



# Wesfarmers Limited

ABN 28 008 984 049

Australian Stock Exchange



BWP000062

Ref: pag02-339

25 November 2002

The Directors  
Bunnings Property Management Limited  
11<sup>th</sup> Floor, Wesfarmers House  
40 The Esplanade  
PERTH WA 6000

Copy to:  
Company Announcement Office  
Australian Stock Exchange Limited  
Fax no: 1300 300 021

Dear Sirs

**Notice of movement in substantial holding**

Enclosed is a notice under section 671B of the Corporations Act 2001.

While there has not been a recent change in the relevant interests of this company or its subsidiaries amounting to one per cent, the notice is being given at this time because the increase in the units on issue in the Bunnings Warehouse Property Trust on 21 November 2002 (due to the allotment of 26,108,432 units) resulted in a cumulative change of more than one per cent in the voting interest shown in our last notice.

Yours faithfully

P/S GARDINER  
ASSISTANT COMPANY SECRETARY

## Form 604

Corporations Act 2001  
Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme BUNNINGS WAREHOUSE PROPERTY TRUST (the "Trust")

ACN/ARSN 088 581 097

## 1. Details of substantial holder (1)

Name WESFARMERS LIMITED ("Wesfarmers") and each of its subsidiaries described in Annexure "A"  
(the "Wesfarmers Group")

ACN/ARSN (if applicable) 008 984 049

There was a change in the interests of the  
substantial holder on 21/11/2002

The previous notice was given to the company on 3/10/2001

The previous notice was dated 3/10/2001

## 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary units	51,242,857	25.16	58,955,942	22.58

## 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
16/11/2001	Wesfarmers Investments Pty Ltd	Allotment of units pursuant to the Trust's 1 for 8 renounceable rights issued detailed in the prospectus which is annexure "B" to this notice	\$1.16 per unit	6,405,358 ordinary units	6,405,358
28/02/2002	Wesfarmers Investments Pty Ltd	Allotment under the Trust's Distribution Reinvestment Plan	\$1.21 per unit	628,890 ordinary units	628,890
30/08/2002	Wesfarmers Investments Pty Ltd	Allotment under the Trust's Distribution Reinvestment Plan	\$1.28 per unit	678,837 ordinary units	678,837
21/11/2002	Wesfarmers Group	Allotment of 26,108,432 ordinary units by the Trust in respect of a placement of units advised to the ASX on 14 November 2002 in the announcement which is annexure "C" to this notice. Although no units were issued to the Wesfarmers Group (and so there was no change in the Wesfarmers Group relevant interest in the Trust's units) the issue of the units resulted in the Wesfarmers Group's voting power being diluted from the previously notified 25.16% prior to the issue to 22.58% following the issue.	N/A	N/A	N/A

**4. Present relevant interests**

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (8)	Class and number of securities	Person's votes
Wesfarmers	Wesfarmers Investments Pty Ltd	Wesfarmers Investments Pty Ltd	Holding company of company which is the registered holder	58,955,942 ordinary units	58,955,942
Wesfarmers Investments Pty Ltd	Wesfarmers Investments Pty Ltd		Registered holder		

**5. Changes in association**

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Artfern Pty Ltd A.C.N. 061 025 821	Ceased to be a subsidiary of Wesfarmers
Howard Smith Group Superannuation Association Pty Limited A.C.N. 064 607 174	Became a subsidiary of Wesfarmers
Howard Smith Nominees Pty Limited A.C.N. 002 184 554	Became a subsidiary of Wesfarmers
Kerin Lange Rural Pty Ltd A.C.N. 008 292 626	Ceased to be a subsidiary of Wesfarmers
Latot Pty Ltd A.C.N. 069 907 099	Ceased to be a subsidiary of Wesfarmers
Presoval Pty Limited A.C.N. 003 470 504	Ceased to be a subsidiary of Wesfarmers
SBS Rural IAMA Dandaragan Pty Ltd A.C.N. 064 317 059	Ceased to be a subsidiary of Wesfarmers
Statewest.com.au Pty Ltd A.C.N. 083 755 122	Became a subsidiary of Wesfarmers
West Africa Power Company Pty Ltd A.C.N. 083 302 827	Became a subsidiary of Wesfarmers
Wesfarmers Transport International	Ceased to be a subsidiary of Wesfarmers
Bayridge Holdings Pty Ltd ACN 061 436 235	Ceased to be a subsidiary of Wesfarmers
Chemstock Animal Health Ltd	Ceased to be a subsidiary of Wesfarmers
IAMA Trading (NZ) Ltd	Ceased to be a subsidiary of Wesfarmers
NEGF Power Management Pty Ltd ACN 095 694 563	Became a subsidiary of Wesfarmers
NEGF Power Sales Pty Ltd ACN 095 694 607	Became a subsidiary of Wesfarmers
Pralco Industries Pty Ltd ACN 000 183 586	Ceased to be a subsidiary of Wesfarmers

**6. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Wesfarmers Limited	11th Floor, Wesfarmers House, 40 The Esplanade, Perth
Wesfarmers Group	See Annexure "A"

**Signature**

Print name PAUL STEVEN GARDINER

capacity ASSISTANT COMPANY SECRETARY

sign here



Date 25 / 11 / 2002

## Annexure "A"

Name	ACN	Address
Wesfarmers Limited	008 984 049	11th Floor, Wesfarmers House, 40 The Esplanade, Perth

Name	ACN/ARSN	Address
<b>Subsidiary Companies of Wesfarmers Limited:</b>		All of 11th Floor, Wesfarmers House, 40 The Esplanade, Perth unless otherwise specified.
A.C.N. 003 165 484 Pty Ltd (formerly Seed Grain Biotechnology Australia Pty Ltd)	003 165 484	
A.C.N. 003 921 873 Pty Limited	003 921 873	
ACN 005 144 445 Pty Ltd (formerly Jen-Ell Agrispray Pty Ltd)	005 144 445	
Alsafe Safety Industries Pty Limited	007 000 624	
Aussigold Produce Pty Ltd	054 358 020	
Australian Gold Reagents Pty Ltd	009 140 121	
Australian Seed Inoculants Pty Ltd (formerly SGB Australia Pty Ltd)	008 198 347	
Barnett Bros Pty Limited	008 689 690	
Barrobook Pty Limited	003 665 138	
BBC Hardware (NZ) Ltd		78 Carbine Road, Mt Wellington, Auckland
BBC Hardware Limited	000 003 378	
BBC Hardware Properties (NSW) Pty Limited	079 861 144	
BBC Hardware Properties (VIC) Pty Limited	079 668 652	
BBC Hardware Purchasing Pty Limited	002 928 276	
Benchmark Building Supplies Ltd		78 Carbine Road, Mt Wellington, Auckland
Berrwillock Nominees Pty Ltd	059 920 839	
Big N Distributors Pty Limited	055 110 293	
Bunnings (Northern Territory) Pty Ltd	008 698 628	
Bunnings Building Supplies Pty Ltd	008 672 179	
Bunnings Chip Mill Pty Ltd	058 451 997	
Bunnings Management Services Pty Ltd	008 683 387	
Bunnings Manufacturing Pty Ltd	008 685 238	
Bunnings Properties Pty Ltd	008 557 622	
Bunnings Property Management Limited	082 856 424	
Bunnings Pulp Mill Pty Ltd	058 452 029	
Bunnings Timbcraft Pty Ltd	008 732 974	
Bushridge Pty Ltd	059 984 780	
C S Holdings Pty Limited	001 139 751	
Campbells Hardware & Timber Pty Limited	056 937 636	
Cardinal Contractors Pty Ltd	008 688 097	
Carr Bros IAMA Pty Ltd	076 307 616	

Chemical Holdings Kwinana Pty Ltd	009 187 375	
Co-operative Wholesale Services Ltd		
Cootamundra Farm Centre Pty Ltd	002 964 589	
Credit Management Pty Ltd	051 954 717	
CSBP Ammonia Terminal Pty Ltd	009 387 615	
Cuming Smith and Company Limited	004 048 319	
Curragh Coal Sales Co Pty Ltd	010 459 220	
Curragh Queensland Mining Pty Ltd	095 450 418	
Dairy Properties Co-operative Limited		
Dairy Rural Pty Ltd	071 502 577	
Danlan Pty Limited	003 903 704	
Donald Nominees Pty Ltd	057 712 848	
Eastfarmers Pty Ltd	008 713 326	
Farmland Pty Ltd	053 109 069	
FIF Investments Pty Limited	089 634 239	
FPT (Australia) Pty Limited	081 459 878	
Frank Sauer and Sons Pty Ltd	009 709 960	
Franklin Smith IAMA Pty Ltd	076 501 758	
Glencoe Distributors Pty Ltd	000 621 054	
Goldref Pty Ltd	060 652 299	
GPML Pty Ltd	003 344 312	
Haarsma's IAMA Pty Ltd	063 973 142	
Hardwarehouse Limited		78 Carbine Road, Mt Wellington, Auckland
Howard Smith Group Superannuation Association Pty Limited	064 607 174	
Howard Smith Limited	004 071 845	
Howard Smith Nominees Pty Limited	002 184 554	
IAMA (Qld) Pty Ltd	068 181 797	
IAMA (SA) Pty Ltd	008 194 723	
IAMA Agribusiness Pty Ltd	004 196 829	
IAMA Insurance Brokers Holdings Pty Ltd	089 807 938	Level 17, Darling Park, 201 Sussex Street, Sydney
IAMA Insurance Brokers Pty Limited	082 019 903	Level 17, Darling Park, 201 Sussex Street, Sydney
IAMA Irritech Pty Ltd	074 622 825	
IAMA Superannuation Fund Pty Ltd	072 471 606	
Ibert Pty Limited	050 539 903	
Interfix Gold Coast Pty Ltd	008 682 479	
Interline Pty Ltd	008 678 144	
ISP Nominees Pty Limited	006 200 835	
J Blackwood & Son (N.Z.) Ltd		78 Carbine Road, Mt Wellington, Auckland
J Blackwood & Son Limited	000 010 300	

J Blackwood & Son Steel & Metals Pty Limited	000 048 233	
J O'Malley & Co Pty Ltd	002 964 598	
Johnstone River Transport Pty Ltd	082 719 775	
Kelly & Co Rural Centre Pty Limited	050 036 925	Level 17, Darling Park, 201 Sussex Street, Sydney
Kleenheat Autogas Pty Ltd	009 189 306	
Kleenheat Gas House Franchising Pty Ltd	093 399 118	
Kwinana Nitrogen Company Proprietary Limited	008 693 570	
Langes Agribusiness Pty Ltd	008 185 359	
Laxstone Pty Ltd	010 878 878	
Lenmost Pty Limited	008 732 376	
Loggia Pty Ltd	009 197 273	
Macquarie Valley Distributors Pty Limited	003 531 502	
Mallee Chemicals Pty Ltd	006 410 046	
Millars (WA) Pty Ltd	008 734 683	
Morris, Black & Matheson (1994) Ltd		78 Carbine Road, Mt Wellington, Auckland
Motion Industries Limited	008 734 567	
NEGF Power Management Pty Ltd	095 694 563	
NEGF Power Sales Pty Ltd	095 694 607	
North Central Nominees Pty Ltd	050 237 262	
O'Malley Distribution Group Pty Limited	000 921 077	
Packaging House Limited		401 Great South Road, Ellerslie Auckland
Pailou Pty Ltd	009 197 282	
Pathia Pty Ltd	070 045 788	
Patrick Operations Pty Limited	000 163 128	
Peppertree Fashions Limited		401 Great South Road, Ellerslie Auckland
Petersen Bros. Pty Ltd	009 679 903	
Powertrain Pty Limited	051 219 071	
R & N Palmer Pty Ltd	008 680 500	
R.V.L. Distribution Pty Ltd	056 121 183	
Rangal Holdings Pty Ltd	062 917 622	
Riverland IAMA Pty Ltd	065 064 466	Level 17, Darling Park, 201 Sussex Street, Sydney
SBS IAMA Real Estate Pty Ltd	068 047 174	
SBS Rural IAMA Pty Limited	008 978 916	
Seed & Grain Sales Pty Limited	003 604 984	
Sellers (SA) Pty Ltd	007 733 539	
Share Nominees Limited	008 906 689	
Sotico Pty Ltd	008 665 898	
Statewest Power Pty Ltd	009 017 458	
Statewest.com.au Pty Ltd	083 755 122	
Stores Realty Pty Ltd	008 683 850	

The Builders Warehouse Group Pty Limited	057 998 740	
The Fibre Company Pty Ltd	083 658 628	
Thornton Hall Corporate Wardrobe Limited		401 Great South Road, Ellerslie Auckland
Thornton Hall Limited		401 Great South Road, Ellerslie Auckland
Ucone Pty Ltd	002 534 278	
Valley Investments Pty Ltd	001 508 345	
Vivco Distribution Pty Ltd	008 176 752	
Vivco Rural Supplies Pty Ltd	008 034 213	
WA Salvage Pty Ltd	009 403 374	
Wesfarmers Agribusiness Limited	008 747 126	
Wesfarmers Bangladesh Gas Pty Ltd	085 499 467	
Wesfarmers Bengalla Limited	008 744 278	
Wesfarmers Bunnings Limited	008 673 363	
Wesfarmers Coal (Indonesia) Pty Ltd	009 379 597	
Wesfarmers Coal Superannuation Pty Ltd	065 618 019	
Wesfarmers CSBP Limited	008 668 371	
Wesfarmers Curragh Pty Ltd	009 362 565	
Wesfarmers Energy Limited	008 797 402	
Wesfarmers Federation Insurance Limited	009 027 221	
Wesfarmers Fertilizers Pty Ltd	008 741 160	
Wesfarmers Gas Limited	008 795 471	
Wesfarmers Holdings Pty Ltd	094 800 665	
Wesfarmers Industrial & Safety NZ Limited (formerly NZ Safety Limited)		401 Great South Road, Ellerslie Auckland
Wesfarmers Industrial & Safety Holdings NZ Limited (formerly HSL Safety Holdings NZ Limited)		401 Great South Road, Ellerslie Auckland
Wesfarmers Insurance Investments Pty Ltd	082 931 486	
Wesfarmers Investments Pty Ltd	078 120 677	
Wesfarmers Kleenheat Elpiji Limited (formerly Elpiji Malaysia-Bangladesh Limited)		Laila Nazim Villa, 1st Floor, House #17, Road #4, Dhanmondi R/A, Dhaka-1205, Bangladesh
Wesfarmers Kleenheat Gas (Asia) Limited		11th Floor, Tower II, The Gateway, 25-27 Canton Road, Tsimshatsui, Kowloon, Hong Kong
Wesfarmers Kleenheat Gas Pty Ltd	008 679 543	
Wesfarmers Landmark (Qld) Limited (formerly Dalgety Limited)	008 996 218	
Wesfarmers Landmark Limited (formerly Wesfarmers Dalgety Limited)	008 743 217	
Wesfarmers Landmark Realty (Qld) Pty Ltd (formerly Dalgety Real Estate (Qld) Pty Limited)	010 274 245	
Wesfarmers Landmark Realty (WA) Pty Ltd (formerly Wesfarmers Dalgety Real Estate (WA) Pty Ltd)	009 238 993	
Wesfarmers Landmark Risk Management Pty Ltd (formerly Wesfarmers Dalgety Risk Management Pty Ltd)	071 302 791	

