

ASX release

16 September 2013

UNITHOLDER MEETING MATERIALS

The Directors of BWP Management Limited, the responsible entity of BWP Trust, attach the Manager's Address and related presentation slides for the unitholders' meeting held today in Perth at 10:00am AWST.

For further information please contact:

Grant Gernhoefer

General Manager
BWP Management Limited

Telephone: +61 8 9327 4356

E-mail: ggernhoefer@bwptrust.com.au

Website: www.bwptrust.com.au

BWP TRUST
UNITHOLDERS' MEETING – 16 SEPTEMBER 2013
General Manager's Presentation Notes

Slides 1-2 *[Opening background slides]*

Slide 3 Thank you Mr Chairman and good morning ladies and gentlemen and let me add my welcome to you all.

I am Grant Gernhoefer, the General Manager of the responsible entity for BWP Trust.

As the Chairman has outlined in his introduction, I will provide some detail regarding the matters for consideration at today's meeting – specifically the proposed transaction with Bunnings for BWP to acquire and lease back to Bunnings 10 properties and to upgrade three of the Trust's existing properties. I will also provide a brief review of the Trust's operations, both as an update on what the Trust has been doing, but also as background to the two items being considered by you at today's meeting.

Slide 4 In fact, I will start with a review of operations by looking at what is at the heart of everything that the responsible entity sets out to do for the Trust - that is, the Trust's core purpose: "to provide a premium commercial real estate investment product delivering unitholders a secure and growing income stream and long-term capital growth".

Slide 4b There are three main strategies directed towards fulfilling this core purpose, which I won't go into in detail here, but in broad terms relate to:

1. extracting more from existing assets;
2. operating the Trust effectively for competitive advantage; and
3. building the portfolio selectively.

Slide 4c The two items for consideration and your approval today cover all three of these strategies – with:

1. upgrades to extract greater income and value from three of the Trust's existing Bunnings Warehouses;
2. changes to the Trust's constitution to bring some aspects of issuing units in line with current law and market practice and provide greater flexibility to manage the Trust's distribution reinvestment plan, and
3. the acquisition of a portfolio of new Bunnings Warehouses from Bunnings.

Slide 5 I will return to these matters in detail shortly. However, before I do, I will spend a few minutes looking at the Trust's performance.

I don't intend to cover BWP's full-year results in detail, but I would like to share with you three charts from the recent full-year results presentation materials. I always show investors, brokers and analysts these three charts as they demonstrate what BWP Trust is about.

Slide 6 The first chart, shown here, is about the Trust's main tenant, Bunnings. BWP derives over 90 per cent of its income from Bunnings. The good news is, as most of you will know, Bunnings continues to perform remarkably well, with continuing growth in revenue (the bars) and its profit before interest and tax (the red line).

Slide 7 The second chart, here, is how BWP's unit price has performed over the past five years, shown by the red line. A five year period is relevant because this covers the time of the tail-end of the most recent global financial crisis or "GFC". In spite of the significant and prolonged economic and financial disruption caused by the GFC, BWP's unit price has performed remarkably well during this period.

Slide 8 What is more telling is how BWP's performance compares with the broader equities market (represented by the All Ordinaries index shown here as the dark grey line) and the listed property sector of the ASX200 (represented by the S&P/ASX200 A-REIT index, shown here as the light grey line).

I use this chart to remind investors, brokers and analysts that while other stocks have performed well over the past one to three years, they have generally come off a fairly low base, having lost much shareholder value during the GFC. There will be some of you in this room today who have personally experienced the loss of value from other companies and trusts as a result of the GFC.

Slide 9 The final chart, which epitomises the objective and performance of BWP Trust is this one, which shows total returns over one, three, five and 10 years – again compared with relevant indices. Total returns include not only the increase in the unit price that the previous chart shows, but also payments made to unitholders, generally in the way of distributions.

I believe that this is a good measure of BWP's performance as it reflects both aspects of our core purpose - the secure and growing income stream and the long-term capital growth. Your Trust has outperformed the market over all of the time periods and is the best performing A-REIT or property trust in the ASX200 over 10 years.

