	(11,689)
Net unrealised (profit)/loss in fair value of investment properties	**(41,772)**	52,140
Distributable profit for the year	**50,410**	40,451
Opening undistributed profit	**33**	19
Closing undistributed profit	**(16)**	(33)
Distributable amount	**50,427**	40,437
Distribution (cents per unit)	**12.08**	11.57
DISTRIBUTION STATEMENT		
Net profit/(loss) attributable to unitholders of Bunnings Warehouse Property Trust	**92,182**	(11,689)
Undistributed income at the beginning of the financial year	**247,616**	299,742
Distributions paid or payable	**(50,427)**	(40,437)
Undistributed income at the end of the financial year	**289,371**	247,616

Bunnings Warehouse Property Trust

Statement of Financial Position

As at 30 June 2010

	Note	June 2010 $000	June 2009 $000
ASSETS			
Current assets			
Cash	7	**21,687**	38,721
Receivables and prepayments	8	**3,259**	1,847
Total current assets		**24,946**	40,568
Non-current assets			
Other receivables	8	**850**	850
Investment properties	9	**1,000,111**	955,562
Derivative financial instruments		**487**	2,916
Total non-current assets		**1,001,448**	959,328
Total assets		**1,026,394**	999,896
LIABILITIES			
Current liabilities			
Payables and deferred income	10	**10,531**	14,185
Derivative financial instruments		**203**	1,508
Distribution payable	5	**25,159**	19,967
Total current liabilities		**35,893**	35,660
Non-current liabilities			
Interest-bearing loans and borrowings	11	**193,474**	225,937
Derivative financial instruments		**4,230**	5,275
Total non-current liabilities		**197,704**	231,212
Total liabilities		**233,597**	266,872
Net assets		**792,797**	733,024
Unitholders' equity			
Issued capital	12	**507,372**	489,273
Reserves	13	**(3,946)**	(3,865)
Undistributed income		**289,371**	247,616
Total unitholders' equity		**792,797**	733,024
Net tangible asset backing per unit[1]		**$1.88**	$1.79

[1]Total net assets divided by the number of units on issue as at 30 June

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

Statement of Cash Flows

For the year ended 30 June 2010

	Note	**June 2010 $000**	June 2009 $000
Cash flows from operating activities			
Rent received		**86,781**	81,447
Payments to suppliers		**(14,197)**	(9,982)
Payments to the responsible entity		**(5,515)**	(5,638)
Finance income		**513**	291
Finance costs		**(19,254)**	(20,981)
Costs associated with terminating interest rate swaps		**-**	(3,297)
Net cash flows from operating activities	14	**48,328**	41,840
Cash flows from investing activities			
Payments for purchase of, and additions to, the Trust's property investments		**(5,780)**	(45,523)
Net cash flows used in investing activities		**(5,780)**	(45,523)
Cash flows from financing activities			
Repayments of borrowings		**(32,463)**	(82,562)
Proceeds from issue of units via pro-rata entitlement offer		**-**	150,367
Expenses incurred in pro-rata entitlement offer		**67**	(4,631)
Distributions paid		**(27,186)**	(27,395)
Net cash flows (used in)/from financing activities		**(59,582)**	35,779
Net (decrease)/increase in cash		**(17,034)**	32,096
Cash at the beginning of the financial year		**38,721**	6,625
Cash at the end of the financial year	7	**21,687**	38,721

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

Bunnings Warehouse Property Trust

Statement of Changes in Equity

For the year ended 30 June 2010

	Issued capital $000	Undistributed income $000	Hedge reserve $000	Total $000
Balance at 1 July 2008	330,206	299,742	8,824	638,772
Total comprehensive loss for the year attributable to the unitholders of Bunnings Warehouse Property Trust				
Net loss attributable to unitholders of Bunnings Warehouse Property Trust	-	(11,689)	-	(11,689)
Other comprehensive loss: effective portion of changes in fair value of cashflow hedges	-	-	(12,689)	(12,689)
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(40,437)	-	(40,437)
Equity issued during the year:				
Pro-rata entitlement offer	150,367	-	-	150,367
Distribution Reinvestment Plan	13,331	-	-	13,331
Expenses incurred in pro-rata entitlement offer	(4,631)	-	-	(4,631)
Balance at 30 June 2009	**489,273**	**247,616**	**(3,865)**	**733,024**
Balance at 1 July 2009	489,273	247,616	(3,865)	733,024
Total comprehensive income for the year attributable to the unitholders of Bunnings Warehouse Property Trust				
Net profit attributable to unitholders of Bunnings Warehouse Property Trust	-	92,182	-	92,182
Other comprehensive loss: effective portion of changes in fair value of cashflow hedges	-	-	(81)	(81)
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(50,427)	-	(50,427)
Equity issued during the year:				
Distribution Reinvestment Plan	18,032	-	-	18,032
Expenses incurred in pro-rata entitlement offer	67	-	-	67
Balance at 30 June 2010	**507,372**	**289,371**	**(3,946)**	**792,797**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Constitution of Bunnings Warehouse Property Trust (the Trust) and Australian Accounting Standards. The 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 98/100, unless otherwise stated.

(b) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements of the Trust comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for financial reporting periods beginning on or before 1 July 2009. The adoption of these standards has given rise to additional disclosure but did not have a material effect on the financial statements of the Trust.

In particular, the Trust has applied revised AASB 101: Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Trust presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

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.

The following standards have been identified as those that may impact the Trust in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing these financial statements.

- AASB 9 Financial Instruments: Classification and measurement. This standard simplifies the classification of financial assets into those to be carried at amortised cost and those to be carried at fair value. This standard is applicable to the Trust for the year ended 30 June 2014. The Trust has not yet determined the potential effect of the standard.
- AASB 2009-5: Further amendments to Australian Accounting Standards arising from the Annual Improvement Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Trust's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

(c) Significant judgements and estimates

In applying the Trust's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations about future events that may have an impact on the Trust. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

Investment properties – operating leases

The Trust has entered into commercial property leases on its investment portfolio.

The Trust has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases (see Notes 1(e), 1(n), and 9(c)).

Investment properties – valuations

Investment properties are revalued each balance date to reflect their fair value according to the Trust's policy on valuing assets and applying generally accepted valuation criteria, methodology and assumptions (see Notes 1(e) and 9(a)).

Financial instruments - valuations

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. (see Note 1(m)).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) 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.

The capitalisation rate used to determine the amount of finance costs to be capitalised is the weighted average interest rate applicable to the Trust's outstanding borrowings during the year.

(e) 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. Subsequent to initial recognition investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the year 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. The Trust does not expect to be ultimately liable for CGT in respect of the sale of assets as all realised gains would be distributed to unitholders.

(f) Cash

Cash in the statement of financial position, and for the purposes of the statement of cash flows, comprises cash at bank and short term deposits.

(g) Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of loans and borrowings.

Borrowings are classified as non-current liabilities if the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(h) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are included in the statement of comprehensive income.

(i) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not these have been billed to the Trust. These liabilities are normally settled on 30 day terms except for the responsible entity's fees payable, which are settled quarterly in arrears, and retention monies withheld on construction projects which are settled according to the terms of the construction contracts.

(j) Distribution payable

Each reporting period the directors of the responsible entity are required to determine the distribution entitlement of the unitholders in respect of the period. Any amounts so determined but not paid by the end of the period, are recorded as a liability.