Wesfarmers Landmark Tenderland Pty Ltd (formerly Wesfarmers Dalgety Tenderland Pty Ltd)	085 628 440	
Wesfarmers Landmark Wool Pty Ltd (formerly Wesfarmers Dalgety Wool Pty Ltd)	076 744 619	
Wesfarmers LNG Pty Ltd	096 080 205	
Wesfarmers LPG Pty Ltd	009 214 831	
Wesfarmers Premier Coal Limited	008 672 599	
Wesfarmers Private Equity Pty Ltd	088 942 269	
Wesfarmers Provident Fund Pty Ltd	008 679 329	
Wesfarmers Queensland Coal Pty Ltd	096 857 126	
Wesfarmers Railroad Holdings Pty Ltd	008 705 986	
Wesfarmers Resources Pty Ltd	009 030 139	
Wesfarmers Retail Pty Ltd	097 092 085	
Wesfarmers Risk Management Limited		Cedar House, 41 Cedar Avenue, Hamilton HM12 Bermuda
Wesfarmers Rural Holdings Limited (formerly IAMA Limited)	008 724 052	
Wesfarmers Securities Management Pty Ltd (formerly Wesfarmers Securities Management Ltd)	095 800 212	
Wesfarmers Sugar Company Pty Ltd	076 656 409	
Wesfarmers Superannuation Pty Ltd	050 218 972	
Wesfarmers Transport Indonesia Pty Ltd	078 907 338	
Wesfarmers Transport Limited	008 670 077	
Weskern Pty Ltd	009 207 470	
West Africa Power Company Pty Ltd	083 302 827	
Westralian Farmers Co-operative Limited		
Westralian Farmers Superphosphates Limited	008 667 847	
WFCL Investments Pty Ltd	009 287 245	
Wimmel Distributors Pty Ltd	006 203 023	
WTL Asia Pty Ltd	088 707 699	
Wyper Brothers Pty Limited	009 659 858	
XCC (Retail) Pty Ltd	009 449 558	



Names of former subsidiary companies of Wesfarmers Limited:	ACN	Address
Artfern Pty Ltd	061 025 821	Level 17, Darling Park, 201 Sussex Street, Sydney
Kerin Lange Rural Pty Ltd	008 292 626	Level 17, Darling Park, 201 Sussex Street, Sydney
Latof Pty Ltd	069 907 099	
Presoval Pty Limited	003 470 504	4 Victoria Street, Monteagle, NSW
SBS Rural IAMA Dandaragan Pty Ltd	064 317 059	Level 17, Darling Park, 201 Sussex Street, Sydney
Wesfarmers Transport International		C/- Ernst & Young Financial Services Limited, Louis Leconte Street, Curepipe, Mauritius
Bayridge Holdings Pty Ltd	061 436 235	11th Floor, Wesfarmers House, 40 The Esplanade, Perth
Chemstock Animal Health Ltd		Level 17, Darling Park, 201 Sussex Street, Sydney
IAMA Trading (NZ) Ltd		11th Floor, Wesfarmers House, 40 The Esplanade, Perth
Pratco Industries Pty Ltd	000 183 586	11th Floor, Wesfarmers House, 40 The Esplanade, Perth

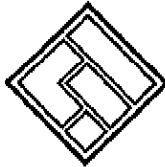
This is the annexure of six pages marked "A" referred to in the Form 604, Notice of change of interests of substantial shareholder signed by me and dated *25 NOVEMBER* 2002.



PAUL STEVEN GARDINER

ASIC registered agent number 20463  
 lodging party or agent name WESFARMERS LIMITED  
 office, level, building name or PO Box no. 11TH FLOOR, WESFARMERS HOUSE  
 street number and name 40 THE ESPLANADE  
 suburb / city PERTH state/territory WA postcode 6000  
 telephone ( 08 ) 9327 4211  
 facsimile ( 08 ) 9327 4216  
 DX number \_\_\_\_\_ suburb / city \_\_\_\_\_

		ASS. <input type="checkbox"/>	REG-A <input type="checkbox"/>
		CASH. <input type="checkbox"/>	REG-P <input type="checkbox"/>
		PROC. <input type="checkbox"/>	<input type="checkbox"/>



Australian Securities & Investments Commission

form **911**

Corporations Act 2001

**verification or certification of a document**

Regulation 1.0.16

corporation name WESFARMERS LIMITED  
 A.C.N. or A.R.B.N. 008 984 049

**Details of the attached document**

document title BUNNINGS WAREHOUSE PROPERTY TRUST PROSPECTUS  
 relevant section or subsection of the Corporations Act 2001 671B(4)

**Signature**

- I verify that the attached document marked ( "B" ) is the original document.
- I certify that the attached document marked ( ) is a true copy of the original document.

print name PAUL STEVEN GARDINER capacity ASSISTANT COMPANY SECRETARY

sign here  date 25/11/2002

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

**Include**

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs mins

**"B"**

# prospectus

ONE FOR EIGHT RENOUNCEABLE  
RIGHTS ISSUE AT \$1.16 PER UNIT

## AN OPPORTUNITY TO PARTICIPATE IN THE CONTINUED GROWTH OF THE TRUST.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your stockbroker or professional financial adviser without delay.

**Underwriter to the Issue: JBWere Limited**  
ABN 21 006 797 897

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

**BUNNINGS**  
WAREHOUSE PROPERTY TRUST  
ARSN 088 581 097

## Summary of key dates

Expected date\*

Announcement of Rights Issue	26 September 2001
Rights trading commences	3 October 2001
Units quoted ex Rights	3 October 2001
Record date to determine entitlements to New Units	9 October 2001
Last day of Rights trading	26 October 2001
Trading in Units on a deferred settlement basis	29 October 2001
Closing date for receipt of applications for New Units (and/or renunciations) and payment	2 November 2001
Expected date for issue of New Units	16 November 2001
Expected date for despatch of Unitholders' statements for New Units	16 November 2001
Quotation of New Units on ASX (on a T + 3 basis)	19 November 2001

\* These dates are subject to change and are indicative only. The Responsible Entity, in conjunction with the Underwriter, reserves the right to amend this timetable subject to the Corporations Act 2001 and ASX Listing Rules including the right to extend the latest date for receipt of applications.

### Rights Issue

This Prospectus and the accompanying Entitlement and Acceptance Form contain details of your entitlement to New Units under the Rights Issue.

The offer of New Units under this Prospectus is made in Australia and New Zealand and made only to persons who receive this Prospectus within Australia or New Zealand.

### Underwriting of the Rights Issue

Wesfarmers Investments Pty Ltd (ABN 50 078 120 877), which holds approximately 25.2 per cent of the Units currently issued, has agreed to take up 100 per cent of its Entitlement. All of the remaining New Units have been underwritten by JBWere Limited (see Sections 2.9 and 7.7 (c) for further details).

### Important notice

This Prospectus is dated 27 September 2001. A copy of this Prospectus was lodged with ASIC on 27 September 2001. This Prospectus expires on 27 September 2002. No securities will be allotted or issued on the basis of this Prospectus after the expiry date.

The performance of the Trust is not guaranteed by the Responsible Entity or any other member of the Wesfarmers Group.

Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus.

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2	Details of the Rights Issue
3	Action required by Unitholders
4	Purpose of the capital raising
5	Property portfolio and New Warehouses
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7	Additional information
8	Authorisation
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# Details of the Rights Issue

## Important note:

This Prospectus contains details of the Rights Issue and includes the offer of New Units to Unitholders. Unitholders should read this Prospectus carefully before making any decision about their Entitlement under the Rights Issue. This Prospectus includes important information relating to the Trust.

Various terms are defined in the Glossary on page 44.

## 2.1 Overview

This Prospectus relates to a Rights Issue in respect of New Units in the Trust. The Trust has been listed on ASX since 16 September 1998.

The Trust seeks to provide Unitholders with a secure, growing income stream and to do so will acquire properties with long term leases to substantial tenants and with potential for both rental and capital appreciation.

Details of the property portfolio of the Trust are set out in Section 5 of this Prospectus.

## 2.2 Purpose of the Rights Issue

The monies raised by the Rights Issue will be used to partly fund the New Warehouses and the Expanded Warehouse. Details of the properties are as follows:

- Geraldton, Western Australia – a recently completed Bunnings warehouse and site, to be acquired from Bunnings for \$6.475 million (plus acquisition costs of \$310,000);
- Mornington, Victoria – expansion of an existing warehouse for \$1.881 million;
- Frankston, Victoria – completion of a Bunnings warehouse for \$9.4 million on a site recently acquired for \$7.3 million (plus acquisition costs of \$258,000);
- Oakleigh South, Victoria – completion of a Bunnings warehouse for \$9.142 million on a site recently acquired for \$7.9 million (plus acquisition costs of \$363,000); and
- Coffs Harbour, New South Wales – completion of a Bunnings warehouse for \$4.5 million on a site recently acquired for \$1.9 million (plus acquisition costs of \$97,000);

The Geraldton and Coffs Harbour warehouses and the Mornington expansion were completed recently, whilst the Frankston and Oakleigh South warehouses are under construction.

The Rights Issue (to the extent that it does not relate to the Entitlement of Wesfarmers Investments Pty Ltd) has been underwritten by JBWere Limited (see Section 2.9).

Further details about the sources and applications of the funds raised by the Rights Issue are set out in Sections 2.12 and 6.

## 2.3 The benefits of the Rights Issue

The Rights Issue combined with the acquisition and development of the New Warehouses and the Expanded Warehouse will provide a number of benefits for Unitholders including:

- extended average lease expiry term;
- greater portfolio diversification by location;
- increased size of the Trust – in terms of both asset size and market capitalisation - expected to result in better market acceptance; and
- potential improvement in the liquidity of Units in the Trust.

After the Rights Issue and the recent placement the gearing (debt to total assets) of the Trust reduces from 32.2 per cent at 30 June 2001 to 26.9 per cent, (excluding the net distributable income balance), providing capacity to fund new acquisitions.

Further details about these benefits are set out in Section 4.

## 2.4 Financial forecasts

The following table sets out the forecast distributions for the Trust for the six month periods ending 31 December 2001, 30 June 2002 and 31 December 2002. The forecasts in the table should be read in conjunction with the detailed financial information, assumptions and risk factors set out in Section 6.

Financial forecasts			
	Forecast six months ending 31 December 2001	Forecast six months ending 30 June 2002	Forecast six months ending 31 December 2002
Distribution (cents per Unit)	4.69	4.88	4.85
Distribution (cents per New Unit)	1.17	4.88	4.85

Note: Distributions are payable six to eight weeks after the end of each six month period. New Units will rank on a pro rata basis for distributions for the six months ending 31 December 2001.

The forecast distribution for 2001/2002 is 9.57 cents per Unit, and for the six months ending 31 December 2002 is 4.85 cents per Unit.

The proforma statement of financial position of the Trust as at 30 June 2001, set out in Section 6, assumes that the Rights Issue and the property purchases took place on 30 June 2001.

Information regarding the assumptions underlying the financial forecasts and the risks of investing in the Trust are set out in Section 6.

## 2.5 Terms and conditions of the Rights Issue

### Number of Units on issue

The number of Units on issue as at the close of trading on 26 September 2001 was 203,634,490 Units. This includes 20.1 million Units to be issued in the recent placement.

### New Units to be issued

The number of New Units being offered under the Rights Issue is approximately 25.5 million Units. Unitholders' Entitlements will be rounded up to the nearest whole Unit.

### Amount raised by the Rights Issue

The Rights Issue will raise approximately \$29.5 million before underwriting and other expenses of the Issue (see Section 2.9).

### Entitlements

Unitholders as at 5.00 pm (Perth time) on 9 October 2001 will have the right to acquire one New Unit for every eight Units then registered in the name of the Unitholder. The number of New Units to which you are entitled is shown on the Entitlement and Acceptance Form.

Unitholders may apply for additional New Units. The number of additional New Units for which you may apply is up to double your initial Entitlement (see Section 3.3). Should the number of New Units applied for exceed the number of New Units being issued, each application insofar as it relates to additional New Units, will be scaled back proportionately relative to the number of additional New Units applied for.

**Acceptance and payment**

This offer for New Units may be accepted in whole or in part prior to 5.00 pm (Perth time) on 2 November 2001.

Applications must be accompanied by a payment of \$1.16 for each New Unit applied for. Any over subscription monies will be refunded (without interest).

Instructions for completion and lodgment of acceptances are set out on the Entitlement and Acceptance Form.

**Renunciation**

The Rights to New Units offered under this Prospectus are renounceable. Accordingly, Unitholders are not required to take up their Entitlement and may sell or otherwise transfer all or part of their Entitlement. Details on how to deal with your Entitlement are set out in Section 3.

**Ranking for distribution**

The New Units will participate in distributions on a pro rata basis for the six months ending 31 December 2001, having regard to the number of days the New Units have been on issue during that period. The New Units will rank equally with existing Units from 1 January 2002.

**Quotation**

New Units are expected to be quoted on a deferred settlement basis on 29 October 2001 and on a T + 3 basis on 19 November 2001. They will be quoted as a separate class until approximately 21 December 2001, the record date for the income distribution for the December 2001 half year.

**2.6 Enquiries**

If you have any queries regarding your Entitlement please contact Computershare Investor Services Pty Limited by telephone on (08) 9323 2000 or your stockbroker or professional financial adviser.

**2.7 Responsible Entity**

The management of the Trust is undertaken by Bunnings Property Management Limited (the Responsible Entity), which is a wholly owned subsidiary of Wesfarmers Limited.

The directors of the Responsible Entity have considerable experience and expertise in property, legal and financial matters.

**2.8 Position of the major Unitholder**

Wesfarmers Investments Pty Ltd which, as at the close of trading on 26 September 2001, is the single largest owner of Units (approximately 25.2 per cent after the recent sale of 6.7 million Units), has entered into an agreement with the Responsible Entity under which it will take up 100 per cent of its Entitlement under the Rights Issue.

**2.9 Underwriting and expenses of the Issue**

JBWere Limited has entered into an Underwriting Agreement with the Responsible Entity to underwrite all of the Issue other than the New Units for which Wesfarmers Investments Pty Ltd has agreed to subscribe.

The Underwriter will receive a total underwriting fee of two per cent of the total issue price of the Underwritten Units and a management fee of 0.75 per cent of the total issue price of the Rights Issue. Key terms of the Underwriting Agreement are set out in Section 7.7(c).

The total expenses of the Rights Issue payable by the Trust, including the legal, accounting, underwriting and management fees, are estimated to amount to approximately \$875,000 inclusive of GST.

## 2.10 Allotment and rights of the New Units

It is expected that New Units will be issued on 16 November 2001 and that Unitholding statements will be despatched on 16 November 2001.

Further details of the rights attaching to the New Units are contained in Section 7.4.

## 2.11 Rights trading and ASX quotation

Trading in Rights is expected to commence on ASX on 3 October 2001 and to cease on 26 October 2001.

Application for the New Units to be granted quotation on the official list of ASX will be made within seven days of the date of issue of this Prospectus.