Slide 10 Other achievements during the year that demonstrate the quality and superior performance of BWP were achieving an A- credit rating by rating agency Standard and Poor's and being recognised as the property trust of the year by Property Investment Research, the leading provider of property investment research and analysis in Australia.

Slide 10b In terms of financial performance, the Trust has been able to increase its revenue and distributable profit by over seven per cent from last year, thanks largely to acquisitions, upgrades and rent reviews over the past couple of years. And this had flowed through as a 4.7 per increase in distributions per unit – a strong growth rate in the current environment.

Slide 11 Perhaps that is a good lead-in to the transaction that is the subject of today's meeting.

The acquisition of 10 properties from Bunnings and the upgrade of the three existing Trust properties are expected to improve the future revenue and earnings of the Trust, just as we are now seeing the most recent year's results benefiting from recent acquisitions and developments.

While the transaction will not impact the distributions per unit for this year (positively or negatively) due to the timing of capital raising and the settlement of the properties being acquired, we expect that the transaction will add to distributions per unit for the year ending 30 June 2015 and following years.

Apart from the contribution to future earnings from the transaction, there are other advantages to the quality of the Trust's portfolio.

The 10 properties to be acquired will all be new or recently constructed large format Bunnings Warehouses, well located in metropolitan or large regional cities, with long-term leases.

Slide 12 The new properties are distributed across a number of states in Australia, as shown on the map on the screen– with:

- one here in Perth,
- two in Melbourne,
- one in Sydney,
- five in Brisbane and
- one in Townsville, in Far North Queensland.

The spread of the 10 properties helps maintain the geographic diversity of the Trust's portfolio and increases the proportion of the Trust's income from Queensland.

Slide 13 The leases for the 10 new properties are essentially the same as the leases of the 13 Bunnings Warehouses acquired by the Trust from Bunnings and approved by unitholders in 2011.

The main difference is that these properties have an initial lease term of 12 years rather than 10 years and the option terms are six years instead of five.

The upgrades to the three existing BWP-owned Bunnings Warehouses will modernise these properties, bringing them up to Bunnings' current standard and securing additional annual rental income on completion and increasing the lease term.

Following the completion of each of these three upgrades the Trust and Bunnings will enter into new leases, with an initial 12-year term, with a further four six-year optional terms at Bunnings election. As with the new acquisitions the market rent reviews will be at the exercise of each option and will have 10 per cent caps and collars, but otherwise the lease terms and conditions remain the same. We consider that the changes made to the lease term and rent reviews are appropriate due to the extent and nature of the improvements to the properties.

In summary, we see the acquisition of the new properties from Bunnings and the upgrades as a positive for the Trust and being consistent with the Trust's core purpose of delivering a secure and growing income stream and long-term capital growth to unitholders.

Moving now to the subject of the second resolution to be considered here today – the proposed amendments to the Trust's constitution. I must point out that the second resolution and the changes to the constitution are unrelated to the proposed transaction and have been included at this time as a matter of convenience, to take advantage of the holding of this unitholder meeting.

Slide 14 The proposed changes are to update the constitution to reflect developments in market practice and changes to the law governing managed investment schemes. These changes particularly relate to the requirements for issuing and setting the issue price for new units in the Trust.

The changes would remove the limits specified in the constitution that set a maximum discount to be applied to rights issues, issue of units under the distribution reinvestment plan (or "DRP") and for unit purchase plans. The removal of these specified limits is consistent with current law and market practice.

The changes also remove the specified 10-day period over which the price for issuing units under the DRP is currently determined, prior to any discount. Under the amended constitution, the pricing period for the DRP is to be determined by the responsible entity according to what is appropriate at the time (but for no less than a five-day period). The changes will also permit units to be purchased on-market to satisfy demand under the DRP, rather than issuing new units. These changes will provide more flexibility in managing the Trust' DRP.

Also, there are changes to clarify the current position that there is no limit on the allowable discount for issuing units under a placement and remove the special quorum requirement relating to placements approved by unitholders.

As I have mentioned, the changes are to bring these aspects of issuing and pricing new units in line with current law and market practice.

Having provided an overview of the matters to be considered at today's meeting, I will hand the meeting back to the Chairman to conduct the formal part of the meeting.