(k) 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 measurement criteria must also be met before revenue is recognised:

Rental and other property income

Rental and other property income is recognised on a straight-line basis over the lease term.

Interest income

Revenue is recognised as the interest accrues, using the effective interest method.

(l) Taxation

Income Tax

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 these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 statement of financial position.

Cash flows are included in the statement of cash flows 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.

(m) Derivative financial instruments

The Trust enters into derivative financial instruments in the form of interest rate swap agreements, which are used to convert the variable interest rate of its borrowings to fixed interest rates. For the purpose of hedge accounting, these hedges are classified as cash flow hedges. The swaps are entered into with the objective of reducing the risk associated with interest rate fluctuations.

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.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and any ineffective portion is considered a finance cost and is recognised in net profit or loss in the statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss, at which point it is transferred to net profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively.

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

(n) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases (continued)

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.

Lease incentives, which may take the form of up-front payments, contributions to certain lessees' costs, relocation costs and fit-outs and improvements, are recognised on a straight-line basis over the lease term as a reduction of rental income.

(o) Units on issue

Units on issue are recognised at the fair value of the consideration received by the Trust. Any transaction costs arising on the issue of ordinary units are recognised directly in equity as a reduction of the unit proceeds received.

The Trust operates a Distribution Reinvestment Plan ("DRP"). An issue of units under the DRP results in an increase in issued capital.

(p) Earnings per unit

Basic earnings per unit is calculated as net profit attributable to unitholders divided by the weighted average number of units.

The diluted earnings per unit is equal to the basic earnings per unit.

(q) Segment Reporting

The Trust determines and presents operating segments based on the internal information that is provided to the General Manager, who is the Trust's chief operating decision maker.

The Trust operates wholly within Australia and derives rental income from investments in commercial property of which 94.7 per cent of this income is derived from one tenant and as such this is considered to be the only segment in which the Trust is engaged. Refer to notes 16 and 18 for further information.

The operating results are regularly reviewed by the General Manager to make decisions about resources to be allocated and to assess performance. There are no material reconciling items that exist between the discrete financial information reviewed by the General Manager and the financial statements relating to revenue, profit or loss, assets and liabilities or other material items.

2. AUDITOR'S REMUNERATION

	June 2010 $	June 2009 $
Auditing and review of the financial statements		
KPMG Australia	**60,115**	44,000
Other services		
KPMG Australia – taxation services	**17,850**	26,250
KPMG Australia – advisory services in relation to pro-rata entitlement offer	**-**	65,000
KPMG Australia – advisory services	**-**	9,000
	17,850	100,250
	77,965	144,250

3. FINANCE INCOME AND EXPENSE

	June 2010 $000	June 2009 $000
Recognised directly in profit and loss		
Interest income on bank deposits	**513**	291
Finance income	**513**	291
Interest expense on financial liabilities measured at amortised cost	**(19,144)**	(21,295)
Costs associated with terminating interest rate swaps	**-**	(3,297)
Finance expense	**(19,144)**	(24,592)
Net finance income and expense	**(18,631)**	(24,301)
Recognised in other comprehensive loss		
Net change in fair value of cash flow hedges transferred to net profit/(loss):		
- ineffective portion of changes in fair value of cash flow hedges	**(2)**	11
- costs associated with terminating interest rate swaps	**-**	3,297
Net losses on cash flow hedges for the year	**(79)**	(15,997)
Finance expense recognised in other comprehensive income	**(81)**	(12,689)

During the previous year, the Trust raised capital through a non-renounceable pro-rata entitlement offer, with the majority of the proceeds raised being used to repay debt. As a result, a number of associated interest rate swaps were terminated resulting in costs of $3.297 million in the 2009 year.

4. RESPONSIBLE ENTITY'S FEES

The responsible entity, Bunnings Property Management Limited, is entitled to a management fee payable quarterly in arrears of 0.55 per cent per annum of the gross asset value of the Trust.

The responsible entity is also entitled to a fee calculated at the rate of 0.05 per cent per annum of the gross asset value of the Trust up to $200 million and 0.035 per cent per annum of the amount by which the gross asset value of the Trust exceeds $200 million.

The responsible entity may waive the whole or any part of the remuneration to which it would otherwise be entitled. (See Note 18(d)(i)d).

5. DISTRIBUTIONS PAID OR PAYABLE

	June 2010 $000	June 2009 $000
6.10 cents (2009: 6.70 cents) per unit, interim distribution paid on 26 February 2010	**25,268**	20,470
5.98 cents (2009: 4.87 cents) per unit, final distribution provided	**25,159**	19,967
	50,427	40,437

6. EARNINGS PER UNIT

	June 2010	June 2009
Net earnings used in calculating basic and diluted earnings per unit	**$92,182,000**	($11,689,000)
Basic and diluted earnings per unit	**22.18 cents**	(3.74 cents)
Basic and diluted earnings per unit excluding unrealised gain/(loss) in fair value of investment properties	**12.13 cents**	12.94 cents
Weighted average number of units on issue used in the calculation of basic and diluted earnings per unit	**415,684,457**	312,488,003

7. CASH

	June 2010 $000	June 2009 $000
Cash at bank	**6,075**	18,721
Short term deposits	**15,612**	20,000
	21,687	38,721
Weighted average effective interest rates	**3.17%**	4.24%

The Trust's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are set out in Note 16.

8. RECEIVABLES AND PREPAYMENTS

	June 2010 $000	June 2009 $000
Current		
Receivables from Wesfarmers Limited subsidiaries	**793**	720
Other receivables	**152**	140
Prepayments	**2,314**	987
	3,259	1,847
Non-current		
Loan to Bunnings Group Limited	**850**	850

Wesfarmers Limited is a related party (see Note 18(d)(i)).

Bunnings Group Limited is a controlled entity of Wesfarmers Limited. The terms and conditions of the loan are disclosed in Note 18(d)(i)e).