## 2.12 Source and application of funds

The source and application of funds to be raised by the Rights Issue are set out in the table below:

Source and application of funds			
Source	\$million	Application	\$million
Rights Issue	29.50	Issue costs	0.87
		New Warehouses and Expanded Warehouse	28.63
<b>Total source</b>	<b>29.50</b>	<b>Total application</b>	<b>29.50</b>



# Action required by Unitholders

## 3.1 Choices available to Unitholders

Under the terms and conditions of the Rights Issue, there are several possible choices available to Unitholders. These choices are outlined below:

- take up the Entitlement in full (refer to Section 3.2);
- take up the Entitlement in full and apply for additional New Units (refer to Section 3.3);
- sell the Entitlement (refer to Section 3.4);
- take up part of the Entitlement and sell part of the Entitlement (refer to Section 3.5);
- transfer the Entitlement to another person other than on ASX (refer to Section 3.6); or
- do not take up the Entitlement (refer to Section 3.7).

## 3.2 If you wish to take up all of your Entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form. When complete, please forward your form intact, together with your cheque for the amount payable on acceptance, to reach the Registry no later than 5.00 pm Perth time on 2 November 2001. Cheques should be made payable to "BWPT Rights Issue" and crossed "Not Negotiable". A reply paid envelope is included with this Prospectus.

## 3.3 If you wish to apply for additional New Units as well as taking up your Entitlement

Unitholders who take up the whole of their initial Entitlement will be permitted to apply for additional New Units. The number of additional New Units for which a Unitholder may apply is double that Unitholder's initial Entitlement. For example, a Unitholder who initially holds 800 Units will receive 100 Rights and will therefore have an Entitlement to 100 New Units. That Unitholder may also apply for up to 200 additional New Units (i.e. up to 300 New Units in total).

To the extent that existing Unitholders do not take up their full Entitlement, the shortfall will be allocated among the Unitholders applying for additional New Units before reverting to the Underwriter. Should the number of New Units applied for exceed the number of New Units being issued, each application, insofar as it relates to additional New Units, will be scaled back proportionately relative to the number of additional New Units applied for.

To accept your Entitlement and apply for additional New Units complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form in relation to accepting additional New Units. When complete please forward your form intact, together with your cheque for the amount payable on acceptance, so as to reach the Registry no later than 5.00 pm Perth time on 2 November 2001. Cheques should be made payable to "BWPT Rights Issue" and crossed "Not Negotiable".

You will receive New Units to the extent of your Entitlement, but the Responsible Entity cannot guarantee that you will receive any additional New Units. The number of additional New Units allocated to you will depend on the level of applications to the Rights Issue received by the Responsible Entity. All over subscription monies will be refunded (without interest).

## 3.4 If you wish to sell all or part of your Entitlement

Complete the section on the back of the accompanying Entitlement and Acceptance Form marked "Instructions to your Stockbroker" and lodge the form with your stockbroker.

Please note that quotation of Rights on ASX will commence on 3 October 2001. **If you wish to sell all or part of your Entitlement, the sale of your Entitlement must be completed by 26 October 2001, when Rights trading ceases.**

## 3.5 If you wish to sell part of your Entitlement and take up the balance

Complete the accompanying Entitlement and Acceptance Form where indicated, complete the section on the back of the form marked "Instructions to your Stockbroker" and lodge the form with your stockbroker, together with your cheque for the amount due in respect of the New Units accepted. Cheques should be made payable to "BWPT Rights Issue" and crossed "Not Negotiable".

If you sell part of your Entitlement, you will not be entitled to apply for additional New Units.

Please note that quotation of Rights on ASX will commence on 3 October 2001. **If you wish to sell part of your Entitlement and take up the balance, the sale of part of your Entitlement must be completed by 26 October 2001, when Rights trading ceases.**

### 3.6 If you wish to transfer your Entitlement to another person, other than on ASX

Complete and forward a standard renunciation form(s) (obtainable from your stockbroker or from the Registry), together with your Entitlement and Acceptance Form, to the Registry so as to reach it no later than 5.00 pm Perth time on 2 November 2001.

### 3.7 Entitlements not taken up

If you decide not to accept all or part of your Entitlement, you are advised to deal with the Rights rather than allow them to lapse. Rights not taken up or sold or transferred will revert to the Underwriter and you will receive no benefit. **It is recommended that you take action to accept, sell or renounce your Entitlement in accordance with the above instructions. If necessary, seek advice from your professional financial adviser or stockbroker.**

### 3.8 Payment for New Units

All payments are to be by cheque or bank draft in Australian currency and should be made payable to "BWPT Rights Issue" and crossed "Not Negotiable". Cash payment will not be accepted. Receipts for payments will not be issued.

### 3.9 Concessional brokerage rates offered to sellers of Rights

As a special service to Unitholders, JBWere Limited (the Underwriter) will waive minimum brokerage charges for Unitholders who wish to sell their Entitlement. If Unitholders wish to use this service they should contact JBWere Limited (see contact details in the directory at the back of this Prospectus).

### 3.10 Overseas Unitholders

The Rights to New Units will not be registered under the securities laws of the United States of America, Canada, Japan or any other foreign country or Jurisdiction except New Zealand.

The Entitlement of Unitholders in all foreign countries, other than New Zealand, will be sold (provided there is a viable market for them and a premium over the expenses of sale can be obtained) by a nominee appointed by the Responsible Entity, at prices and in the manner determined by the nominee in its discretion. Neither the Responsible Entity nor the nominee will be liable for any failure to sell the Rights at a particular price, or at all. The net proceeds of the sale will be distributed in Australian dollars to Unitholders on whose behalf the Rights were sold. If there is not a viable market for the Rights to those Units, the Entitlement will be allowed to lapse and will revert to the Underwriter.

### 3.11 No withdrawal of acceptances

Acceptances cannot be withdrawn.

### 3.12 Enquiries

If you have any queries regarding your Entitlement please contact Computershare Investor Services Pty Limited by telephone on (08) 9323 2000 or your stockbroker or professional financial adviser.

# 4

## Purpose of the capital raising

The monies raised by the Rights Issue will be used to partly fund the acquisition and development of New Warehouses at Frankston, Oakleigh South, Coffs Harbour and Geraldton and the expansion of the Bunnings warehouse at Mornington.

Details of the New Warehouses and the Expanded Warehouse are set out in Section 5.

The acquisition and development of the New Warehouses and the development of the Expanded Warehouse are consistent with the Responsible Entity's strategy of acquiring properties with long term leases to substantial tenants, ensuring that the properties are well located and the portfolio is geographically diversified. The main objective of the Trust is to provide Unitholders with a secure, growing income stream and capital growth.

The primary advantages of the Rights Issue and the acquisitions and developments are as follows:

- extended average lease expiry term;
- greater portfolio diversification by location;
- increased size of the Trust - in terms of both asset size and market capitalisation - expected to result in better market acceptance; and
- potential improvement in the liquidity of Units in the Trust.

After the Rights Issue and the recent placement the gearing (debt to total assets) of the Trust reduces from 32.2 per cent at 30 June 2001 to 26.9 per cent, (excluding the net distributable income balance), providing capacity to fund new acquisitions.

# Property portfolio and New Warehouses

Details of the Trust's properties, assuming completion of the acquisitions proposed in this Prospectus, are as follows:

	Land area (sq.m)	Gross lettable area (sq.m)	Annual rental (\$000)	Book value as per proforma 2 (see Section 6.2) (\$000)
<b>Western Australia</b>				
1. Balcatta	43,196	9,368	1,081	11,700
2. Joondalup	25,380	6,722	783	8,300
3. Mandurah	25,305	6,620	672	7,353
4. Bibra Lake	31,651	7,204	790	8,340
5. Albany	20,054	5,259	438	4,300
6. Mindarie	30,751	9,834	900	9,990
7. Rockingham	33,205	9,733	881	9,315
8. Midland	24,204	9,415	872	9,783
9. Geraldton*	32,527	8,552	680	6,785
<b>Total</b>	<b>266,273</b>	<b>72,707</b>	<b>7,097</b>	<b>75,866</b>
<b>Victoria</b>				
10. Sunshine	20,430	6,413	702	8,450
11. Mentone	25,190	8,151	918	12,100
12. Altona	23,640	6,851	702	8,200
13. Nunawading	32,970	9,712	1,189	14,800
14. Fountain Gate	32,350	6,618	810	10,500
15. Broadmeadows	16,640	6,618	702	8,450
16. Northland	33,120	6,617	837	10,900
17. Croydon	25,190	6,656	756	9,200
18. Sandown	31,280	6,617	756	9,400
19. Scoresby	34,270	7,046	810	10,200
20. Epping	31,470	7,046	738	9,500
21. Mornington*	40,594	8,542	941	10,077
22. Hoppers Crossing	26,880	7,399	745	8,127
23. Oakleigh South*	53,800	11,342	1,445	17,405
24. Frankston*	37,700	10,604	1,520	16,958
25. Maribyrnong	33,600	N/A	N/A	7,534
<b>Total</b>	<b>499,124</b>	<b>116,232</b>	<b>13,571</b>	<b>171,801</b>
<b>Australian Capital Territory</b>				
26. Tuggeranong	27,630	7,313	797	8,600
<b>South Australia</b>				
27. Noarlunga	26,700	5,267	626	6,168
28. Mile End	33,190	6,970	1,115	11,866
<b>Total</b>	<b>59,890</b>	<b>12,237</b>	<b>1,741</b>	<b>18,034</b>
<b>New South Wales</b>				
29. Minchinbury	30,610	7,399	903	10,000
30. Coffs Harbour*	25,460	5,100	610	6,497
<b>Total</b>	<b>56,070</b>	<b>12,499</b>	<b>1,513</b>	<b>16,497</b>
<b>Queensland</b>				
31. Burleigh Heads	32,850	8,079	955	10,200
32. Southport	35,270	8,079	954	10,200
33. Underwood	29,320	7,672	892	9,400
34. Cannon Hill	28,359	8,182	891	9,401
35. Cannon Hill Distribution Centre	7,452	3,882	299	3,226
36. Morayfield	26,960	6,632	803	8,322
<b>Total</b>	<b>160,211</b>	<b>42,526</b>	<b>4,794</b>	<b>50,749</b>
<b>Grand total</b>	<b>1,069,198</b>	<b>263,514</b>	<b>29,513</b>	<b>341,547</b>

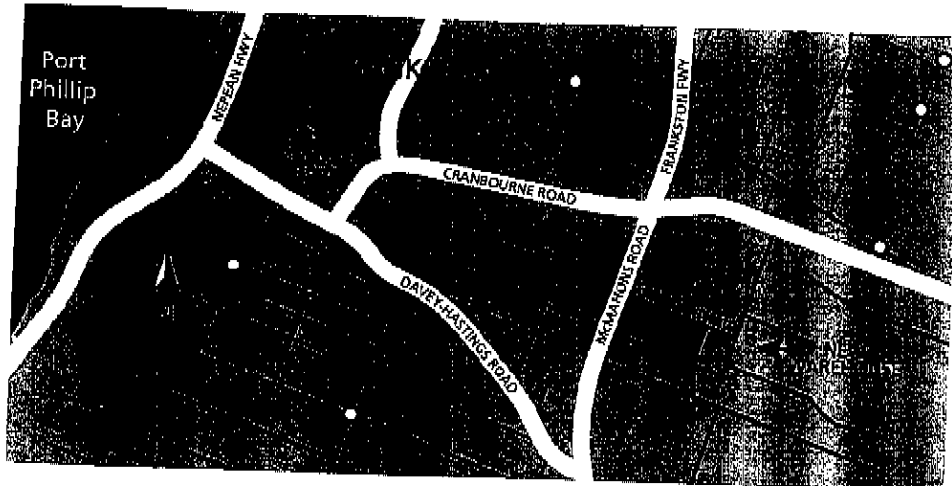
\* New Warehouses and Expanded Warehouse

# 5

PROPERTY PORTFOLIO AND NEW WAREHOUSES

# New Warehouses Frankston

Corner McMahons Road and Gertrude Street, Frankston, Victoria



Status:	Under construction
Brief description:	A proposed high clearance warehouse to trade as a bulky goods retail outlet with associated carparking
Gross lettable area:	10,604 square metres
Land area:	37,700 square metres
Town planning:	B4Z – Business 4 Zone
Interest valued:	Freehold market value (assuming completion)
Date of valuation:	5 September 2001
Valuation:	\$16.7 million
Proposed purchase price:	\$16.7 million
Proposed annual rental:	\$1,520,000
Passing initial yield:	9.1 per cent per annum

The subject property is located at Frankston approximately 40 kilometres south-east of Melbourne's central business district.

McMahon Road forms part of the freeway network to the north and the Moorooduc Highway connecting to the Mornington Peninsula to the south. The site is exposed to significant volumes of traffic on McMahon Road and is immediately to the south of an intersection with Cranbourne Road, which brings traffic from significant residential areas to the east into Frankston.

5

PROPERTY PORTFOLIO AND NEW WAREHOUSES



**JONES LANG  
LASALLE ADVISORY.**

Jones Lang LaSalle Advisory Services Pty Limited  
ACN 003 262 600  
Brandon Office Park 530 Springvale Road  
Glen Waverley VIC 3150  
Tel +613 9365 6566 Fax +613 9362 1726

5 September 2001

The Directors  
Bunnings Property Management Limited  
Wesfarmers House  
40 The Esplanade  
PERTH WA 6000

Dear Sirs

**RE: CORNER MCMAHONS ROAD AND GERTRUDE STREET, FRANKSTON, VICTORIA**

### 1.0 INSTRUCTIONS

We refer to your instructions dated 5 September 2001, requesting us to undertake a market valuation of the above property, assuming satisfactory completion, for acquisition purposes. We provide this abridged report for inclusion in this Prospectus to be issued on or about 27 September 2001.

This summary must be read in conjunction with our full valuation report undertaken as at 5 September 2001 and all comments, conditions and disclaimers contained within that report are applicable to this letter.

We confirm that the valuation was prepared in accordance with the Corporations Act 2001.

### 2.0 VALUATION SUMMARY

We have assessed the market value of the freehold interest in the property located at McMahon's Road, Corner Gertrude Street, Frankston, subject to the overriding stipulations in our formal valuation report, as at 5 September 2001, as follows:

**\$15,700,000**

**(Sixteen Million Seven Hundred Thousand Dollars)**

The valuation is exclusive of any GST which may be payable in respect of a sale of the property.

### 3.0 BRIEF DESCRIPTION OF PROPERTY

The property comprises the proposed amalgamation of 48 lots, forming a total site area of approximately 37,700 square metres, located at the corner of McMahon's Road and Gertrude Street, Frankston, approximately 40 kilometres south-east of the Melbourne central business district.

A bulky goods retail outlet is proposed to be erected on the site, containing a total main building area of approximately 10,604 square metres (including timber drive-through of 1,883 square metres), together with a garden nursery and onsite carparking for 477 cars.

#### 4.0 TENANCY OVERVIEW

The property is to be leased by Bunnings Property Management Limited, as Responsible Entity for the Bunnings Warehouse Property Trust to Bunnings Building Supplies Pty Ltd for an initial term of five (5) years together with four (4) option periods of five (5) years each. The lessor is entitled to call upon the lessee to exercise the first two (2) options.

The commencing rent is to be \$1,520,000 per annum with annual adjustments based on CPI increases. The rent is reviewed to market at the commencement of each option period and may not be less than the previous year's rental.

The prescribed use is for the sale and display of hardware and building products and materials and any other business or activity permitted by law. The property will be operated as a Bunnings Warehouse. The lessee is responsible for payment of all typical property outgoings.