9. INVESTMENT PROPERTIES (NON-CURRENT)

(a) Cost and fair value of investments

Property	Acquisition date	Purchase price $000	Acquisition costs $000	Capital improvements since acquisition $000	Fair value adjustment since acquisition $000	**Fair value 30 June 2010 $000**	Fair value 30 June 2009 $000	Last independent valuation
Albany, WA	01.11.99	4,100	206	3	5,291	**9,600**	6,900	31.12.07
Altona, VIC	24.09.98	6,800	566	2,781	5,610	**15,757**	15,200	31.12.09
Artarmon, NSW	10.02.03	14,033	864	43	6,260	**21,200**	20,200	31.12.08
Balcatta, WA	24.09.98	11,200	555	20	11,725	**23,500**	22,200	30.06.09
Bayswater, VIC	11.02.03	7,335	796	13,375	3,094	**24,600**	23,500	30.06.09
Belmont, NSW	04.12.06	10,850	634	240	(1,124)	**10,600**	10,000	31.12.09
Belrose, NSW	10.02.03	17,150	1,054	243	6,553	**25,000**	23,900	31.12.08
Bibra Lake, WA	29.12.98	1,899	95	6,357	10,849	**19,200**	15,700	31.12.07
Blackburn, VIC	15.01.08	19,000	1,123	755	(4,278)	**16,600**	17,000	15.01.08
Blacktown, NSW	24.01.07	8,235	540	249	(3,024)	**6,000**	7,700	31.12.09
Broadmeadows, VIC	24.09.98	7,200	431	575	5,694	**13,900**	13,700	30.06.10
Burleigh Heads, QLD	22.10.98	9,700	195	247	5,358	**15,500**	15,700	30.06.09
Cairns, QLD	10.02.03	10,000	453	1,128	2,319	**13,900**	13,200	31.12.08
Canning Vale, WA	24.01.07	6,467	430	135	468	**7,500**	7,000	31.12.09
Cannon Hill, QLD	24.12.98	5,600	313	7,824	7,963	**21,700**	21,200	30.06.10
Coffs Harbour, NSW	05.09.01	1,900	112	4,500	3,388	**9,900**	9,800	30.06.10
Croydon, VIC	24.09.98	7,800	518	5,619	6,963	**20,900**	19,300	31.12.09
Dandenong, VIC	19.04.02	4,000	255	6,660	5,385	**16,300**	15,500	31.12.07
Epping, VIC	12.03.99	7,800	463	-	5,737	**14,000**	13,400	30.06.10
Fountain Gate, VIC	24.09.98	8,300	505	1,580	7,315	**17,700**	17,100	31.12.08
Frankston, VIC	26.06.01	7,300	301	9,406	7,993	**25,000**	23,400	30.06.10
Fyshwick, ACT	23.12.02	10,000	942	3,538	2,825	**17,305**	17,113	31.12.08
Geraldton, WA	10.12.01	1,250	351	5,228	4,771	**11,600**	10,800	30.06.10
Geraldton Showrooms, WA	11.09.07	2,897	190	804	(1,391)	**2,500**	2,300	30.06.10
Hawthorn, VIC	18.04.07	19,337	1,217	24,477	(5,331)	**39,700**	38,800	31.12.08
Hemmant, QLD	07.05.03	3,000	143	10,557	8,100	**21,800**	21,200	30.06.09
Hervey Bay, QLD	12.07.02	2,053	122	6,426	3,699	**12,300**	11,600	30.06.08
Hoppers Crossing, VIC	11.01.99	2,075	134	5,928	6,863	**15,000**	14,100	30.06.08
Joondalup, WA	24.09.98	8,100	593	21	6,986	**15,700**	14,800	30.06.09
Lismore, NSW	21.04.04	7,750	447	923	1,580	**10,700**	10,200	30.06.09
Maitland, NSW	20.08.03	898	489	9,936	3,177	**14,500**	14,200	31.12.09
Mandurah, WA	24.09.98	3,050	160	5,496	8,094	**16,800**	15,300	31.12.09
Maribyrnong, (land) VIC	28.06.01	7,100	462	-	-	**7,562**	7,562	N/A
Mentone, VIC	24.09.98	9,400	542	94	8,464	**18,500**	18,200	30.06.09
Midland, WA	06.03.01	4,600	255	4,937	8,008	**17,800**	17,600	31.12.09
Mile End, SA	22.03.00	11,250	624	3,024	9,602	**24,500**	21,700	30.06.08
Minchinbury, NSW	31.12.98	9,200	503	-	10,897	**20,600**	19,400	30.06.08
Mindarie, WA	03.03.00	4,184	209	5,606	7,201	**17,200**	17,000	31.12.08
Morayfield, QLD	22.03.00	8,000	334	3,621	7,345	**19,300**	16,500	30.06.08
Morley, WA	04.07.05	11,100	642	447	511	**12,700**	12,700	30.06.08
Mornington, VIC	29.12.98	3,400	204	6,499	9,197	**19,300**	18,300	31.12.07
Mt Gravatt, QLD	18.12.08	11,215	659	-	(174)	**11,700**	11,200	16.12.08
Noarlunga, SA	13.04.99	2,305	124	7,392	6,979	**16,800**	16,700	30.06.08

9. INVESTMENT PROPERTIES (NON-CURRENT) (continued)

(a) Cost and fair value of investments (continued)

Property	Acquisition date	Purchase price $000	Acquisition costs $000	Capital improvements since acquisition $000	Fair value adjustment since acquisition $000	**Fair value 30 June 2010 $000**	Fair value 30 June 2009 $000	Last independent valuation
Northland, VIC	24.09.98	8,600	489	2,920	7,391	**19,400**	19,400	31.12.08
Nunawading, VIC	24.09.98	13,700	786	3,100	13,501	**31,087**	28,187	31.12.08
Oakleigh South, VIC	05.04.01	6,650	374	9,146	5,830	**22,000**	22,200	30.06.10
Port Macquarie, NSW	15.11.02	2,100	141	5,400	2,859	**10,500**	10,300	30.06.08
Regency Park, SA	24.01.07	4,656	350	218	(724)	**4,500**	4,400	31.12.09
Rockingham, WA	30.06.00	3,320	166	5,830	7,484	**16,800**	16,300	31.12.08
Rocklea, QLD	23.10.02	6,225	296	7,477	3,402	**17,400**	17,100	31.12.08
Sandown, VIC	24.09.98	7,800	446	5	4,549	**12,800**	12,600	30.06.09
Scoresby, VIC	24.09.98	8,300	473	-	7,127	**15,900**	15,100	31.12.09
Southport, QLD	09.11.98	2,800	188	6,832	6,480	**16,300**	14,200	30.06.09
Sunshine, VIC	24.09.98	7,000	407	117	3,976	**11,500**	11,300	30.06.10
Thornleigh, NSW	07.09.04	13,333	782	360	825	**15,300**	14,200	30.06.10
Tuggeranong, ACT	01.12.98	7,900	431	753	9,716	**18,800**	17,900	31.12.09
Underwood, QLD	22.10.98	3,000	178	6,066	5,556	**14,800**	14,200	30.06.09
Vermont South, VIC	14.05.03	9,150	635	14,362	1,953	**26,100**	25,300	31.12.07
Villawood, NSW	14.05.08	18,400	861	48	(1,109)	**18,200**	17,700	01.05.08
Wollongong, NSW	10.02.03	12,000	628	275	3,597	**16,500**	16,300	31.12.08
		453,767	27,386	229,603	289,355	**1,000,111**	955,562	

(i) Valuation policy

Investment properties are carried at fair value.

Fair value 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.

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

(ii) Methodology and significant assumptions

Independent valuations

The independent valuer determines the most appropriate valuation method for each property. Methods used for valuations during the year were the discounted cash flow and capitalisation of income valuation methods. Details of the independent valuations conducted as at 30 June 2010 are provided at Note 9(b).

Directors' valuations

The directors adopt the capitalisation of income valuation method for all remaining properties including those under development. The capitalisation rate used varies across properties. The methodology of the directors' valuations is subject to an independent review process by Jones Lang LaSalle.

Discounted cash flow method

The discounted cash flow method calculates a property's value by using projections of reliable estimates of future cashflows, derived from the term of any existing leases, and from external evidence such as current market rents for similar properties in the same area and condition, and using discount rates that reflect the current market assessments of the uncertainty in the amount and timing of cash flows specific to the asset.

Capitalisation of income valuation method

The capitalisation of income valuation method capitalises the current rent received, at a rate analysed from the most recent transactions of comparable property investments, adjusted to take into consideration a number of factors including:

- lease term remaining;
- the relationship of current rent to the market rent;
- the location;
- for Bunnings Warehouses, distribution of competing hardware stores;
- prevailing investment market conditions; and
- other property specific conditions.

In completing the valuations, reliance was placed on market evidence of broadly comparable Bunnings Warehouses sold within the past 12 months, with capitalisation rates ranging between 7.4 per cent to 9.5 per cent (compared with the Trust's weighted average rate of 7.65 per cent).