We are advised that the lessee will pay Goods and Services Tax ("GST") on all taxable supplies, upon delivery of a tax invoice by the lessor and the lease will remove the impact of GST from the CPI, for the purpose of annual rental adjustments.

#### 5.0 VALUATION ANALYSIS

The following criteria have been adopted as part of our valuation process:

- Discounted cash flow based on internal rate of return of 10.50 per cent with a 9.75 per cent terminal yield
- Capitalisation rate of 9.0 per cent applied to the market net income
- Our rounded valuation reflects an initial yield of 9.1 per cent per annum
- The valuation shows a rate of \$1,575 per square metre of fully enclosed covered area.

#### 6.0 LIABILITY DISCLAIMER

Jones Lang LaSalle has prepared this summary and specifically disclaims liability to any person in the event of any omission from or false or misleading statement included in any Prospectus, other than in respect of the valuation and this summary.

Neither Jones Lang LaSalle nor any of its directors make any warranty or representation as to the accuracy of the information in any other part of any Prospectus, other than as expressly made or given by Jones Lang LaSalle in this letter.

#### 7.0 VALUER'S INTEREST

We confirm that neither the valuer nor Jones Lang LaSalle, the firm, have a pecuniary interest that would conflict with the proper valuation of the property.

The valuer performing this valuation has had at least five years continuous experience in the valuation of property of a similar type and is authorised to practice as a valuer in the State of Victoria.

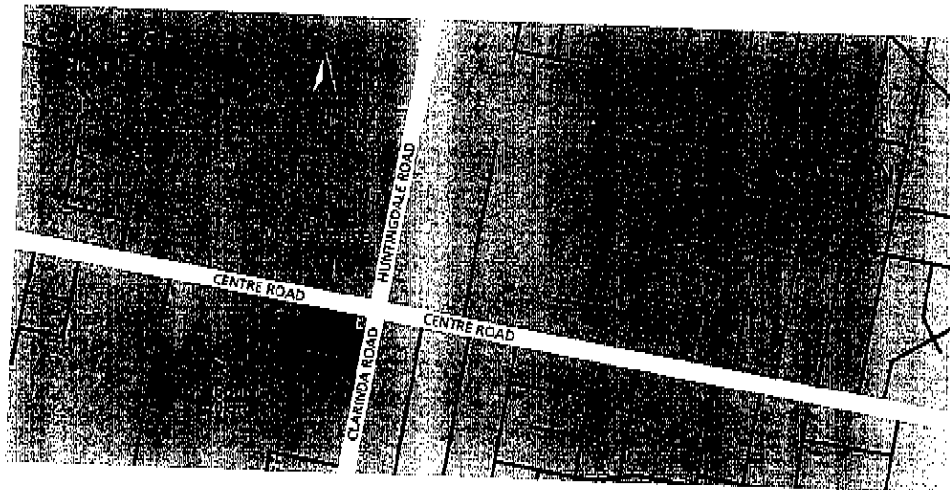
Yours faithfully  
Jones Lang LaSalle Advisory Services Pty Limited

*Bernard F Sweeney*

**Bernard F Sweeney, AAPI**  
Certified Practising Valuer  
Director

# Oakleigh South

Corner Centre and Clarinda Roads, Oakleigh South, Victoria



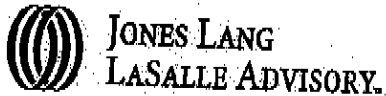
Status:	Under construction
Brief description:	A proposed high clearance warehouse to trade as a bulky goods retail outlet with associated carparking
Gross lettable area:	11,342 square metres
Land area:	53,800 square metres
Town planning:	Industrial 1 Zone
Interest valued:	Freehold market value
Date of valuation:	5 September 2001
Valuation:	\$16.0 million
Proposed purchase price:	\$15.792 million
Proposed annual rental:	\$1,445,000
Passing initial yield:	9.15 per cent per annum (on purchase price)

The property is approximately 20 kilometres south-east of the Melbourne central business district in the suburb of Oakleigh South.

The site is prominently located on the corner of Centre and Clarinda Roads with significant frontages to each carriageway.

Established residential areas are positioned to the west between Warrigal Road and the Nepean Highway in the suburbs of Bentleigh East and Moorabbin. The developing suburb of Clarinda is positioned to the south-east, immediately accessible via Clarinda Road, with the more established suburb of Clayton to the east, both north and south of Centre Road.





**JONES LANG  
LASALLE ADVISORY.**

Jones Lang LaSalle Advisory Services Pty Limited  
ACN 003 262 600  
Brandon Office Park 530 Springvale Road  
Glen Waverley VIC 3150  
Tel +613 9365 6666 Fax +613 9362 1726

5 September 2001

The Directors  
Bunnings Property Management Limited  
Westfarmers House  
40 The Esplanade  
PERTH WA 6000

Dear Sirs,

**RE: CENTRE AND CLARINDA ROADS, OAKLEIGH SOUTH, VICTORIA**

### 1.0 INSTRUCTIONS

We refer to your instructions dated 5 September 2001, requesting us to undertake a market valuation of the above property, assuming satisfactory completion, for acquisition purposes. We provide this abridged report for inclusion in this Prospectus to be issued on or about 27 September 2001.

This summary must be read in conjunction with our full valuation report undertaken as at 5 September 2001 and all comments, conditions and disclaimers contained within that report are applicable to this letter.

We confirm that the valuation was prepared in accordance with the Corporations Act 2001.

### 2.0 VALUATION SUMMARY

We have assessed the market value of the freehold interest in the property located at Centre and Clarinda Roads, Oakleigh South, subject to the overriding stipulations in our formal valuation report, as at 5 September 2001, as follows:

**\$16,000,000**

**(Sixteen Million Dollars)**

The valuation is exclusive of any GST which may be payable in respect of a sale of the property.

### 3.0 BRIEF DESCRIPTION OF PROPERTY

The property comprises a significant site that envelopes the south-west corner of Centre and Clarinda Roads, Oakleigh South, approximately 20 kilometres south-east of Melbourne. The total holding currently occupies an area of approximately 53,800 square metres. We are advised that surplus land of 10,000 square metres is to be sold. This valuation is based on the completed development with the balance land of 43,800 square metres.

On the Centre Road frontage, a bulky goods retail outlet is under construction. It will contain a total main building area of approximately 11,342 square metres (including timber drive through of 2,505 square metres), together with a garden nursery and onsite carparking for 587 cars.

#### 4.0 TENANCY OVERVIEW

The property is to be leased by Bunnings Property Management Limited, as Responsible Entity for the Bunnings Warehouse Property Trust to Bunnings Building Supplies Pty Ltd for an initial term of five (5) years together with four (4) option periods of five (5) years each. The lessor is entitled to call upon the lessee to exercise the first two (2) options.

The commencing rent is to be \$1,445,000 per annum with annual adjustments based on CPI increases. The rent is reviewed to market at the commencement of each option period and may not be less than the previous year's rental.

The prescribed use is for the sale and display of hardware and building products and materials and any other business or activity permitted by law. The property will be operated as a Bunnings Warehouse. The lessee is responsible for payment of all typical property outgoings.

We are advised that the lessee will pay Goods and Services Tax ("GST") on all taxable supplies, upon delivery of a tax invoice by the lessor and the lease will remove the impact of GST from the CPI, for the purpose of annual rental adjustments.

#### 5.0 VALUATION ANALYSIS

The following criteria have been adopted as part of our valuation process:

- Discounted cash flow based on target internal rate of return of 10.25 per cent with a 9.75 per cent terminal yield
- Capitalisation rate of 9.0 per cent applied to the market net income
- Our rounded valuation reflects an initial yield of 9.03 per cent per annum
- The valuation shows a rate of \$1,411 per square metre of fully enclosed covered area.

#### 6.0 LIABILITY DISCLAIMER

Jones Lang LaSalle has prepared this summary and specifically disclaims liability to any person in the event of any omission from or false or misleading statement included in any Prospectus, other than in respect of the valuation and this summary.

Neither Jones Lang LaSalle nor any of its directors make any warranty or representation as to the accuracy of the information in any other part of any Prospectus, other than as expressly made or given by Jones Lang LaSalle in this letter.

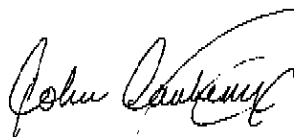
#### 7.0 VALUER'S INTEREST

We confirm that neither the valuer nor Jones Lang LaSalle, the firm, have a pecuniary interest that would conflict with the proper valuation of the property.

The valuer performing this valuation has had at least five years continuous experience in the valuation of property of a similar type and is authorised to practice as a valuer in the State of Victoria.

Yours faithfully

**Jones Lang LaSalle Advisory Services Pty Limited**



**John J Carberry, AAPI**  
Certified Practising Valuer



**Bernard F Sweeney, AAPI**  
Director

# Coffs Harbour

Corner Pacific Highway, Englands Road and Isles Drive, Coffs Harbour, New South Wales



Status:	Operating
Brief description:	A proposed high clearance warehouse to trade as a bulky goods retail outlet with associated carparking
Gross lettable area:	5,100 square metres
Land area:	25,460 square metres
Town planning:	A hardware warehouse is permitted under current zoning
Interest valued:	Freehold market value
Date of valuation:	20 September 2001
Valuation:	\$6.4 million
Proposed purchase price:	\$6.4 million
Proposed annual rental:	\$610,000
Passing initial yield:	9.53 per cent per annum

The site is prominently located on the corner of the Pacific Highway, a major arterial road, Englands Road and Isles Drive, Coffs Harbour.

As a stand alone site there are no immediately adjacent outlets. The site is, however, well positioned to attract a higher than average level of trade business from expanding southern residential suburbs of Toormina and Sawtell, as well as the main industrial area.



Quality  
Endorsed  
Company  
ISO 9001 Lic 6020  
Perth WA Australia

20 September 2001

The Directors  
Bunnings Property Management Limited  
Wesfarmers House  
40 The Esplanade  
PERTH WA 6000



Colliers Jardine Consultancy and Valuation  
Pty Limited  
ABN 88 076 848 112  
Level 26 AAP Centre  
259 George Street  
Sydney NSW 2000  
Australia  
Tel 61 2 9257 0222  
Fax 61 2 9251 9357  
Email Edward\_watts@cj\_group.com

PROPERTY PORTFOLIO AND NEW WAREHOUSES

Dear Sirs

**CORNER OF PACIFIC HIGHWAY, ENGLANDS ROAD AND ISLES DRIVE, COFFS HARBOUR, NSW**

**1.0 INSTRUCTIONS**

We refer to your instructions dated 5 September 2001, requesting us to undertake a market valuation of the above property, assuming satisfactory completion, for acquisition purposes. We provide this abridged report for inclusion in this Prospectus to be issued on or about 27 September 2001.

This summary must be read in conjunction with our full valuation report undertaken as at 20 September 2001 and all comments, conditions and disclaimers contained within that report are applicable to this letter.

We confirm that the valuation was prepared in accordance with the Corporations Act 2001.

**2.0 VALUATION SUMMARY**

We have assessed the market value of the freehold interest in the property situated at the corner of Pacific Highway, Englands Road and Isles Drive, Coffs Harbour, New South Wales, subject to satisfactory completion and the overriding stipulations in our formal valuation report, as at 20 September 2001, as follows:

**\$6,400,000**

**(Six Million Four Hundred Thousand Dollars)**

The valuation is exclusive of any GST which may be payable in respect of a sale of the property.

**3.0 BRIEF DESCRIPTION OF PROPERTY**

The subject property is located at Coffs Harbour approximately five kilometres south of the main business district on the Pacific Highway.

The property comprises a total site area of approximately 25,460 square meters at the corner of Pacific Highway, Isles Drive and Englands Road.

Erected on the site is a large retail warehouse building containing a total main building area of approximately 5,100 square metres, together with a drive through timber area of 1,484 square metres, garden nursery compound of 1,972 square metres and on-site car parking for 226 cars.

#### 4.0 TENANCY OVERVIEW

We are advised that there is a proposed lease over the land and improvements. A five (5) year lease with four (4) further terms of five (5) years is proposed with the lessor entitled to call upon the lessee to exercise the first two (2) options.

The commencing rent is \$610,000 per annum with annual adjustments based on CPI increases. The rent is reviewed to market at the commencement of each option period and may not be less than the commencement rental.

The prescribed use is for the sale and display of hardware and building products and materials and any other business or activity permitted by law. Essentially, the property will be operating as a Bunnings Warehouse. The lessee is obligated to pay all outgoings.

We are advised the lease will address the Goods and Services Tax (GST) to allow the lessor to pass on such costs to the lessee and will remove the impact of the GST from CPI for the purpose of rental adjustments.

#### 5.0 VALUATION ANALYSIS

The following criteria have been adopted as part of our valuation process:

- Discounted cash flow based on internal rate of return of 11.70 per cent with a 10.00 per cent terminal yield
- Capitalisation rate of 9.50 per cent applied to the assessed market net income
- Our valuation shows an initial yield of 9.53 per cent per annum
- On a rate per square metre of building area, the valuation shows \$1,255 per square metre of lettable area

#### 6.0 LIABILITY DISCLAIMER

Colliers Jardine Consultancy and Valuation Pty Limited (CJCV) has not been involved in the preparation of the Prospectus and makes no statement in this Prospectus other than in this valuation summary letter. Neither CJCV nor any of its directors accepts any responsibility for information in any other part of this Prospectus.

CJCV has prepared the valuation report on the basis of certain information provided and from independently verified documentation.

#### 7.0 VALUER'S INTEREST

We confirm that neither the valuer nor the firm, has any pecuniary interest that would conflict with the proper valuation of the property.

The valuer, Mr Edward Watts, FAPI, Certified Practising Valuer, Real Estate Valuers Registration No. 943, has had in excess of five years continuous experience in the valuation of property of similar type and is authorised by law to practice as a Valuer in the State of New South Wales.

Yours faithfully

**Colliers Jardine Consultancy and Valuation Pty Limited**



**EDWARD WATTS FAPI**  
Certified Practising Valuer

# Geraldton

North West Coastal Highway, Geraldton



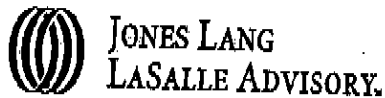
Status:	Operating
Brief description:	A high clearance warehouse trading as a bulky goods retail outlet with associated carparking
Gross lettable area:	8,552 square metres
Land area:	32,527 square metres
Town planning:	Light Industrial
Interest valued:	Freehold market value
Date of valuation:	10 September 2001
Valuation:	\$6.475 million
Proposed purchase price:	\$6.475 million
Proposed annual rental:	\$680,000
Passing initial yield:	10.5 per cent per annum

The property is located within the Geraldton industrial precinct approximately 2.5 kilometres north of the Geraldton business district.

The site is prominently located on the corner of North West Coastal Highway and the proposed western extension of Place Road affording good visibility to passing traffic. The site has ready access from both directions.

Development in proximity to the property consists of residential to the immediate east with industrial developments and land to the north and north-west.

Geraldton is located approximately 420 kilometres north of Perth and is the capital centre of the mid west region of Western Australia supporting pastoral and agricultural industries and a strong fishing industry.