(b) Independent valuations and valuers

Property	Valuation date	Valuer
Broadmeadows, VIC	30.06.10	Jones Lang LaSalle, Bernard Sweeney FAPI
Cannon Hill, QLD	30.06.10	CB Richard Ellis, Tom Irving AAPI
Coffs Harbour, NSW	30.06.10	Colliers International, Peter Macadam AAPI
Epping, VIC	30.06.10	Jones Lang LaSalle, Bernard Sweeney FAPI
Frankston, VIC	30.06.10	CB Richard Ellis, Stephen Thomas AAPI
Geraldton, WA	30.06.10	CB Richard Ellis, Jason Fenner AAPI
Geraldton Showrooms, WA	30.06.10	CB Richard Ellis, Jason Fenner AAPI
Oakleigh South, VIC	30.06.10	Jones Lang LaSalle, Bernard Sweeney FAPI
Sunshine, VIC	30.06.10	Jones Lang LaSalle, Bernard Sweeney FAPI
Thornleigh, NSW	30.06.10	Colliers International, Peter Macadam AAPI

9. INVESTMENT PROPERTIES (NON-CURRENT) (continued)

(c) Operating leases

(i) All of the properties listed in Note 9(a) are leased by Bunnings Group Limited except Trust properties at Blackburn, Maribyrnong, Blacktown, Canning Vale, Regency Park, 1.0 hectare of surplus land adjoining Altona, 0.4 hectares of surplus land on the Vermont South property, 0.1 hectares of land adjoining Nunawading, 1.0 hectare of land adjoining Fyshwick, Geraldton Showrooms and the showroom complex on the Bayswater property.

(ii) General information regarding the duration of leases is as follows:

- Bunnings Warehouse leases generally commit the tenant to an initial term of ten or fifteen years, followed by a number of optional terms of five years each exercisable by the tenant.
- Leases to J Blackwood and Son Limited at Blacktown and Regency Park have an initial term of seven years, followed by two optional terms of five years each exercisable by the tenant. The Blacktown lease allows the tenant to terminate the lease any time after three years, subject to providing 12 months' prior notice.
- Leases of the Bayswater showrooms commit the tenant to an initial term of seven years, followed by one optional term of seven years for Richard Ventures Pty Ltd and two optional terms of five years for BCF Australia Pty Limited, exercisable by the tenant.
- The lease to BCF Australia Pty Limited at the Geraldton Showrooms is for an initial term of eight years, followed by two optional terms of five years each exercisable by the tenant. The lease to Ultra Tune Properties (WA) No 2 Pty Limited at the Geraldton Showrooms is for an initial term of five years, followed by two optional terms of five years each exercisable by the tenant.
- Leases at the Blackburn industrial property have varying lease terms all expiring in 2011/12 with tenant exercisable options between three and five years. The weighted average lease expiry for the property is 1.7 years.
- At 30 June 2010, the minimum lease expiry (being the duration until which the tenants' committed terms expire) for the Trust's investment properties is 1.7 years (2009: 0.7 years) and the maximum lease expiry is 16.4 years (2009: 11.3 years), with a weighted average lease expiry for the portfolio of 9.3 years (2009: 6.3 years).

(iii) Generally, rents are reviewed annually in line with movements in Consumer Price Indices compiled by the Australian Bureau of Statistics except when a market rent review is due. Market rent reviews for Bunnings Warehouses are generally due each fifth anniversary of the commencement date and for other leases at the exercise of each option by the tenant. Generally, market rents are agreed by the landlord and tenant or if not agreed, determined in accordance with generally accepted rent review criteria.

(iv) The tenant is responsible for payment of all outgoings, which include all normal rates, taxes and assessments (other than land tax in some instances). The tenant is responsible for payment of all utilities utilised by it from all premises.

(v) Some of the leases of Bunnings Warehouses allow for the tenant to repurchase the properties in specified circumstances:

a) at Bayswater, Morley, Thornleigh and Vermont South properties, the tenant may repurchase the property from the landlord in the event that:

i) the tenant proposes a redevelopment of the relevant property for which the tenant and landlord cannot agree commercial terms and at the time the tenant and landlord are not related bodies corporate; or

ii) the landlord and tenant cease to be related bodies corporate. In respect to the Bunnings Warehouses at Bayswater and Vermont South properties, in the event that the tenant and landlord cease to be related bodies corporate, the tenant may only exercise the right to repurchase at the end of the initial lease term and at the end of each further option term.

b) If the right to repurchase is exercised in respect of any of these properties, the purchase price for the property will be a price to be agreed between the parties and failing agreement, a price determined by an appointed valuer based on the market value assuming vacant possession for the relevant property.

(vi) There are no lease commitments receivable as at the reporting date.

(vii) There were no contingent rentals recognised as revenues in the financial year.

(viii) The future minimum non-cancellable rental revenues are:

	June 2010 $000	June 2009 $000
Not later than one year	**76,334**	74,658
Later than one year not later than five years	**286,707**	277,285
Later than five years	**342,481**	119,423
	705,522	471,366

(d) Reconciliation of movement in investment properties

Opening balance at the beginning of the financial year	**955,562**	962,300
Acquisitions during the year	**335**	14,645
Capital improvements	**2,442**	30,757
Net gain/(loss) from fair value adjustments	**41,772**	(52,140)
Closing balance at the end of the financial year	**1,000,111**	955,562

	June 2010 $000	June 2009 $000

10. PAYABLES AND DEFERRED INCOME

	June 2010 $000	June 2009 $000
Current		
Trade creditors and accruals	**2,741**	6,348
Responsible entity's fees payable	**1,545**	1,517
Rent received in advance	**6,245**	6,320
	10,531	14,185

The Trust's exposure to liquidity risk in respect of payables is disclosed in Note 16.

11. INTEREST-BEARING LOANS AND BORROWINGS

		June 2010		June 2009	
	Expiry date	**Limit $000**	**Amount drawn $000**	**Limit $000**	**Amount drawn $000**
Australia and New Zealand Banking Group Limited	31 July 2013	**100,000**	**48,800**	100,000	56,800
Commonwealth Bank of Australia	14 January 2012	**100,000**	**49,900**	100,000	61,100
Westpac Banking Corporation	2 July 2012	**80,000**	**45,500**	80,000	54,500
National Australia Bank Limited	Evergreen[(a)]	**50,000**	**50,000**	100,000	53,800
Less: accrued interest and borrowing costs			**(726)**		(263)
Bank loans: non current		**330,000**	**193,474**	380,000	225,937

(a) To be reviewed in March 2011 for pricing to apply from 1 April 2012 to 31 March 2013. Facility is extended annually, provided there has been no event of default or potential event of default.

At 30 June 2010 the minimum duration of the facilities was 19 months (2009: 13 months) and the maximum was 37 months (2009: 31 months) with a weighted average duration of 26.6 months (2009: 17.7 months). The borrowings under the facilities are not secured by assets of the Trust, but are subject to reporting and financial undertakings by the Trust to the banks under negative pledge agreements with each bank.

Refer to Note 16 for information on interest rate and liquidity risk.

12. ISSUED CAPITAL

(a) Book value of units on issue

	June 2010 $000	June 2009 $000
Book value at the beginning of the financial year	**489,273**	330,206
Equity issued during the year - Distribution Reinvestment Plan - August 2009, 4,226,325 units @ $1.5932 per unit	**6,733**	6,623
Equity issued during the year - Distribution Reinvestment Plan - February 2010, 6,484,393 units @ $1.7424 per unit	**11,299**	6,708
Equity issued during the year - pro-rata entitlement offer - May 2009, 100,244,757 units @ $1.50 per unit	**-**	150,367
Expenses incurred in pro-rata entitlement offer	**67**	(4,631)
Book value at the end of the financial year	**507,372**	489,273

(b) Number of ordinary units on issue

	June 2010	June 2009
Number of fully paid units on issue at the beginning of the financial year	**410,001,055**	301,435,539
Issue of units during the year – Distribution Reinvestment Plan	**10,710,718**	8,320,759
Issue of units during the year – Pro-rata entitlement offer	**-**	100,244,757
Number of fully paid units on issue at the end of the financial year	**420,711,773**	410,001,055

(c) Rights

The Trust is a unit trust of no fixed duration and the units in the Trust have no right of redemption.

Each unit entitles the unitholder to receive distributions as declared and, in the event of winding up the Trust, to participate in all net cash proceeds from the realisation of assets and any other cash of the Trust in proportion to the number of and amounts paid up on units held.

(d) Distribution Reinvestment Plan

The Distribution Reinvestment Plan (DRP) was re-introduced in May 2008, and has been applied to all distributions since this date.

Under the terms of the DRP, eligible unitholders are able to elect to reinvest all or part of their distribution in additional units, free of any brokerage or other transaction costs, rather than receiving their entitlement in cash. Units may be issued at a discount to the market price at a level, if at all, determined by the directors of the responsible entity.

The DRP issue price was based on the volume weighted average price of Bunnings Warehouse Property Trust units traded on the Australian Securities Exchange for the ten days following the relevant record date, with a discount determined by the directors of the responsible entity.

13. 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.

	June 2010 $000	June 2009 $000
Opening balance at the beginning of the financial year	**(3,865)**	8,824
Amounts recognised in net profit/(loss) for the year	**(2)**	3,308
Net loss on cash flow hedges for the year	**(79)**	(15,997)
Closing balance at the end of the financial year	**(3,946)**	(3,865)

14. CASH FLOW

(a) Reconciliation of operating profit to the net cash flows from operation

Net profit/(loss)	**92,182**	(11,689)
Net fair value change on investment properties	**(41,772)**	52,140
Increase in receivables and prepayments	**(1,412)**	(506)
(Decrease)/increase in payables and deferred income	**(670)**	1,895
Net cash flows from operating activities	**48,328**	41,840

(b) Reconciliation of cash

Cash balance comprises:		
Cash (see Note 7)	**6,075**	18,721
Short term deposits (see Note 7)	**15,612**	20,000
	21,687	38,721

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- interest rate risk.

This Note and Note 16 present information about the Trust's exposure to each of these risks, and the Trust's objectives, policies and processes for measuring and managing risk, and managing capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors of the responsible entity has overall responsibility for the establishment and oversight of the Trust's risk management framework.

Risk management policies are established to identify and analyse all risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems contained in the Trust's compliance plan are reviewed regularly to reflect changes in internal operations and market conditions.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The Trust's principal financial instruments are bank loans. The main purpose of the bank loans is to raise finance for the Trust's operations. To assist in minimising the risk associated with maintaining adequate finance for the Trust's operations, the Trust sources borrowings from a range of reputable financial institutions under facilities with differing maturity dates.

The Trust has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations. The Trust also enters into derivative transactions (interest rate swaps) to manage the interest rate risks arising from the Trust's operations. The main risk arising from the Trust's financial instruments is interest rate risk. The board of directors of the responsible entity reviews and agrees policies for managing this risk and this is summarised in Note 16.

16. FINANCIAL INSTRUMENTS

The Trust has recognised certain financial instruments in the accounts. These financial instruments are disclosed in Notes 7, 8, 10 and 11. The main risks associated with the Trust's financial instruments and the means by which these risks are managed, the measurement of financial instruments and how capital is managed are outlined below:

(a) Concentration of credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's receivables from customers and payments due to the Trust under interest rate swaps.

Receivables

The credit risk associated with 96.9 per cent (2009: 95.0 per cent) of the rental income is with two tenants, Bunnings Group Limited 94.7 per cent (2009: 92.7 per cent), and J Blackwood and Son Limited 2.2 per cent (2009: 2.3 per cent), wholly owned subsidiaries of Wesfarmers Limited. Bunnings Group Limited, J Blackwood and Son Limited, and Wesfarmers Limited are currently subject to a Deed of Cross Guarantee under which they covenant with a trustee for the benefit of each creditor that they guarantee to each creditor payment in full of any debt in the event of any entity that is included in the Deed of Cross Guarantee being wound up. Wesfarmers Limited has been assigned a credit rating of BBB+(positive)/A2 by Standard & Poor's (Baa1(stable)/P2 – Moody's).

Cash

The Trust limits its exposure to credit risk associated with its cash by maintaining limited cash balances and having cash deposited with reputable, major financial institutions subject to regulation in Australia.

Derivative financial instruments

The Trust limits its exposure to credit risk associated with future payments from its interest rate swaps by contracting with reputable major financial institutions subject to regulation in Australia.

Exposure to credit risk

The carrying amount of the Trust's financial assets represents the maximum credit exposure. The Trust's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
	Note	**June 2010 $000**	June 2009 $000
Cash and short term deposits	7	**21,687**	38,721
Loans and receivables	8	**1,795**	1,710
Interest rate swaps assets		**487**	2,916
		23,969	43,347

The Trust's maximum exposure to credit risk for loans and receivables at the reporting date by type of customer was:

Tenants		
Wesfarmers Limited subsidiaries	**793**	720
Other tenants	**152**	140
Loans		
Bunnings Group Limited – (See Note 18(d)(i)e).	**850**	850
	1,795	1,710

16. FINANCIAL INSTRUMENTS (continued)

(a) Concentration of credit risk (continued)

Impairment losses

Rental receivables of approximately $1,000 were overdue at 30 June 2010 (2009: $7,000 overdue).

There was no allowance for impairment in respect of receivables during the current year or the previous year.

Based on historic default rates, the Trust believes that no impairment allowance is necessary in respect of receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. The Trust regularly updates and reviews its cashflow forecasts to assist in managing its liquidity.

The following are the contractual maturities of financial liabilities (including estimated interest payments) and receipts of interest rate swaps:

30 June 2010	Carrying amount $000	Contractual cash flows $000	1 year $000	1-2 years $000	2-5 years $000	More than 5 years $000
Non-derivative financial liabilities						
Bank loans - principal	(193,474)	(194,200)	-	(99,900)	(94,300)	-
Bank loans – future interest	-	(25,112)	(11,143)	(9,882)	(4,087)	-
Payables and deferred income	(10,531)	(10,531)	(10,531)	-	-	-
Derivative financial liabilities						
Interest rate swaps	(3,946)	(3,040)	(2,529)	(1,231)	316	404
	(207,951)	**(232,883)**	**(24,203)**	**(111,013)**	**(98,071)**	**404**
30 June 2009						
Non-derivative financial liabilities						
Bank loans - principal	(225,937)	(226,200)	-	(165,100)	(61,100)	-
Bank loans – future interest	-	(17,790)	(9,054)	(6,367)	(2,369)	-
Payables and deferred income	(14,185)	(14,185)	(14,185)	-	-	-
Derivative financial liabilities						
Interest rate swaps	(3,867)	(2,616)	(4,814)	(2,049)	3,293	954
	(243,989)	**(260,791)**	**(28,053)**	**(173,516)**	**(60,176)**	**954**

(c) Interest rate risk

Interest rate risk is the risk that the Trust's finances will be adversely affected by fluctuations in interest rates. To help reduce this risk in relation to bank loans, the Trust has employed the use of interest rate swaps whereby, the Trust agrees with various banks to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Any amounts paid or received relating to interest rate swaps are recognised as adjustments to interest expense over the life of each contract swap, thereby effectively fixing the interest rate on the underlying obligations. At 30 June 2010 the fixed rates varied from 5.15 per cent to 7.85 per cent (2009: 5.15 per cent to 7.85 per cent) and the floating rates were at bank bill rates plus a bank margin.