**JONES LANG  
LASALLE ADVISORY.**

Jones Lang LaSalle Advisory Services Pty Limited  
ACN 003 262 600  
Level 3 St Georges Square 225 St Georges Terrace  
Perth WA 6000  
Tel +618 9483 8555 Fax +618 9483 8400

10 September 2001

The Directors  
Bunnings Property Management Limited  
Wesfarmers House  
40 The Esplanade  
PERTH WA 6000

Dear Sirs

**RE: NORTH WEST COASTAL HIGHWAY, GERALDTON, WESTERN AUSTRALIA**

**1.0 INSTRUCTIONS**

We refer to your instructions dated 5 September 2001, requesting us to undertake a market valuation of the above property for acquisition purposes. We provide this abridged report for inclusion in this Prospectus to be issued on or about 27 September 2001.

This summary must be read in conjunction with our full valuation report undertaken as at 10 September 2001 and all comments, conditions and disclaimers contained within that report are applicable to this letter.

We confirm that the valuation was prepared in accordance with the Corporations Act 2001.

**2.0 VALUATION SUMMARY**

We have assessed the market value of the freehold interest in the property located at North West Coastal Highway, Geraldton, subject to the overriding stipulations in our formal valuation report, as at 10 September 2001, as follows:

**\$6,475,000**

**(Six Million Four Hundred and Seventy Five Thousand Dollars)**

The valuation is exclusive of any GST which may be payable in respect of a sale of the property.

**3.0 BRIEF DESCRIPTION OF PROPERTY**

The property comprises a site area of approximately 32,527 square metres, located at North West Coastal Highway, Geraldton, approximately 2.5 kilometres north of the Geraldton central business district.

A bulky goods retail outlet was erected on the site in early 2001, containing a total main building area of approximately 8,552 square metres, together with a garden nursery and onsite carparking for 316 cars.

#### 4.0 TENANCY OVERVIEW

The property is to be leased by Bunnings Property Management Limited, as Responsible Entity for the Bunnings Warehouse Property Trust to Bunnings Building Supplies Pty Ltd for an initial term of five (5) years together with four (4) option periods of five (5) years each. The lessor is entitled to call upon the lessee to exercise the first two (2) options.

The commencing rent is to be \$680,000 per annum with annual adjustments based on CPI increases. The rent is reviewed to market at the commencement of each option period and may not be less than the commencement rent.

The prescribed use is for the sale and display of hardware and building products and materials and any other business or activity permitted by law. The property will be operated as a Bunnings Warehouse. The lessee is responsible for payment of all typical property outgoings.

We are advised that the lessee will pay Goods and Services Tax ("GST") on all taxable supplies, upon delivery of a tax invoice by the lessor and the lease will remove the impact of GST from the CPI, for the purpose of annual rental adjustments.

#### 5.0 VALUATION ANALYSIS

The following criteria have been adopted as part of our valuation process:

- Discounted cash flow based on internal rate of return of 12.25 per cent with a 11.25 per cent terminal yield
- Capitalisation rate of 10.5 per cent applied to the market net income
- Our rounded valuation reflects an initial yield of 10.5 per cent per annum
- The valuation shows a rate of \$757 per square metre of fully enclosed covered area.

#### 6.0 LIABILITY DISCLAIMER

Jones Lang LaSalle has prepared this summary and specifically disclaims liability to any person in the event of any omission from or false or misleading statement included in any Prospectus, other than in respect of the valuation and this summary.

Neither Jones Lang LaSalle nor any of its directors make any warranty or representation as to the accuracy of the information in any other part of any Prospectus, other than as expressly made or given by Jones Lang LaSalle in this letter.

#### 7.0 VALUER'S INTEREST

We confirm that neither the valuer nor Jones Lang LaSalle, the firm, have a pecuniary interest that would conflict with the proper valuation of the property.

The valuer performing this valuation has had at least five years continuous experience in the valuation of property of a similar type and is licensed to practice as a valuer in the State of Western Australia.

Yours faithfully

Jones Lang LaSalle Advisory Services Pty Limited

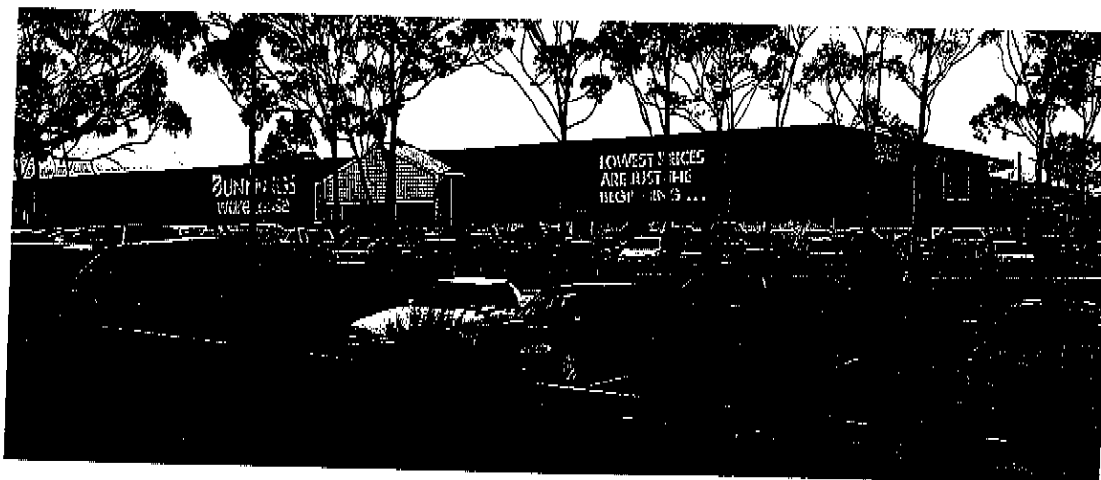


GN Kennedy, FAPI  
Certified Practising Valuer



# Mornington Expansion

Corner Nepean Highway and Bungower Road, Mornington, Victoria.



Status:	Operating
Brief description:	A high clearance warehouse trading as a bulky goods retail outlet with associated carparking
Gross lettable area:	8,542 square metres
Land area:	40,594 square metres
Town planning:	Industrial 3 Zone
Interest valued:	Freehold market value
Date of valuation:	17 September 2001
Valuation:	\$10.5 million
Proposed purchase price:	\$9.881 million (\$8 million for existing warehouse and \$1,881 million for the expansion)
Proposed annual rental:	\$941,340
Passing initial yield:	9.53 per cent per annum (on purchase price)

The property is situated on the north east corner of Nepean Highway and Bungower Road in Mornington, approximately 45 kilometres south-east of the Melbourne central business district.

Nepean Highway is a major arterial road, providing access through the south eastern suburbs between the central business district and the Mornington Peninsula further to the south.

The recent expansion of the warehouse consisted of extending the fully enclosed covered area by approximately 1,800 square metres and adding an outdoor timber yard of approximately 600 square metres.



**JONES LANG  
LASALLE ADVISORY.**

Jones Lang LaSalle Advisory Services Pty Limited  
ACN 003 262 600  
Brandon Office Park 530 Springvale Road  
Glen Waverley VIC 3150  
Tel +613 9365 5666 Fax +613 9362 1726

17 September 2001

The Directors  
Bunnings Property Management Limited  
Wesfarmers House  
40 The Esplanade  
PERTH WA 6000

Dear Sirs

**RE: 1100 NEPEAN HIGHWAY, MORNINGTON, VICTORIA**

### **1.0 INSTRUCTIONS**

We refer to your instructions dated 14 September 2001, requesting us to undertake a market valuation of the above property. We provide this abridged report for inclusion in this Prospectus to be issued on or about 27 September 2001.

This summary must be read in conjunction with our full valuation report undertaken as at 17 September 2001 and all comments, conditions and disclaimers contained within that report are applicable to this letter.

We confirm that the valuation was prepared in accordance with the Corporations Act 2001.

### **2.0 VALUATION SUMMARY**

We have assessed the market value of the freehold interest in the property located at 1100 Nepean Highway, Mornington, subject to the overriding stipulations in our formal valuation report, as at 17 September 2001, as follows:

**\$10,500,000**

**(Ten Million Five Hundred Thousand Dollars)**

The valuation is exclusive of any GST which may be payable in respect of a sale of the property.

### **3.0 BRIEF DESCRIPTION OF PROPERTY**

The property comprises a bulky goods retail outlet containing a total main building area of approximately 8,542 square metres, together with garden nursery and timber drive-through. There is parking on site for 460 cars. It is situated on land of approximately 40,594 square metres, located at the corner of Nepean Highway and Bungower Road, Mornington, approximately 45 kilometres south-east of the Melbourne central business district.

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PROPERTY PORTFOLIO AND NEW WAREHOUSES

#### 4.0 TENANCY OVERVIEW

The property is leased by Bunnings Property Management Limited, as Responsible Entity for the Bunnings Warehouse Property Trust to Bunnings Building Supplies Pty Ltd for an initial term of five (5) years together with four (4) option periods of five (5) years each from 13 December 1999. It is proposed that the lease will be varied to extend the initial five year term for a two year period expiring on 12 December 2006. The lessor is entitled to call upon the lessee to exercise the first two (2) options.

The current rent is \$941,340 per annum with annual adjustments based on CPI increases. The rent is reviewed to market at the commencement of each option period and may not be less than the commencement rent.

The prescribed use is for the sale and display of hardware and building products and materials and any other business or activity permitted by law. The property will be operated as a Bunnings Warehouse. The lessee is responsible for payment of all typical property outgoings.

We are advised that the lessee will pay Goods and Services Tax ("GST") on all taxable supplies, upon delivery of a tax invoice by the lessor and the lease will remove the impact of GST from the CPI, for the purpose of annual rental adjustments.

#### 5.0 VALUATION ANALYSIS

The following criteria have been adopted as part of our valuation process:

- Discounted cash flow based on internal rate of return of 10.50 per cent with a 9.75 per cent terminal yield
- Capitalisation rate of 9.0 per cent applied to the market net income
- Our rounded valuation reflects an initial yield of 8.97 per cent per annum
- The valuation shows a rate of \$1,229 per square metre of fully enclosed covered area.

#### 6.0 LIABILITY DISCLAIMER

Jones Lang LaSalle has prepared this summary and specifically disclaims liability to any person in the event of any omission from or false or misleading statement included in any Prospectus, other than in respect of the valuation and this summary.

Neither Jones Lang LaSalle nor any of its directors make any warranty or representation as to the accuracy of the information in any other part of any Prospectus, other than as expressly made or given by Jones Lang LaSalle in this letter.

#### 7.0 VALUER'S INTEREST

We confirm that neither the valuer nor Jones Lang LaSalle, the firm, have a pecuniary interest that would conflict with the proper valuation of the property.

The valuer performing this valuation has had at least five years continuous experience in the valuation of property of a similar type and is authorised to practice as a valuer in the State of Victoria.

Yours faithfully

**Jones Lang LaSalle Advisory Services Pty Limited**



**Bernard F Sweeney, AAPI**  
Certified Practising Valuer  
Director

# Financial forecasts and the effect of the capital raising

6

6

FINANCIAL FORECASTS AND THE EFFECT OF THE CAPITAL RAISING

The Responsible Entity has prepared the following forecasts for the Trust for the six-month periods ending 31 December 2001, 30 June 2002 and 31 December 2002. The key assumptions underlying these forecasts are set out in Section 6.1. The risk factors that may affect the forecasts are set out in Section 6.5.

## 6.1 Forecast operating statement

The forecast operating statement for the six months ending 31 December 2001, 30 June 2002 and 31 December 2002, is set out below. The operating statements assume the completion of the transactions outlined in Section 4 and the assumptions set out herein.

Forecast operating statement			
	Forecast six months to 31 December 2001 (\$000)	Forecast six months to 30 June 2002 (\$000)	Forecast six months to 31 December 2002 (\$000)
Net property income	13,444	15,180	15,342
Other income	11	7	7
<b>Total income</b>	<b>13,455</b>	<b>15,187</b>	<b>15,349</b>
Responsible Entity fee	916	1,002	1,019
Interest expense	2,849	2,521	2,511
Other Trust expenses	330	371	464
<b>Total expenses</b>	<b>4,095</b>	<b>3,894</b>	<b>3,994</b>
<b>Net distributable income</b>	<b>9,360</b>	<b>11,293</b>	<b>11,355</b>
Retained profits at beginning of period	16	-	-
Total distribution	9,376	11,293	11,355
Units on issue (millions, at end of period)	229.1	231.2	233.7
Distribution per New Unit (cents) – Rights Issue	1.17	-	-
Distribution per New Unit (cents) – Placement	2.30	-	-
Distribution per Unit (cents)	4.69	4.88	4.85
Tax advantaged (%)	36.58	34.11	31.32
Management expense ratio (annualised) (%)	0.8	0.8	0.8

Note: The management expense ratio represents the total management costs for the Trust excluding the interest divided by the Trust's gross assets.

The forecast distribution for 2001/2002 is 9.57 cents per Unit, and for the six months ending 31 December 2002 is 4.85 cents per Unit.

**Assumptions made in the preparation of the forecast operating statement**

The financial forecasts of the Trust have been made on the basis of the Responsible Entity's best estimates in light of all the information available. A number of factors beyond the Responsible Entity's control, however, may affect the Trust's distributions. Therefore, actual results will invariably differ from forecast results.

While the Responsible Entity has given due care and attention to the preparation of the financial forecasts, the Responsible Entity can give no guarantee or assurance that the forecasts will be achieved. Furthermore, the Responsible Entity will consider further acquisitions, developments and capital raisings that meet the Trust's investment criteria. Such transactions may have an impact on forecast distributions, however, such transactions will only be made if they are likely to, in the Responsible Entity's opinion, have a positive effect upon the forecast distributions.

The best estimate assumptions upon which the forecasts are based are outlined below:

- For each property, the rental income increase on a rent review date has been based on the CPI change over the previous four quarters to the start of the six monthly period in which the rent review falls. The CPI for this purpose is net of GST. It is assumed that the inflation rate throughout each period is two per cent.
- All leases are enforceable and are performed in accordance with their terms.
- Interest earned on excess cash will be at a rate of four per cent per annum over the forecast period.
- The majority of interest paid on the Trust's debt is fixed through interest rate hedges. As at 30 June 2001, 77 per cent of the Trust's interest bearing debt was hedged at a rate of 6.27 per cent per annum. The bank bill rate on the unhedged portion is assumed to be 5.2 per cent and all borrowings bear margins under the existing facilities.
- It has been assumed that there will be no changes in federal, State or local government laws, regulations or policies that will have a material impact on the performance of the Trust.
- The financial accounting policies are consistent with those used in the preparation of the Trust's financial statements (see Section 6.3).
- A 25 per cent participation in the Trust's Distribution Reinvestment Plan.

## 6.2 Proforma statement of financial position

The following table reflects the proforma statement of financial position of the Trust as at 30 June 2001.

Proforma statement of financial position			
	Actual at 30 June 2001 (\$000)	Proforma 1 at 30 June 2001 (\$000)	Proforma 2 at 30 June 2001 (\$000)
<b>Current assets</b>			
Cash	569	569	569
Other	618	618	618
<b>Total current assets</b>	<b>1,187</b>	<b>1,187</b>	<b>1,187</b>
<b>Non-current assets</b>			
Investment properties	286,797	309,839	341,547
<b>Total non-current assets</b>	<b>286,797</b>	<b>309,839</b>	<b>341,547</b>
<b>Total assets</b>	<b>287,984</b>	<b>311,026</b>	<b>342,734</b>
<b>Current liabilities</b>			
Payables	933	933	933
Distribution payable	8,507	-	-
<b>Total current liabilities</b>	<b>9,440</b>	<b>933</b>	<b>933</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	92,689	89,063	92,065
<b>Total non-current liabilities</b>	<b>92,689</b>	<b>89,063</b>	<b>92,065</b>
<b>Total liabilities</b>	<b>102,129</b>	<b>89,996</b>	<b>92,998</b>
<b>Net assets</b>	<b>185,855</b>	<b>221,030</b>	<b>249,736</b>
<b>Unitholders' funds</b>			
Units on issue	178,013	203,522	232,228
Asset revaluation reserve	7,826	17,492	17,492
Undistributed income reserve	16	16	16
<b>Total unitholders' funds</b>	<b>185,855</b>	<b>221,030</b>	<b>249,736</b>
Net tangible asset backing per unit	\$1.02	\$1.09	\$1.09

The proforma 1 statement of financial position has been prepared based on the assumption that the following transactions which have taken place since 30 June 2001, had taken place as at 30 June 2001:

- acquisition of the following properties for a total consideration of \$13.4 million;

Property	\$000	
Mandurah	849	Warehouse expansion development costs
Midland	4,930	Final warehouse development costs
Mindarie	5,600	Final warehouse development costs
Coffs Harbour	1,997	Land acquisition costs
<b>Total</b>	<b>13,376</b>	

- payment of the June 2001 distribution through the issue of 1.8 million Units at \$1.13 per Unit under the Trust's Distribution Reinvestment Plan and cash of \$6.5 million;
- the revaluation of the following properties resulting in an increase in value of \$9.7 million transferred to the Trust's asset revaluation reserve;
  - Mentone, Victoria
  - Broadmeadows, Victoria
  - Northland, Victoria
  - Croydon, Victoria
  - Scoresby, Victoria
  - Epping, Victoria
  - Minchinbury, New South Wales
  - Balcatta, Western Australia
  - Southport, Queensland
  - Burleigh Heads, Queensland
- the placement of 20.1 million Units at \$1.19 per Unit for a consideration of \$23.9 million.

The proforma 2 statement of financial position has been prepared based on the proforma 1 statement of financial position and on the assumption that the following transactions had taken place as at 30 June 2001:

- the acquisition of the following New Warehouses and the Expanded Warehouse for a total consideration of \$31.7 million; and

Property	\$000	
Frankston	9,400	Final warehouse development cost
Oakleigh South	9,142	Final warehouse development cost
Coffs Harbour	4,500	Final warehouse development cost
Geraldton	6,785	Land acquisition costs and warehouse development costs
Mornington	1,881	Warehouse expansion development costs
<b>Total</b>	<b>31,708</b>	

- the issue of 25.5 million Units under the Rights Issue at \$1.16 per Unit for a consideration of \$29.5 million.

For the purposes of these forecasts it has been assumed that the only acquisitions of property during the forecast period will be the New Warehouses and the Expanded Warehouse. Further, it is assumed that the only capital raising by the Trust during the forecast period will be a 25 per cent reinvestment of the December 2001 distribution.

These assumptions have been made to highlight the effect of the Rights Issue. It is probable that additional properties will be acquired by the Trust during the forecast period on similar yields to other properties in the Trust's portfolio and such acquisitions will be funded by a combination of debt and equity. It is not expected that such acquisitions will have a material adverse effect on distributions.

### 6.3 Summary of the Trust's principal accounting policies

The Trust's financial statements are general purpose financial reports made out in accordance with the requirements of the Constitution and the Corporations Act 2001, which includes applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views). The Trust's financial statements are prepared on the basis of the historical cost convention.

The significant policies which have been adopted in the preparation of the Trust's financial statements are:

#### (a) Revenue recognition

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.

Specific revenues are recognised as follows:

##### *Rental and other property income*

Rental and other property income is recognised as income when receivable under the terms of the rental agreement.

##### *Interest income*

Interest income is recognised as income when control of the right to receive the interest payment is attained.

#### (b) Expenditure

Expenditure, including the Responsible Entity's fees are brought to account on an accrual basis.

#### (c) Property outgoings

Under all leases for properties in the Trust's portfolio, all property outgoings (including rates and taxes, insurance, repairs and maintenance and land tax) are paid by Bunnings except for land tax in relation to properties in Queensland where legislation prohibits recovery of land tax from tenants.

#### (d) Taxation

Under current Australian income tax legislation, the Trust is not liable for income tax provided its taxable income (including any taxable capital gains) is fully distributed to Unitholders each year.

#### (e) Equity raising costs

All costs incurred by the Trust in raising equity have been offset against the proceeds raised.

#### (f) Property investments

Property investments comprise land and buildings and integral plant and equipment. On acquisition, property investments are recorded at cost, including stamp duty and other acquisition costs.

#### (g) Depreciation

The buildings and any component of them (including plant and equipment) included in property investments are depreciated in accordance with AASB1021. Depreciation, not depreciated for accounting purposes. Taxation allowances for building, plant and equipment depreciation are declared as tax advantaged components of distributions.



**(h) Interest bearing liabilities**

Bank loans are carried at their principal amount less any unexpired discount for bank bills. These loans are generally borrowed for the short term under long term facilities. The loans are allocated between current and non-current based on the repayment period for the facilities. Interest, where applicable, is charged as an expense at short term commercial rates as it accrues. Interest free loans repayable within one year are carried at face value.

**(i) Payables**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Trust. These liabilities are normally settled on 30 day terms.

**(j) Revaluations**

Under its compliance plan, the Responsible Entity must instruct an independent valuer to revalue each of the Trust's property investments if it reasonably believes that there has been a significant change in the value of any of the property investments. In any event, under the compliance plan, the Responsible Entity must instruct an independent valuer to revalue each of the Trust's property investments at least every three years. The three year period commences from the date of settlement of the acquisition of each property by the Responsible Entity.

Unrealised losses arising on revaluation of investment properties are firstly debited to the asset revaluation reserve to the extent of any previous revaluation increment and any residual is debited to the statement of financial performance.

**(k) Distributions**

Distributions payable are recognised when declared by the Trust. An objective of the Trust is to distribute all net income each financial year.

All Units issued under the terms of the Distribution Reinvestment Plan receive a full entitlement.

**6.4 Sensitivity analyses**

Factors affecting the forecasts are inflation and interest rates. The impact of changes in these assumptions is illustrated in the tables below:

Inflation			
	-0.5%	Year ending 30 June 2002	+0.5%
Earnings (cents per Unit)	9.58	9.59	9.60
Distribution (cents per Unit)	9.56	9.57	9.58
Annualised yield % (on an issue price of \$1.16)	8.24	8.25	8.26

Interest rates (on unhedged debt)			
	-1%	Year ending 30 June 2002	+1%
Earnings (cents per Unit)	9.65	9.59	9.53
Distribution (cents per Unit)	9.64	9.57	9.50
Annualised yield % (on an issue price of \$1.16)	8.31	8.25	8.19

## 6.5 Risk factors

Prospective investors should consider risk factors associated with an investment in the Trust. These risk factors could affect the performance of the Trust, achievement of financial forecasts and forecast distributions to Unitholders and the market price of Units and New Units. These risk factors include:

### **General investment risks**

Risk factors which may affect property trusts in general include:

- changes in economic conditions
- movements in Australian and overseas share markets and financial markets generally
- changes in interest rates
- changes in property trust investment conditions including taxation treatment of publicly listed unit trusts
- impact of competing property developments
- increases in the supply of listed property trust investments
- fluctuations in the value of property assets due to general market conditions
- Government policy changes or statutory changes
- movements in rental and occupancy levels
- default in tenants' obligations
- unforeseen capital expenditure requirements
- Trust expenses greater than expected
- taxation uncertainties

### **Specific investment risks**

Risk factors that are specific to the Trust include:

- increased competition to Bunnings
- reliance on one tenant; namely, Bunnings
- for 20 of the existing warehouse properties lease terms will expire, and market rent reviews will occur almost concurrently.

## 6.6 Market outlook for Bunnings

Wesfarmers' recent successful bid for Howard Smith Limited, the owner of the BBC Hardware chain, provides potential to grow the Trust's asset base. Following a period of review and integration by Wesfarmers, some of the BBC warehouses may be offered for purchase by the Trust. Any proposal received by the Trust to acquire BBC warehouses will be assessed on the basis of the Trust's investment criteria.

Bunnings' sales are growing strongly through sales growth for individual stores and the roll-out of new stores. For the 2001 financial year, sales were forecast at \$1.355 billion of which warehouse sales were expected to account for 82 per cent. The Trust continues to work with Bunnings in the national warehouse roll-out programme. Without taking into account the BBC Hardware chain, Bunnings now operates 47 warehouse stores with 90 to 100 warehouse stores planned to be in operation by 30 June 2005.

# Additional information

7  
ADDITIONAL INFORMATION

## 7.1 Nature of this Prospectus

This Prospectus is a "transaction-specific" prospectus. The information in this Prospectus principally concerns the terms and conditions of the Rights Issue and the information necessary to make an informed assessment of:

- the effect of the Rights Issue on the Trust; and
- the rights attaching to the New Units.

As the Trust has been listed on ASX since 16 September 1998, a substantial amount of information concerning the Trust has previously been notified to ASX and is therefore publicly available. All ASX announcements can be accessed via the Trust's website at [www.bunningspropertytrust.com.au](http://www.bunningspropertytrust.com.au).

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Trust which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore also have regard to the other publicly available information in relation to the Trust before making a decision whether or not to invest in New Units.

## 7.2 Regular reporting and disclosure obligations

The Trust is a "disclosing entity" for the purposes of the Corporations Act 2001 and is subject to regular reporting and disclosure obligations under the Corporations Act 2001 and ASX Listing Rules. These obligations require the Responsible Entity to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the stock market conducted by ASX. In particular, the Responsible Entity has an obligation under ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning the Trust which a reasonable person would expect to have a material effect on the price or value of Units in the Trust. Copies of documents lodged in relation to the Trust may be obtained from, or inspected at, an office of ASIC.

## 7.3 Documents supplied upon request

The Responsible Entity will provide a copy of each of the documents listed below, free of charge, to any person who asks for it in the period starting from the date of issue of this Prospectus and ending on the closing date for receipt of applications:

- the financial statements of the Trust for the year ended 30 June 2001; and
- all other financial statements or continuous disclosure notices (if any) lodged with ASIC and all documents used to notify ASX of information concerning the Trust under ASX Listing Rules relating to continuous disclosure during the period starting after lodgement of the 30 June 2001 financial statements and ending before the date of issue of this Prospectus. These documents are listed in the table below:

Date lodged	Description
11/07/01	Change in board structure
08/08/01	Full year result to 30 June 2001, including Appendix 3B
06/09/01	Increase in Trust's assets – Coffs Harbour, Midland, Mindarie and Mandurah expansion
17/09/01	Inclusion in S&P/ASX 200 and S&P/ASX 200 Property Indices
20/09/01	Revaluation of 10 properties
26/09/01	Equity raising
26/09/01	Placement and rights issue, including Appendices 3B

- a copy of the full valuation reports referred to in the abridged reports in Section 5.

Further, whilst this Prospectus is current, the Responsible Entity will send a paper copy of this Prospectus on request and without charge, to any Unitholder who has received this Prospectus in electronic form.

## 7.4 Rights attaching to New Units

### General

A number of rights attach to the New Units. These rights arise from the Constitution, the law of trusts and the Corporations Act 2001. Some of the most significant rights are summarised in this section. However, this summary is not exhaustive. For further information about rights attaching to Units, reference should be made in particular to the Constitution and the Corporations Act 2001.

### Rights of Unitholders

The rights of Unitholders include the following:

#### *Beneficial interest in Trust*

The beneficial interest in the Trust is divided into Units, with each Unit representing a beneficial interest in the assets of the Trust. No Unit confers an interest in a particular part of the Trust or the assets.

#### *Entitlement to Trust income*

For each distribution period (being each six months ending 30 June and 31 December during the life of the Trust) the Responsible Entity must calculate and distribute or reinvest each Unitholder's distribution entitlement, as follows:

Distributable Amount for a period is to be determined in accordance with the following formula:

$$DA = I + C - R$$

Where:

DA is the Distributable Amount

I is the income of the Trust

C is any additional amount (including capital) which the Responsible Entity has determined is to be distributed

R is any amount credited to a reserve.

The New Units will participate in the distribution on a pro rata basis for the six months ending 31 December 2001, having regard to the number of days the New Units have been on issue during the six months. The New Units will rank equally with existing Units for the six months commencing 1 January 2002 and thereafter.

New Units are expected to be quoted on a deferred settlement basis on 29 October 2001 and on a T + 3 basis on 19 November 2001. They will be quoted as a separate class until approximately 21 December 2001, the record date for the income distribution for the December 2001 half year.

### *Transfers*

While the Trust continues to be included in the Official List of ASX, all transfers of Units must be effected in accordance with the Listing Rules. A transferor of Units remains the holder until the transfer is registered and the name of the transferee is entered into the register in respect of the Units.

### *Voting*

Meetings of Unitholders are to be held in accordance with the provisions of the Corporations Act 2001.

At a meeting:

- (a) on a show of hands each Unitholder present personally or by proxy, attorney or representative with the right to vote at that meeting has one vote; and
- (b) on a poll each Unitholder present personally or by proxy, attorney or representative with the right to vote at that meeting is entitled to have that fraction of a vote equivalent to that paid up proportion of that Unit.

### *Accounts*

A Unitholder is entitled to receive a copy of financial reports in accordance with the Corporations Act 2001.

***Winding up***

The assets of the Trust are held on trust by the Responsible Entity for the benefit of the Unitholders. By law, trusts are not permitted to be of unlimited duration. Accordingly, unless terminated earlier under the Constitution, or in accordance with the proposal in this Prospectus, the duration of the Trust is limited until the expiration of 80 years following the commencement of the Trust. The Trust may be wound up:

- (a) at the direction of the Unitholders in accordance with section 601NB of the Corporations Act 2001;
- (b) if the Responsible Entity considers that the purpose of the Trust has been accomplished or, cannot be accomplished, in accordance with section 601NC of the Corporations Act 2001; or
- (c) if a court directs the Responsible Entity to wind up the Trust.

In winding up the Trust, the Responsible Entity must sell and realise all realisable assets and, after payment or provision for liabilities and costs, distribute to the Unitholders pro rata in accordance with the paid-up proportion of Units held by Unitholders, all net cash proceeds derived from the realisation of the assets and any other cash of the Trust.

The Trust may be wound up at the direction of the Unitholders in accordance with section 601NB of the Corporations Act 2001.

Upon termination of the Trust, all property and investments of the Trust will be sold and turned into cash. A Unitholder has the right to receive cash distributions in proportion to their Unitholding until all assets of the Trust have been completely sold and distributed to Unitholders, however the Responsible Entity is entitled to retain full provision for all costs, fees and expenses incurred or expected by the Responsible Entity in the winding up of the Trust.