The Trust has a policy of hedging the majority of its borrowings against interest rate movements to ensure stability of distributions. At 30 June 2010, the Trust's hedging cover was 99.2 per cent of borrowings. Hedging levels are currently higher than the Board's preferred 50 per cent 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 two to three years.

The Trust's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below:

	Carrying amount	
	June 2010 $000	June 2009 $000
Variable rate instruments		
Cash on short term deposits	**21,687**	38,721
Bank loans	**(193,474)**	(225,937)

Fair value sensitivity analysis for fixed rate instruments

The Trust does not have any fixed rate financial assets and liabilities, other than a loan to Bunnings Group Limited, see Note 18(d)(i)e), which will be held to maturity, and held at amortised cost.

Cash flow sensitivity analysis for variable rate instruments

The analysis below considers the impact on equity and net profit or loss due to a reasonably possible increase or decrease in interest rates. This analysis assumes that all other variables remain constant. Due to changes in market conditions since the last report, the analysis used for 2010 differs from the previous year.

	Net profit		Equity	
	100 basis points increase $000	**50 basis points decrease $000**	**100 basis points increase $000**	**50 basis points decrease $000**
30 June 2010				
Variable rate instruments	(1,942)	971	-	-
Interest rate swaps	1,920	(960)	7,032	(3,123)
Net impact on net profit and equity	**(22)**	**11**	**7,032**	**(3,123)**

	Net loss		Equity	
	100 basis points increase $000	**100 basis points decrease $000**	**100 basis points increase $000**	**100 basis points decrease $000**
30 June 2009				
Variable rate instruments	(2,262)	2,262	-	-
Interest rate swaps	1,920	(1,920)	7,522	(7,914)
Net impact on net loss and equity	**(342)**	**342**	**7,522**	**(7,914)**

16. FINANCIAL INSTRUMENTS (continued)

(d) Net fair values

The carrying amounts of financial assets and financial liabilities recorded in the financial statements have been determined in accordance with the accounting policies disclosed in Note 1 of the financial statements and are as follows:

	June 2010 $000	June 2009 $000
	Book value and fair value	Book value and fair value
Assets and liabilities held at amortised costs		
Loans and receivables	**1,795**	1,710
Cash on short term deposit	**21,687**	38,721
Bank loans	**(193,474)**	(225,937)
Payables and deferred income	**(10,531)**	(14,185)
Liabilities held at fair value		
Interest rate swaps	**(3,946)**	(3,867)
	(184,469)	(203,558)

Interest rate swaps are measured at fair value by valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on current market rates for similar instruments and were as follows:

	2010	2009
Interest rate swaps	**4.85% to 6.01%**	3.42% to 5.78%

(e) Capital management

Capital requirements are assessed based on budgeted cash flows, capital expenditure commitments and potential growth opportunities and are monitored on an ongoing basis. Information on capital and equity markets is reviewed on an ongoing basis to ascertain availability and cost of various funding sources.

In order to maintain a manageable level of debt, the responsible entity has established a preferred range of 20 to 40 per cent for the Trust's gearing ratio (debt to total assets), which is monitored on a monthly basis. At 30 June 2010, the gearing level was 18.8 per cent (2009: 22.6 per cent).

The Trust's Distribution Reinvestment Plan was reinstated during the 2008 year, effective for the final distribution for the financial year ending 30 June 2008 and applying to subsequent distributions until notice is given of its suspension or termination.

17. CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure contracted for at balance date, but not provided for, as being payable was:

	June 2010 $000	June 2009 $000
Investment properties		
Within twelve months	**6,123**	442

Capital Commitments

Broadmeadows

In April 2010, the Trust committed to upgrade works at the Broadmeadows property with an estimated cost of $5.4 million. The incremental rent for the property will be 8 per cent of the final development cost per annum (approximately $432,000 based on the estimated $5.4 million).

Other capital commitments

As at 30 June 2010, the Trust had committed to capital expenditure for other non-income producing capital works to existing properties amounting to $723,000 (2009: $442,000).

18. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES

(a) Details of key management personnel

The following persons were key management personnel of the responsible entity, Bunnings Property Management Limited, during the financial year:

Chairman – non-executive

J A Austin

Non-executive directors

B J H Denison (appointed 7 October 2009)
R D Higgins
P J Johnston
P J Mansell

General Manager

G W Gernhoefer

(b) Remuneration policy

Remuneration expenses of the directors and executives of the responsible entity are not borne by the Trust. Directors are remunerated by the responsible entity and management services are provided to the responsible entity by Wesfarmers Limited.

The right of the responsible entity to be remunerated and indemnified by the Trust is set out in the Constitution of the Trust and summarised in Note 4. The Constitution is lodged with ASIC and is available to unitholders on request.

For the financial year ended 30 June 2010, each director was entitled to director's fees and/or superannuation for their services and the reimbursement of reasonable expenses. The fees paid reflect the demands on, and the responsibilities of, those directors. The advice of independent remuneration consultants is taken to establish that the fees are in line with market standards. Directors do not receive option or bonus payments, nor do they receive retirement benefits in connection with their directorships. There are no equity incentive schemes in relation to the Trust.

(c) Unit holdings

Directors	Balance at the beginning of the year	Acquired during the year	Sold during the year	Balance at the end of the year
J A Austin	216,164	14,407	-	230,571
B J H Denison	9,286[(1)]	-	-	9,286
P J Johnston	65,000	-	-	65,000
P J Mansell	145,599	9,704	-	155,303
Total	**436,049**	**24,111**	**-**	**460,160**

(1) Balance as at appointment date of 7 October 2009.

No directors have other rights or options over interests in the Trust or contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver an interest in the Trust.