***Takeovers and substantial Unitholdings***

The Corporations Act 2001 contains provisions based on the substantial shareholder and takeover provisions that apply to the Trust. These provisions restrict the number of Units that may be acquired by a person without making a full takeover offer, subject to certain exceptions. These provisions also require notice to be given by persons acquiring or disposing of Units such that the size of a holding exceeds five per cent of the Units on issue as a result of the acquisition or disposal.

***Complaints***

A Unitholder is entitled to lodge a complaint in respect of its rights and entitlements under the Trust. The complaint must be made to the Responsible Entity in writing and in the form prescribed by the Responsible Entity. The Responsible Entity must within five business days of receiving the complaint, notify the complainant that it has received the complaint and is considering it, and within 30 business days of receipt of the complaint, determine and notify in writing to the complainant its decision regarding the complaint. If a Unitholder is not satisfied with the decision of the Responsible Entity, the Unitholder must participate in alternative dispute resolution procedures before a dispute can be brought before a court.

***Removing the Responsible Entity***

The Responsible Entity may be removed from office by an extraordinary resolution passed by Unitholders. The Unitholders must choose a new Responsible Entity.

The new Responsible Entity must consent in writing to become the Trust's Responsible Entity. If the Unitholders do not choose a new Responsible Entity, or the company they choose does not consent to becoming the new Responsible Entity, the Trust must be wound up.

***Modifying the Constitution***

Unitholders can alter the Constitution by a resolution approved by at least 75 per cent of the votes cast by Unitholders entitled to vote on that resolution.

***Liability of Unitholders***

The Constitution contains provisions which are designed to limit the liability of a Unitholder to the value of Units held by that Unitholder. Accordingly, and provided that the issue price of relevant units has been fully paid, no Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Responsible Entity or any creditor of the Responsible Entity in the event that the liabilities of the Trust exceed the assets of the Trust.

## 7.5 How to transfer your Units

All Units are transferable through the electronic transfer and sub-register system known as the Clearing House Electronic Subregister System ("CHESS"). Electronic transfers must be done in accordance with the SCH Business Rules.

## 7.6 Litigation

There is no litigation of a material nature pending or threatened which may significantly affect the Trust.

## 7.7 Material contracts

### (a) Development proposals and purchase contract

The following information is a summary of the provisions of the development proposals for Frankston, Oakleigh South, Coffs Harbour and Mornington and for the purchase contract for Geraldton. The information is not an exhaustive statement of the provisions of the proposals or the purchase contract. To understand all of the rights and obligations contained in the proposals and the purchase contract, it is necessary to read the proposals and the purchase contract in full.

#### (1) Frankston – development proposal

The Responsible Entity:

- (a) recently acquired the Frankston site in Melbourne for a purchase price of \$7.3 million (plus acquisition costs of \$258,000);
- (b) has accepted a development proposal from Bunnings based on the Development Deed dated 16 July 1998 to develop a new warehouse on the site. The development cost of \$9.4 million will be paid upon completion of a warehouse which is scheduled for December 2001; and
- (c) has agreed to lease the site to Bunnings on the terms of the proforma lease as described in Section 7.7(b). To underpin rental growth the lease will contain a "ratchet clause" to ensure that the annual rental determined at each five yearly market review will not fall below the rental payable in the preceding year. The proposed commencing annual rental is \$1,520,000 (excluding GST).

#### (2) Oakleigh South – development proposal

The Responsible Entity:

- (a) recently acquired the Oakleigh South site in Melbourne for a purchase price of \$7.9 million (plus acquisition costs of \$363,000);
- (b) has agreed to sell surplus land of one hectare in the first half of 2002 with proceeds of \$1.25 million due to the Trust;
- (c) has accepted a development proposal from Bunnings based on the Development Deed dated 16 July 1998 to develop a new warehouse on the site. The development cost of \$9.142 million will be paid upon completion of a warehouse which is scheduled for January 2002; and
- (d) has agreed to lease the site to Bunnings on the terms of the proforma lease as described in Section 7.7(b). To underpin rental growth the lease will contain a "ratchet clause" to ensure that the annual rental determined at each five yearly market review will not fall below the rental payable in the preceding year. The proposed commencing annual rental is \$1,445,000 (excluding GST).

**(3) Coffs Harbour – development proposal**

The Responsible Entity:

- (a) recently acquired the Coffs Harbour site in New South Wales for a purchase price of \$1.9 million (plus acquisition costs of \$97,000);
- (b) has accepted a development proposal from Bunnings based on the Development Deed dated 16 July 1998 to develop a new warehouse on the site. The development cost of \$4.5 million is scheduled to be paid in December 2001; and
- (c) has agreed to lease the site to Bunnings on the terms of the proforma lease as described in Section 7.7(b). The lease will contain a provision that the rental after the first market review will not be less than 10 per cent above the commencement rent. The proposed commencing annual rental is \$610,000 (excluding GST).

**(4) Morningside – development proposal**

The Responsible Entity:

- (a) has accepted a development proposal from Bunnings based on the Development Deed dated 16 July 1998 to expand the existing warehouse on the site. The cost of the expansion is \$1.881 million which is scheduled to be paid in December 2001; and
- (b) has agreed to vary the existing lease for the site to include the expanded premises and to extend the initial five year term for a two year period expiring on 12 December 2006. The proposed commencing annual rental for the expanded warehouse is \$941,340 (excluding GST).

**(5) Geraldton – purchase contract**

The Responsible Entity:

- (a) recently entered into a purchase contract with Bunnings to purchase the Geraldton site and Bunnings warehouse on or prior to November 2001 for a purchase price of \$6.475 million (plus acquisition costs of \$310,000);
- (b) has agreed to lease the site to Bunnings on the terms of the proforma lease described in Section 7.7(b). The proposed commencing annual rental is \$680,000 (excluding GST); and
- (c) has been provided, in the purchase contract, with a range of usual warranties concerning the property.

**(b) Proforma lease**

The following information is a summary of the provisions of the proforma lease.

***Term***

The term is five years with four option terms of five years each. The Responsible Entity or Bunnings can exercise the first two five year options while only Bunnings can exercise the last two five year options.

***Rental***

Rental is paid in advance by equal monthly instalments.

Rental is reviewed annually in line with movements in CPI compiled by the Australian Bureau of Statistics as the Weighted Average (Eight Capital Cities – All Groups Index Numbers) except on each fifth anniversary of the commencement date when rent is reviewed to market rental determined in accordance with generally accepted rent review criteria. On a rental review there is a restriction on the rental decreasing below the commencement rent.

***Lease amendment - GST***

The Responsible Entity and Bunnings have amended existing leases to cover the effect of the GST. The Trust will adjust lease rentals by CPI (excluding the impact of GST) and will recover from Bunnings any GST payable on the leases. Leases for the New Warehouses will contain the same provisions.

**Payment of outgoings**

Bunnings is responsible for payment of all outgoings (excluding the Responsible Entity's and managing agents' fees and commissions and Queensland land tax) which include all normal rates, taxes and assessments including land tax and metropolitan region tax at the amount assessed. Bunnings is responsible for payment of all utilities utilised by it from the premises.

**Insurance**

Bunnings is required to insure the improvements on the property for replacement and reinstatement value and to take out public risk insurance to an amount of not less than \$10 million per incident.

**Maintenance**

Bunnings is required to keep and maintain the property in good and tenantable repair excluding fair wear and tear and structural liability. This obligation includes the obligation to repaint the premises as and when required but no repainting period is specified.

The Responsible Entity is responsible for maintaining the property and services in good structural repair and condition provided that this responsibility will vest in Bunnings for a period of seven years from the commencement date of the lease if the Responsible Entity has acquired the property from Bunnings Properties Pty Ltd (ABN 46 008 557 622).

Bunnings is not entitled to alter or add additions to the property without the consent of the Responsible Entity.

Bunnings is obliged to comply with all orders and requisitions of any relevant authority in respect of the property but except in the first seven years is not obliged to conduct structural works unless arising out of the nature of the business of Bunnings or the number or sex of employees.

**Use of premises**

Bunnings' use of the premises is for the sale and display of hardware and building products and materials and any other business activity permitted by law.

**Subletting**

While Bunnings or a related body corporate is the lessee it may assign the lease to a related body corporate without the consent of the Responsible Entity. In any other circumstance the consent of the Responsible Entity is required to assign the lease.

**Lease expiry**

On the expiration or sooner determination of the term of the lease, Bunnings is required to remove all items erected or installed by Bunnings.

Any holding over under the lease is on a monthly basis at 1/12th of the annual rent previously paid.

**Warranties**

The Responsible Entity warrants under the lease that in relation to the premises all service and utility connections are in good order, there is nothing that could result in an obligation or fine under any environmental law, the premises and its use complies with zoning and other State and local government requirements and that sewer connections are beneath the premises. However, if the Responsible Entity has acquired the property from Bunnings Properties Pty Ltd, Bunnings will have this liability for a period of seven years from the date of commencement of the lease.

**General**

The lease is to be registered at the appropriate Land Titles Office.

The entitlement of the Responsible Entity in the event of a default by Bunnings is in accordance with normal commercial provisions found in leases of this nature.

During the term of the lease the Responsible Entity is not entitled to dispose of its interest in the property without first offering those premises to Bunnings, in accordance with the first right of refusal rights specified in the lease.

Other than to the extent specified above, the lease is in normal commercial terms for leases of similar properties and taking into account the arrangements between the Responsible Entity and Bunnings.



**(c) Underwriting Agreement**

The following information is a summary of the material provisions of the Underwriting Agreement. If there is a shortfall in the issue of New Units, the Underwriter must, within five business days of being advised in writing of the shortfall, lodge or cause to be lodged with the Responsible Entity (or its nominated registry, Computershare Investor Services Pty Limited), an application made in accordance with this Prospectus together with the application money (in cleared funds) for the number of New Units which will make up the shortfall.

On the earlier event of all of the New Units in the Trust being issued or the Underwriter discharging its obligations in the above paragraph, the Responsible Entity must promptly pay the Underwriter a commission of two per cent of the underwritten amount and a management fee of 0.75 per cent of the total amount to be raised by the Rights Issue. The Responsible Entity is also responsible for paying certain costs and expenses of the Underwriter up to a limit of \$15,000. This amount excludes legal fees the subject of the indemnity described below, which are to be subject to a maximum of \$25,000.

The Underwriter can terminate the Underwriting Agreement by giving written notice to the Responsible Entity, if any of the following events are likely in the reasonable opinion of the Underwriter to have a materially adverse effect on the outcome of the Rights Issue, or the prospects or financial position of the Responsible Entity or the Trust, or give rise to the Underwriter being liable under section 1005(1) of the Corporations Act 2001:

- the Responsible Entity makes a material breach of any terms and conditions of the Underwriting Agreement without the written consent of the Underwriter;
- a representation or warranty in the Underwriting Agreement on the part of the Responsible Entity is not true or correct;
- the outbreak of hostilities not presently existing (in all cases whether war has been declared or not), or the escalation of existing hostilities, involving any of Australia, the United Kingdom, the USA, Japan or Indonesia the effect of which is such as to make it in the judgement of the Underwriter (acting reasonably), impracticable to market the Rights Issue or to enforce contracts to issue and allot Units or is reasonably likely to materially and adversely affect the success of the Rights Issue;
- if the Underwriter, acting reasonably believes there is a material adverse change in the assets, investments, liabilities, financial position and performance, trading position, profits, losses or prospects of the Trust or any of its related bodies corporate;
- the Responsible Entity alters, in a material way, the capital structure or the Constitution of the Trust without the prior consent of the Underwriter, which will not be unreasonable withheld;
- the traded price for Units on ASX is an amount that is 15 per cent or more lower than the level at the close of trading on the date of the acceptance of the Underwriting Agreement;
- the Underwriter reasonably forms the view that there is a material omission from, or a material statement which is, or has become, false or misleading in this Prospectus;
- any person, other than the Underwriter, who has previously consented to be named in this Prospectus withdraws that consent;
- the Trust ceases to carry on business or a material part of it, or threatens to do either of those things, other than changes announced prior to 21 August 2001;
- there is a change in the Responsible Entity's Manager without the consent of the Underwriter (which consent may not be unreasonably withheld or delayed) or a director of the Responsible Entity is charged with an indictable offence;
- a contravention by the Responsible Entity or the Trust of the Corporations Act, either their Constitutions, or any of ASX Listing Rules or this Prospectus or if any aspect of the Rights Issue does not comply with the Corporations Act, the ASX Listing Rules or any other applicable law or regulation;
- the Underwriter reasonably forms a view that a supplementary prospectus must be issued by the Responsible Entity, and notifies the Responsible Entity of this, and the Responsible Entity does not lodge a supplementary prospectus in the form and content and within the time reasonably required by the Underwriter;
- the ASX suspends trading in Units in the Trust;

- any of the following notifications are made:
  - (i) ASIC issues an order under section 739 of the Corporations Act;
  - (ii) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to this Prospectus or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Act 2001 (Cth) in relation to this Prospectus;
  - (iii) any person gives notice under section 733(3) of the Corporations Act or any person who has previously consented to the inclusion of its name in this Prospectus (or any Supplementary Prospectus) or to be named in this Prospectus withdraws that consent; and
  - (iv) any person gives a notice under section 730 of the Corporations Act in relation to this Prospectus.

The Underwriter can terminate the Underwriting Agreement by giving written notice to the Responsible Entity, if any of the following events occur:

- the introduction or public announcement of a formal proposal to introduce into the Parliament of Australia or any State of Australia, a new law or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a formal proposal to adopt a new policy, any of which does or is likely to, in a material way, prohibit or regulate the Rights Issue;
- the S & P/ASX 200 Property Index falls by an amount that is 15 per cent or more lower than the level at the close of trading on the date of the acceptance of the Underwriting Agreement;
- either the Responsible Entity or the Trust is or becomes insolvent;
- if approval is refused or not granted to the official quotation of all of the New Units on ASX before the Listing Approval Date, or if granted, the approval is subsequently withdrawn, qualified or withheld; or
- the Responsible Entity or the Trust withdraws this Prospectus or the Rights Issue.

If an Underwriter terminates the Underwriting Agreement, the Responsible Entity will have no further obligations under the Underwriting Agreement to that Underwriter other than the payment of a termination fee and issue costs. The indemnities provided by the Responsible Entity continue, notwithstanding the termination of the Underwriting Agreement and the Underwriter is entitled to access due diligence materials.

The Responsible Entity has agreed to indemnify the Underwriter and its directors, officers, employees, agents and related entities ("Indemnified") against all claims, demands, losses, damages, expenses, liability and costs ("Losses") arising out of or in connection with a material breach of the Underwriting Agreement by the Responsible Entity, any material non-compliance by the Responsible Entity and its officers or employees with any applicable law in relation to the issue of the New Units or the Constitution, any announcement, advertisement or publicity made, issued or authorised by the Responsible Entity or made or issued by an Underwriter (so long as it is approved by the Responsible Entity prior to its release in writing), or any review or investigation by ASIC, ASX or any other regulatory body. The indemnity does not apply:

- to the extent that the Losses constitute a penalty or fine which the Indemnified is required to pay for any contravention of the Corporations Act;
- in respect of any Losses which result from the fraud, wilful default or negligence of the Indemnified;
- to any announcement, advertisement, publicity or promotion made or distributed by JBWere (other than material produced or obtained by JBWere in the ordinary course of its research on the Rights Issue) without the approval of BPML; and
- to any other amount in respect of which the indemnity is illegal, void or unenforceable.

**(d) Wesfarmers Investments Pty Ltd Subscription Agreement**

Wesfarmers Investments Pty Ltd has by a letter of agreement dated 26 September 2001 agreed with the Responsible Entity that it will exercise 100 per cent of the Rights to which it will be entitled under this Prospectus.

## 7.8 Inspection of documents

The following documents are available for inspection during normal business hours at the registered office of the Responsible Entity at Level 11, 40 The Esplanade, Perth:

- Constitution;
- The material contracts referred to in Section 7.7;
- The consents referred to in Section 7.10; and
- The full valuation reports referred to in the abridged reports in Section 5.

## 7.9 Rights - tax consequences

As at the date of this Prospectus the following is a summary of the current tax implications of the exercise or disposal of Rights.

The exercise of Rights by Unitholders is not a disposal for capital gains tax purposes. However, where the Rights are sold or otherwise disposed of to another person (that is, the Rights are renounced), then this will constitute a disposal for capital gains tax purposes, and the Unitholder may therefore derive a capital gain.

### **Disposal of Rights**

The disposal of Rights received by a Unitholder will give rise to a capital gain equal to the consideration received on their disposal.

### **Exercise of Rights**

If the Rights are exercised, the Unitholder exercising those Rights will be deemed to have acquired the New Units at the time of the exercise. The consideration paid in respect of the New Units will be the amount paid in respect of the exercise of the Rights.

### **Other taxation issues in relation to Rights**

Unitholders who hold Units in a trading capacity or on revenue account will be taxed differently. Consequently, the above information may not apply to those Unitholders.

The issues surrounding the taxation of non-residents of Australia are complex. Non-resident Unitholders should consult their professional advisers concerning the taxation implications arising as a result of the exercise or disposal of their Rights.

These comments are a broad analysis of the relevant taxation implications which arise on the disposal of Rights. The future taxation implications for particular Unitholders will depend on the individual circumstances of those Unitholders as well as future changes (if any) in tax legislation. It is therefore recommended that Unitholders consult their own professional advisers.

## 7.10 Consents

Bunnings Property Management Limited as Responsible Entity is the issuer of this Prospectus.

Jones Lang La Salle has given its consent to be named as property valuers in this Prospectus including any electronic version of this Prospectus, with the valuation reports dated 5 September 2001, 10 September 2001 and 17 September 2001 being incorporated by reference into this Prospectus, the inclusion of the abridged valuation reports dated 5 September 2001, 10 September 2001 and 17 September 2001 in Section 5 and statements in this Prospectus being based on those valuations in the form and context in which they appear and has not withdrawn its consent prior to lodgement of this Prospectus. Jones Lang La Salle has only been involved in the preparation of those reports and those paragraphs of Sections 7.10 and 7.11 where its name appears and takes no responsibility for any other part of this Prospectus.

Colliers Jardine has given its consent to be named as property valuers in this Prospectus including any electronic version of this Prospectus, with the valuation report dated 20 September 2001 being incorporated by reference into this Prospectus, the inclusion of the abridged valuation report dated 20 September 2001 in Section 5 and statements in this Prospectus being based on its valuation in the form and context in which they appear and has not withdrawn its consent prior to lodgement of this Prospectus. Colliers Jardine has only been involved in the preparation of those reports and those paragraphs of Sections 7.10 and 7.11 where its name appears and takes no responsibility for any other part of this Prospectus.

JBWere Limited has given its consent to be named as Underwriter in this Prospectus, including any electronic version of this Prospectus, and has not withdrawn its consent prior to lodgement of this Prospectus. JBWere Limited has only been involved in the due diligence process for this Prospectus and in the preparation of Section 3.9, Section 7.7 (Underwriting Agreement summary) and those paragraphs of Sections 7.10 and 7.11 where its name appears but has not authorised or caused the issue of this Prospectus.

Ernst & Young has given its consent to be named as auditor to the Trust in this Prospectus including any electronic version of this Prospectus, and has not withdrawn its consent prior to lodgement of this Prospectus. Ernst & Young also consents to the inclusion of statements in Section 6 of this Prospectus being based on the financial statements of the Trust as at 30 June 2001 audited by them. Ernst & Young has not authorised or caused the issue of this Prospectus.

Freehills consents to be named in this Prospectus, including any electronic version of this Prospectus as solicitors to the Responsible Entity, in the form and context in which it is named. Freehills does not make the offer of securities under this Prospectus. The offer of securities under this Prospectus is made by the Responsible Entity. Freehills does not make a statement in this Prospectus, nor is a statement in this Prospectus based on a statement made by Freehills. Freehills does not accept responsibility for the contents of this Prospectus.

Minter Ellison has given its consent to be named as solicitors to the Underwriter in this Prospectus including any electronic version of this Prospectus, and has not withdrawn its consent prior to lodgement of this Prospectus. Minter Ellison has only authorised or caused the issue of that part of the Directory where its name appears and takes no responsibility for any other part of this Prospectus.

National Australia Bank Limited (the "Bank") consents to be named as bankers to the Responsible Entity in this Prospectus, including any electronic version of this Prospectus, and has not withdrawn its consent prior to lodgement of this Prospectus. This statement (the "Statement") means that the Bank provides usual commercial banking services to the Responsible Entity in accordance with the Bank's general business policies. Apart from this, the Bank makes no express or implied representation in relation to the Responsible Entity, this Prospectus, or any other matter. The Bank has been only involved in the preparation of that part of this Prospectus constituted by the Statement and the present paragraph and has not provided any expert advice or assistance in the preparation of this Prospectus, and did not authorise or cause the issue of any other part of this Prospectus.

## 7.11 Disclosure of interests

### Interests of the Responsible Entity and its directors

Other than as disclosed in this Prospectus, the Responsible Entity has no interest (and has not had an interest in the two years prior to the lodgement of this Prospectus with ASIC) in:

- the formation or promotion of the Trust; or
- property acquired or property proposed to be acquired by the Responsible Entity in connection with the formation or promotion of the Trust or the offer of New Units; or
- the offer of New Units,

other than a fee of 0.1375 per cent per quarter of the gross value of the Trust plus a further fee being, if the gross value of the Trust is up to \$200,000,000, 0.0125 per cent per quarter of the gross asset value of the Trust up to \$200,000,000, and if the gross asset value of the Trust exceeds \$200,000,000, then an additional fee of 0.00875 per cent per quarter of the amount by which the gross value of the assets exceeds \$200,000,000.

Other than as disclosed below or otherwise in this Prospectus, the directors of the Responsible Entity have no interest (and have not had an interest in the two years prior to lodgement of this Prospectus with ASIC) in:

- the formation or promotion of the Trust; or
- property acquired or property proposed to be acquired by the Responsible Entity in connection with the formation or promotion of the Trust or the offer of New Units; or
- the offer of New Units.

- (a) WH Cairns has a relevant interest in listed securities at the date of this Prospectus as follows:
- beneficially owns 17,251 Bunnings Warehouse Property Trust Units;
- (b) RW McCuaig has a relevant interest in listed securities at the date of this Prospectus as follows:
- beneficially owns 156,831 Bunnings Warehouse Property Trust Units;
- (c) PJ Mansell, is a partner of Freehills (solicitors to the Responsible Entity) and has a relevant interest in listed securities at the date of this Prospectus as follows:
- beneficially owns 42,378 Bunnings Warehouse Property Trust Units; and
  - beneficially owns 2,897 Wesfarmers shares; and
- (d) GT Tilbrook has a relevant interest in listed securities at the date of this Prospectus as follows:
- beneficially owns 19,334 Bunnings Warehouse Property Trust Units; and
  - beneficially owns 198,513 Wesfarmers shares.

#### **Interests of experts and advisers**

The following amounts have been paid or have been agreed to be paid to the experts and advisers listed below in the two years prior to lodgement of this Prospectus in connection with the formation or promotion of the Trust or the offer of Units.

Jones Lang La Salle has acted as independent valuer and has provided the reports in Section 5. Jones Lang La Salle is entitled to receive fees of up to \$5,500 for services rendered in providing those reports. An additional amount of \$84,759 has been paid for services provided to the Trust in the past two years.

Colliers Jardine has acted as independent valuer and has provided a report in Section 5. Colliers Jardine is entitled to receive fees of up to \$4,500 for services rendered in providing this report. An additional amount of \$40,523 has been paid for services provided to the Trust in the past two years.

JBWere Limited is the lead Underwriter for this Prospectus. In relation to this role, JBWere Limited is entitled to receive fees of up to \$650,000 for its services. Further details of the Underwriting Agreement are set out in Section 7.7(c). An additional amount of \$282,000 has been paid for services provided to the Trust in the past two years.

Freehills have acted as solicitors to the Responsible Entity. Freehills is entitled to receive fees of approximately \$45,000 for its services. An additional amount of approximately \$43,564 has been paid for services provided to the Trust in the past two years.

#### **Interests of the Wesfarmers Group**

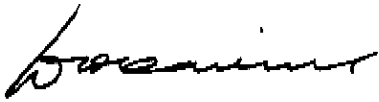
The Responsible Entity, a wholly owned subsidiary of Wesfarmers, has received or is entitled to receive fees comprising \$1,820,817 in aggregate in the two years prior to lodgement of this Prospectus.

Bunnings and Bunnings Properties Pty Ltd, both wholly owned subsidiaries of Wesfarmers, have interests in some of the material contracts summarised in Section 7.7.

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# Authorisation

This Prospectus was signed by William Howitt Cairns, a director of Bunnings Property Management Limited in accordance with Part 2N.2 of the Corporations Act 2001.



**William Howitt Cairns**

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AUTHORISATION

# Glossary

ASIC	Australian Securities & Investments Commission
ASX	Australian Stock Exchange Limited
ASX Listing Rules	the Listing Rules of ASX
Bunnings	Bunnings Building Supplies Pty Ltd ABN 26 008 672 179
Colliers Jardine	Colliers Jardine Consultancy and Valuation Pty Limited ABN 88 076 848 112
Constitution	the Constitution of the Bunnings Warehouse Property Trust, as amended
CPI	consumer price index
Directors	the directors of Bunnings Property Management Limited ABN 26 082 856 424
Entitlement	the right of a Unitholder to New Units under the Rights Issue
Entitlement and Acceptance Form	the Entitlement and Acceptance Form accompanying this Prospectus
Expanded Warehouse	the expansion of the Bunnings warehouse located at Mornington, Victoria
Issue	the issue of New Units pursuant to this Prospectus
JBWere Limited	JBWere Limited ABN 21 006 797 897
Jones Lang La Salle	Jones Lang La Salle Advisory Services Pty Limited ABN 56 003 262 600
New Units	Units issued pursuant to this Prospectus
New Warehouses	the Bunnings warehouse located at Geraldton, Western Australia and the proposed Bunnings warehouses at Frankston, Victoria, Oakleigh South, Victoria and Coffs Harbour, New South Wales
Ordinary Unit	Ordinary Unit in the Trust
Passing Initial Yield	the initial annualised net property income from a property divided by the purchase price expressed as a percentage
Prospectus	this Prospectus
Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277
Responsible Entity	the Responsible Entity of the Trust, Bunnings Property Management Limited ABN 26 082 856 424
Rights	the rights to New Units offered pursuant to the Rights Issue
Rights Issue	the offer of New Units made under this Prospectus
Section	means a section in this Prospectus
Trust	Bunnings Warehouse Property Trust ARSN 088 581 097
Underwriter	JBWere Limited
Underwriting Agreement	the underwriting agreement dated 26 September 2001 between the Responsible Entity and the Underwriter
Underwritten Units	all of the New Units other than those for which Wesfarmers Investments Pty Ltd has agreed to subscribe
Unit	a fully paid Ordinary Unit in the Trust
Unitholder	a holder of Units in the Trust
Wesfarmers	Wesfarmers Limited ABN 28 008 984 049
Wesfarmers Group	Wesfarmers Limited and its controlled entities

# 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 4318  
Facsimile: (08) 9327 4344

**Directors and management**

WH Cairns (Non Executive Chairman)  
P J Mansell (Non Executive Director)  
RW McCuaig (Non Executive Director)  
GT Tilbrook (Director)  
LJ Kenyon (Manager)

**Registry**

Computershare Investor Services Pty Limited  
Level 2, 45 St George's Terrace  
PERTH WA 6000

Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

**Solicitors to the Responsible Entity**

Freehills  
Level 22, AMP Building  
140 St George's Terrace  
PERTH WA 6000

**Auditors**

Ernst & Young  
Central Park  
152-158 St George's Terrace  
PERTH WA 6000

**Bankers**

National Australia Bank Limited  
50 St George's Terrace  
PERTH WA 6000

**Underwriter**

JBWere Limited  
Level 42, Governor Phillip Tower  
1 Farrer Place  
SYDNEY NSW 2000  
Freecall 1800 003 355

**Solicitors to the Underwriter**

Minter Ellison  
Level 51, Central Park  
152-158 St George's Terrace  
PERTH WA 6000

**Stock exchange listing**

Units are quoted on the Australian Stock Exchange and reported in the "Industrial" section in daily newspapers - code BWP.

**Investor enquiries**

Enquiries related to holding statements, payment directions and notification of tax file number or change of address should be directed to the Registry.

All other enquiries should be directed to the Responsible Entity.

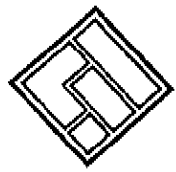


agent number

20463

lodging party or agent name **WESFARMERS LIMITED**  
 office, level, building name or PO Box no. **11TH FLOOR, WESFARMERS HOUSE**  
 street number and name **40 THE ESPLANADE**  
 suburb / city **PERTH** state/territory **WA** postcode **6000**  
 telephone **( 08 ) 9327 4211**  
 facsimile **( 08 ) 9327 4216**  
 DX number \_\_\_\_\_ suburb / city \_\_\_\_\_

ASS. CASH. PROC.     
 REQ-A REQ-P



Australian Securities & Investments Commission

form **911**

Corporations Act 2001

Regulation 1.0.16

### verification or certification of a document

corporation name **WESFARMERS LIMITED**  
 A.C.N. or A.R.B.N. **008 984 049**

### Details of the attached document

document title **BUNNINGS WAREHOUSE PROPERTY TRUST ASX ANNOUNCEMENT**  
 relevant section or subsection of the Corporations Act 2001 **671B (4)**

### Signature

- I verify that the attached document marked ( ) is the original document.
- I certify that the attached document marked ( "C" ) is a true copy of the original document.

print name **PAUL STEVEN GARDINER** capacity **ASSISTANT COMPANY SECRETARY**

sign here

date **25/11/2002**

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

**Include**

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs mins



## BUNNINGS PROPERTY MANAGEMENT LIMITED

ABN 26 082 856 424

Responsible Entity for the Bunnings Warehouse Property Trust

14 November 2002

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Acquisitions**

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

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

- **Development**

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

- **Revaluations**

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

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

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

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

For further information please contact:

Mr Andrew Hopkins  
Manager, Bunnings Property Management Limited

Telephone: (08) 9327 4318  
E-mail: [andrew.hopkins@bpml.wesfarmers.com.au](mailto:andrew.hopkins@bpml.wesfarmers.com.au)  
Website: [www.bunningspropertytrust.com.au](http://www.bunningspropertytrust.com.au)