(d) Transactions with related parties

(i) Relationship with the Wesfarmers Group

a) Wesfarmers Investments Pty Ltd, a controlled entity of Wesfarmers Limited, holds 97,151,617 (2009: 92,928,076) units in the Trust, representing 23.09 per cent of the units on issue at 30 June 2010 (2009: 22.67 per cent);

During the year ended 30 June 2010, the Trust had the following transactions with Wesfarmers Limited's subsidiaries:

b) rent and other property income of $73,777,165 (2009: $68,434,632) was received from Bunnings Group Limited, a controlled entity of Wesfarmers Limited. The amount includes an amount received in advance of $6,133,784 (2009: $6,152,663). As at 30 June 2010 there was also a rent recievable of $685,016 (2009: $556,976);

c) rent of $1,537,193 (2009: $1,684,472) was received from J Blackwood and Son Limited, a controlled entity of Wesfarmers Limited. As at 30 June 2010 there was also a rent recievable of $108,341 (2009: $163,473);

d) the responsible entity's fee of $5,543,253 (2009: $5,556,262) is paid/payable to the responsible entity. During the year the responsible entity waived its entitlement to fees in respect of a Bunnings Warehouse at Hawthorn Victoria, acquired in April 2007. For the year ended 30 June 2010 the amount of fee the responsible entity had waived was $228,695 (2009: $178,154);

e) the Trust continued to provide a loan of $850,000 to Bunnings Group Limited. The loan was first provided during the year ended 30 June 2006 to fund the purchase of a parcel of land adjacent to the Vermont South Bunnings Warehouse. The land was exchanged at fair value and the terms of the agreement include charging Bunnings Group Limited an access fee of eight per cent annually until such time as the parcel of land can be sold to an external party, at which time Bunnings Group Limited will repay the loan;

f) during the year, upon unitholder approval, the Trust entered into an agreement with Bunnings Group Limited to extend leases on 35 properties that the Trust leases to Bunnings Group Limited;

g) the Trust reimbursed Bunnings Group Limited $0.36 million for cost overruns from an upgrade to the Trust's Noarlunga Bunnings Warehouse previously completed in the year ending 30 June 2009;

h) the Trust reimbursed Bunnings Group Limited $0.3 million for mechanical ventilation and roof safety works to the Trust's Hawthorn Bunnings Warehouse;

i) the Trust acquired a site adjoining the Broadmeadows Bunnings Warehouse from Telstra Corporation Limited for $0.3 million. Bunnings Group Limited entered into a Reimbursement Deed with the Trust agreeing in-principle terms, for an upgrade of the existing Bunnings Warehouse over the additional land, following settlement of the land.

   Bunnings Group Limited will pay the trust an eight per cent per annum access fee until the upgrade is completed.

j) the Trust reimbursed Bunnings Group Limited for minor capital works incurred to the Trust's properties for which the Trust had a contractual obligation to incur; and

k) the Trust paid $97,936 (2009: $76,276) to Wesfarmers Risk Management Limited, a subsidiary of Wesfarmers Limited, for insurance premiums on a number of the Trust's properties.

19. ADDITIONAL INFORMATION

(a) Principal activities and investment policy of the Trust

To invest in well located, geographically diversified properties with long-term leases to substantial tenants, predominantly in the bulky goods retail sector with the purpose of providing unitholders with a secure, growing income stream and capital growth.

(b) Commencement and life of the Trust

The Trust is a unit trust of no fixed duration and 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.

(c) Economic dependency

96.9 per cent (2009: 95.0 per cent) of the Trust's rental income received during the year was from Bunnings Group Limited and J Blackwood and Son Limited, both controlled entities of Wesfarmers Limited.

(d) Corporate information

The financial report of Bunnings Warehouse Property Trust (the Trust) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 12 August 2010.

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 year ended 30 June 2010. The information on pages 4 to 8 forms part of this directors' report and is to be read in conjunction with the following information:

Results and distributions

	June 2010 $000	June 2009 $000
Net profit/(loss) attributable to unitholders	**92,182**	(11,689)
Net unrealised (gain)/loss in fair value of investment properties	**(41,772)**	52,140
Distributable profit for the year	**50,410**	40,451
Opening undistributed profit	**33**	19
Closing undistributed profit	**(16)**	(33)
Distributable amount	**50,427**	40,437

Distributions

The following distributions have been paid by the Trust or declared by the directors of the responsible entity since the commencement of the financial year ended 30 June 2010.

		June 2010 $000	June 2009 $000
(a)	Out of the profits for the year ended 30 June 2009 on ordinary units as disclosed in last year's directors' report		
	Final distribution of 4.87 cents per ordinary unit paid on 31 August 2009.	**19,967**	20,256
(b)	Out of the profits for the year ended 30 June 2010 (see Note 5 of the notes to the financial statements):		
	(i) Interim distribution of 6.10 cents per ordinary unit paid on 26 February 2010.	**25,268**	20,470
	(ii) Final distribution of 5.98 cents per ordinary unit declared by the directors for payment on 27 August 2010.	**25,159**	19,967

Units on issue

At 30 June 2010, 420,711,773 units of Bunnings Warehouse Property Trust were on issue (2009: 410,001,055).

Principal activity

The principal activity is property investment.

There has been no significant change in the nature of this activity during the financial year.

Trust assets

At 30 June 2010, Bunnings Warehouse Property Trust held assets to a total value of $1,026.4 million (2009: $999.9 million). The basis for valuation of the assets is disclosed in Note 1 of the notes to and forming part of the financial statements.

Fee paid to the responsible entity and associates

Management fees totalling $5,543,253 (2009: $5,556,262) were paid or payable to the responsible entity out of Trust property during the financial year.

Trust information

Bunnings Warehouse Property Trust is a Managed Investment Scheme registered in Australia. Bunnings Property Management Limited, the responsible entity of the Trust, is incorporated and domiciled in Australia and holds an Australian Financial Services Licence. The responsible entity's parent company and ultimate parent company is Wesfarmers Limited.

The registered office of the responsible entity is Level 11, 40 The Esplanade, Perth, Western Australia, 6000. The principal administrative office of the responsible entity is Level 6, 40 The Esplanade, Perth, Western Australia, 6000.

The Trust had no employees during the financial year (2009: Nil).

DIRECTORS

Information on directors

J A Austin
B J H Denison (appointed 7 October 2009)
R D Higgins
P J Johnston
P J Mansell

Details of the directors appear on pages 18 to 19.

No director is a former partner or director of the current auditor of the Trust.

Company secretary

Karen A Lange, FCIS, FCPA

Ms K A Lange has been the company secretary since 9 April 2008. Ms Lange has more than 25 years' company secretarial experience including company secretary of Woodside Petroleum Limited and Wesfarmers Limited.

Directors' unitholdings

Units in the Trust or shares in a related body corporate in which directors had a relevant interest at the date of this report were:

	Units in the Trust	Shares in Wesfarmers Limited
J A Austin	230,571	7,425
B J H Denison	9,286	100,272
P J Johnston	65,000	39,500
P J Mansell	155,303	14,000

No directors have other rights or options over interests in the Trust or contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver an interest in the Trust.

Insurance and indemnity of directors and officers

During and since the end of the financial year insurance has been maintained covering the entity's directors and officers against liability incurred in that capacity. Disclosure of the nature of the liability covered by the insurance and premiums paid is subject to confidentiality requirements under the contract of insurance.

Directors and officers are indemnified by the responsible entity against the costs and expenses of defending civil or criminal proceedings in their capacity as directors and officers in which judgement is given in favour of, or acquittal is granted to, a director or officer.

Review and results of operations

The operations of the Trust during the financial year and the results of those operations are reviewed on pages 4 to 8 of this report and in the accompanying financial statements. This includes information on the financial position of the Trust and its business strategies and prospects for future financial years.

Significant changes in the state of affairs

During the financial year, the value of the Trust's investment properties increased by $44,549,000 (2009: $6,738,000 decrease) to $1,000,111,000 (2009: $955,562,000), and the number of investment properties remained constant with the previous year at 60 at financial year end.

There were no other significant changes in the state of affairs of the Trust during the financial year.

Significant events after the balance date

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations, results of operations or state of affairs of the Trust in subsequent financial years.

Likely developments and expected results

Likely developments in and expected results of the operations of the Trust in subsequent years are referred to elsewhere in this report, particularly on pages 4 to 8. In the opinion of the directors, further information on those matters could prejudice the interests of the Trust and has therefore not been included in this report.

Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Bunnings Property Management Limited support and comply with the majority of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. The responsible entity's corporate governance statement is contained on pages 20 to 24 of this annual report.

Environmental regulation and performance

The Trust's operations are not subject to any particular significant environmental regulations under either Commonwealth or State legislation. The Trust is not aware of any breach of environmental regulations.

Board committees

As at the date of this report, the responsible entity had an Audit and Risk Committee which is comprised of all of the board members of the responsible entity.

There were two Audit and Risk Committee meetings held during the year.

Rounding

The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars under the option available to the Trust under ASIC Class Order 98/100, unless otherwise stated. The Trust is an entity to which the Class Order applies.

Auditor independence

The lead auditor's independence declaration is set out on page 57 and forms part of the Directors' Report for the year ended 30 June 2010.

Non-audit services

KPMG provided the following non-audit services to the Trust during the year ended 30 June 2010 and received, or is due to receive, the following amount for the provision of these services:

Taxation services	$17,850
Total	$17,850

The Audit and Risk Committee has, following the passing of a resolution, provided the Board with written advice in relation to the provision of non-audit services by KPMG.

The Board has considered the Audit and Risk Committee's advice, and the non-audit services provided by KPMG, and is satisfied that the provision of these services during the year by the auditor is compatible with, and did not compromise, the general standard of auditor independence imposed by the Corporations Act 2001. The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work or acting in a management or decision making capacity for the Trust.

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

J A Austin
Chairman
Bunnings Property Management Limited
Perth, 12 August 2010

Bunnings Warehouse Property Trust

Directors' Declaration

For the year ended 30 June 2010

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:

1. 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 30 June 2010 and of its performance for the year ended on that date; and
      (ii) complying with Accounting Standards 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; and
   c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1(b).
2. This declaration has been made after receiving the declaration required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2010.

For and on behalf of the board of Bunnings Property Management Limited.

J A Austin
Chairman
Bunnings Property Management Limited
Perth, 12 August 2010

KPMG

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 audit for the financial year ended 30 June 2010 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

D McComish

D McComish
Partner

Perth, 12 August 2010

Bunnings Warehouse Property Trust

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

Report on the financial report

We have audited the accompanying financial report of Bunnings Warehouse Property Trust (the Trust), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 19 and the directors' declaration.

Directors' responsibility for the financial report

The directors of Bunnings Property Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the 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 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. In note 1(b), the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Trust's financial position, and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of Bunnings Warehouse Property Trust is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Trust's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(b).

KPMG

KPMG

Perth, 12 August 2010

DMcComish

D McComish

Partner

Substantial unitholders

The number of units held by the Trust's substantial unitholders and the date on which the last notice was lodged with the Trust, were as follows:

	Date of notice	Units
Wesfarmers Limited, its subsidiaries and their associates	16 June 2009	92,928,076
ING Group and its related body corporates	20 May 2010	22,600,665
Commonwealth Bank of Australia and its subsidiaries	29 April 2010	22,454,502

Distribution of unitholders

As at 31 July 2010

Range of holding	Holders	Units	%
1 – 1,000	1,405	696,347	0.17
1,001 – 5,000	3,556	10,518,720	2.50
5,001 – 10,000	2,838	20,846,703	4.96
10,001 – 100,000	4,558	105,877,995	25.17
101,000 – over	166	282,772,008	67.21
Total	**12,523**	**420,711,773**	**100.00**

	Holders	Units
Unitholders holding less than a marketable parcel (263 units)	380	37,244

Voting rights

Each fully paid ordinary unit carries voting rights at one vote per unit.

Twenty largest unitholders

The twenty largest holders of ordinary units in the Trust as at 31 July 2010 were:

	Number of units	Percentage of capital held
Wesfarmers Investments Pty Limited	97,151,617	23.09
HSBC Custody Nominees (Australia) Limited	45,125,841	10.73
J P Morgan Nominees Australia Limited	39,373,478	9.36
National Nominees Limited	26,049,398	6.19
Citicorp Nominees Pty Limited	19,971,579	4.75
Bond Street Custodians Limited	7,499,637	1.78
RBC Dexia Investor Services	7,184,877	1.71
Kowloon Nominees Pty Limited	2,345,000	0.56
Warnford Nominees Pty Limited	2,280,000	0.54
AMP Life Limited	1,735,038	0.41
Cogent Nominees Pty Limited	1,441,063	0.34
Australian Reward Investment Alliance	1,222,076	0.29
RE GL CM & JE Adshead Pty Ltd	1,153,448	0.27
ANZ Nominees Limited	1,006,360	0.24
Milton Corporation Limited	985,568	0.23
Australian Executor Trustees	848,632	0.20
Queensland Investment Corporation	809,252	0.19
Greenwich Stud Pty Ltd	800,000	0.19
Suncorp Custodian Services Pty Limited	766,400	0.18
Cantala Pty Ltd	756,721	0.18
Total	**258,505,985**	**61.44**

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.

Distribution reinvestment plan

The directors resolved in May 2008 to reinstate the Distribution Reinvestment Plan, to take effect for the final distribution for the financial year ended 30 June 2008 and subsequent distributions unless notice is given of its suspension or termination.

Electronic payment of distributions

Unitholders may nominate a bank, building society or credit union account for the payment of distributions by direct credit. Payments are electronically credited on the distribution date and confirmed by mailed payment advice.

Unitholders wishing to take advantage of payment by direct credit should contact the registry manager for more details and to obtain an application form.

Publications

The annual report is the main source of information for unitholders. In addition, unitholders are sent a half-year report in February each year providing a review, in summary, of the six months to December.

Periodically, the Trust may also send releases to the Australian Stock Exchange covering matters of relevance to investors.

Website

The Bunnings Warehouse Property Trust internet site, 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 also provides access to annual and half year reports and releases made to the Australian Securities Exchange.

Annual tax statements

Accompanying the final distribution payment in August or September each year will be an annual tax statement which details tax advantaged components of the year's distribution.

Profit distributions

Profit distributions are paid twice yearly, normally in February and August.

Unitholder meetings

Unitholder meetings are held from time to time at which unitholders have the opportunity to learn more about the Trust's activities and prospects. A unitholder briefing was held in November 2009 and a unitholder meeting was held in May 2010.

Unitholder enquiries

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

Computershare Investor Services Pty Limited

Level 2, 45 St Georges Terrace
PERTH WA 6000

Mail:	GPO Box 242, Melbourne, Victoria 3001, Australia
Telephone:	1300 136 972 (within Australia)
Telephone:	(+61 3) 9415 4323 (outside Australia)
Facsimile:	1800 783 447 (within Australia)
Facsimile:	(+61 3) 9473 2555 (outside Australia)

www.computershare.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 4356
Facsimile:	(08) 9327 4344

www.bwptrust.com.au

Directors and senior management

J A Austin	(Chairman)
B J H Denison	(Director)
R D Higgins	(Director)
P J Johnston	(Director)
P J Mansell	(Director)
G W Gernhoefer	(General Manager)
K A Lange	(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:	1800 783 447 (within Australia)
Facsimile:	(+61 3) 9473 2555 (outside Australia)

www.computershare.com.au

Auditor

KPMG

235 St Georges Terrace
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BUNNINGS WAREHOUSE PROPERTY TRUST
ANNUAL REPORT 2010

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