----//----



Meeting of unitholders

Portfolio acquisition and upgrades transaction,
and changes to BWP's constitution

16 September 2013 – Perth, Western Australia





John Austin
Non-executive Chairman
BWP Management Limited

Grant Gernhoefer
General Manager
BWP Management Limited

BWP's core purpose and strategies

To provide a premium commercial real estate investment product, delivering unitholders a secure and growing income stream and long-term capital growth

1. Extract more from existing assets
 - > Upgrades to 3 properties
2. Operate effectively for competitive advantage
 - > Changes to constitution
3. Build the portfolio selectively
 - > 10 new quality properties

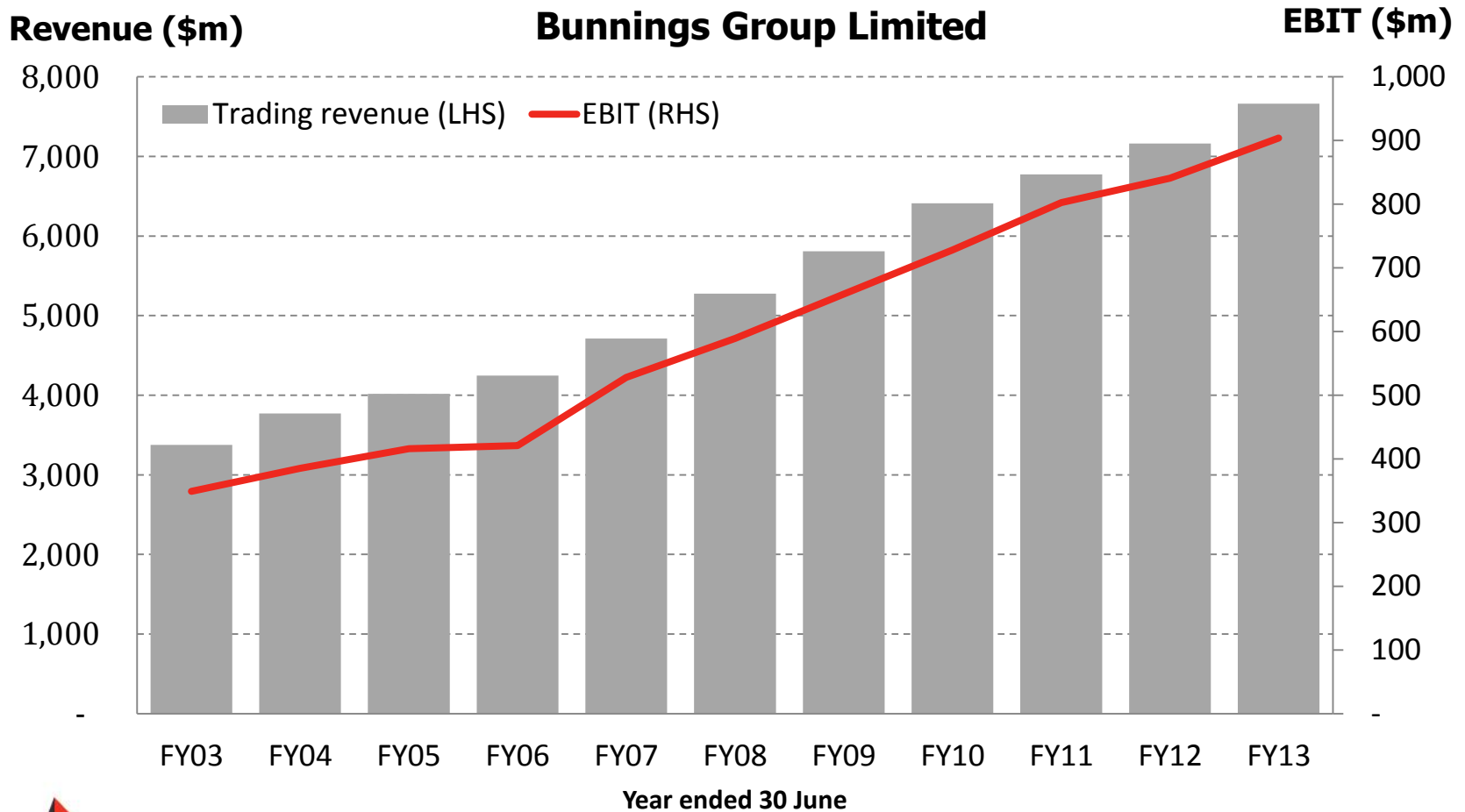


Grant Gernhoefer

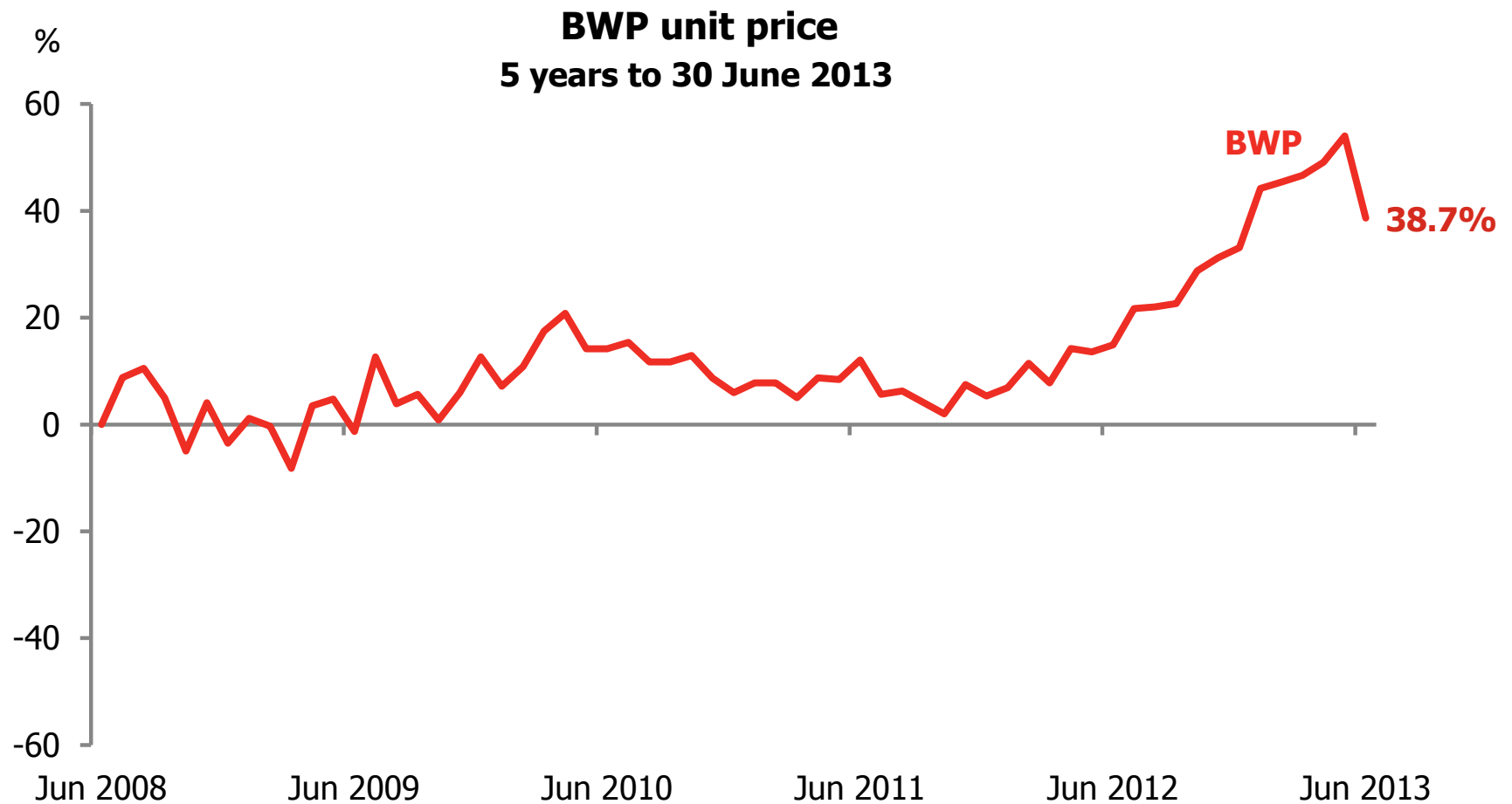
General Manager

BWP Management Limited

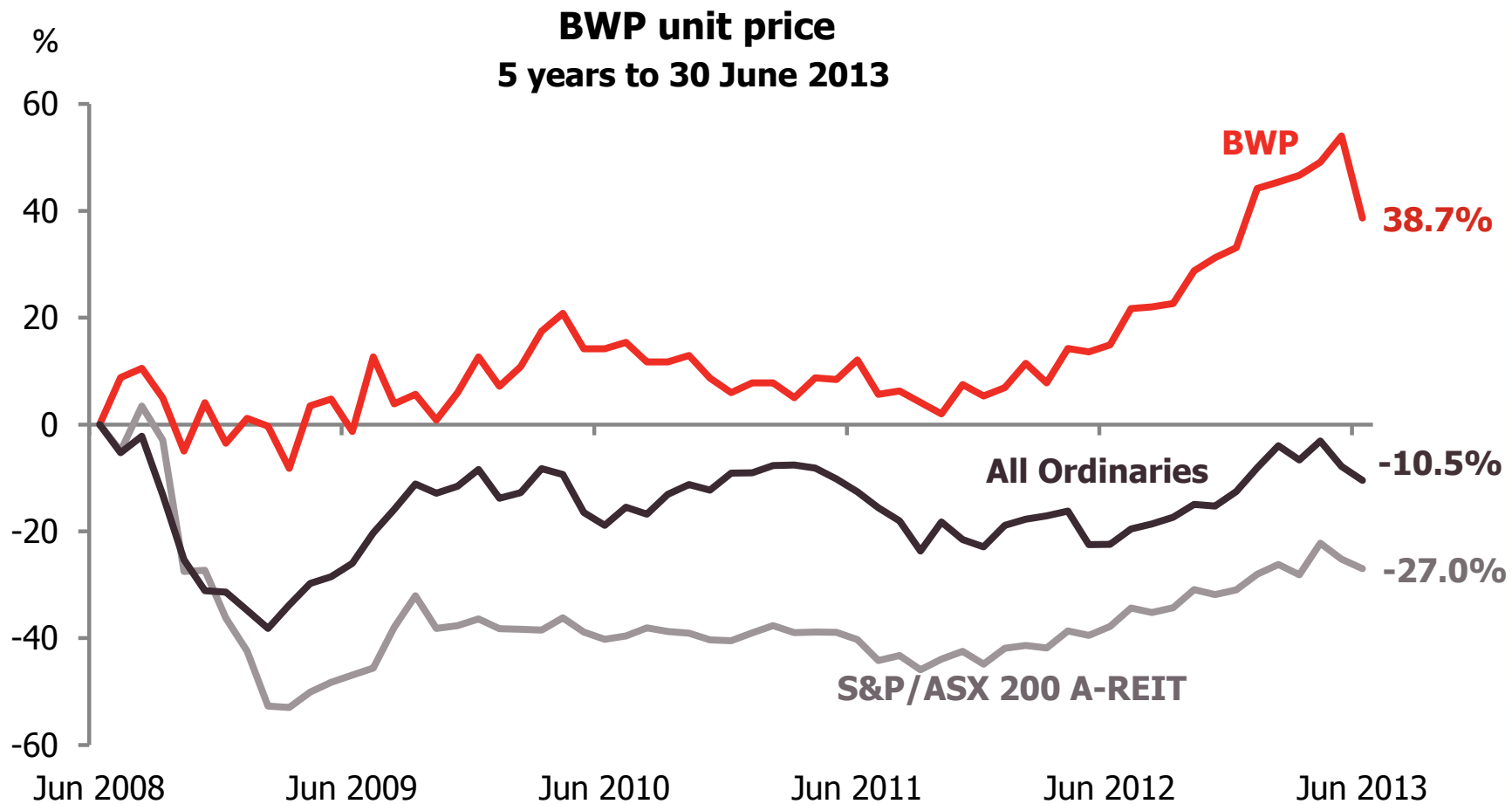
Strength of major tenant



BWP - market performance

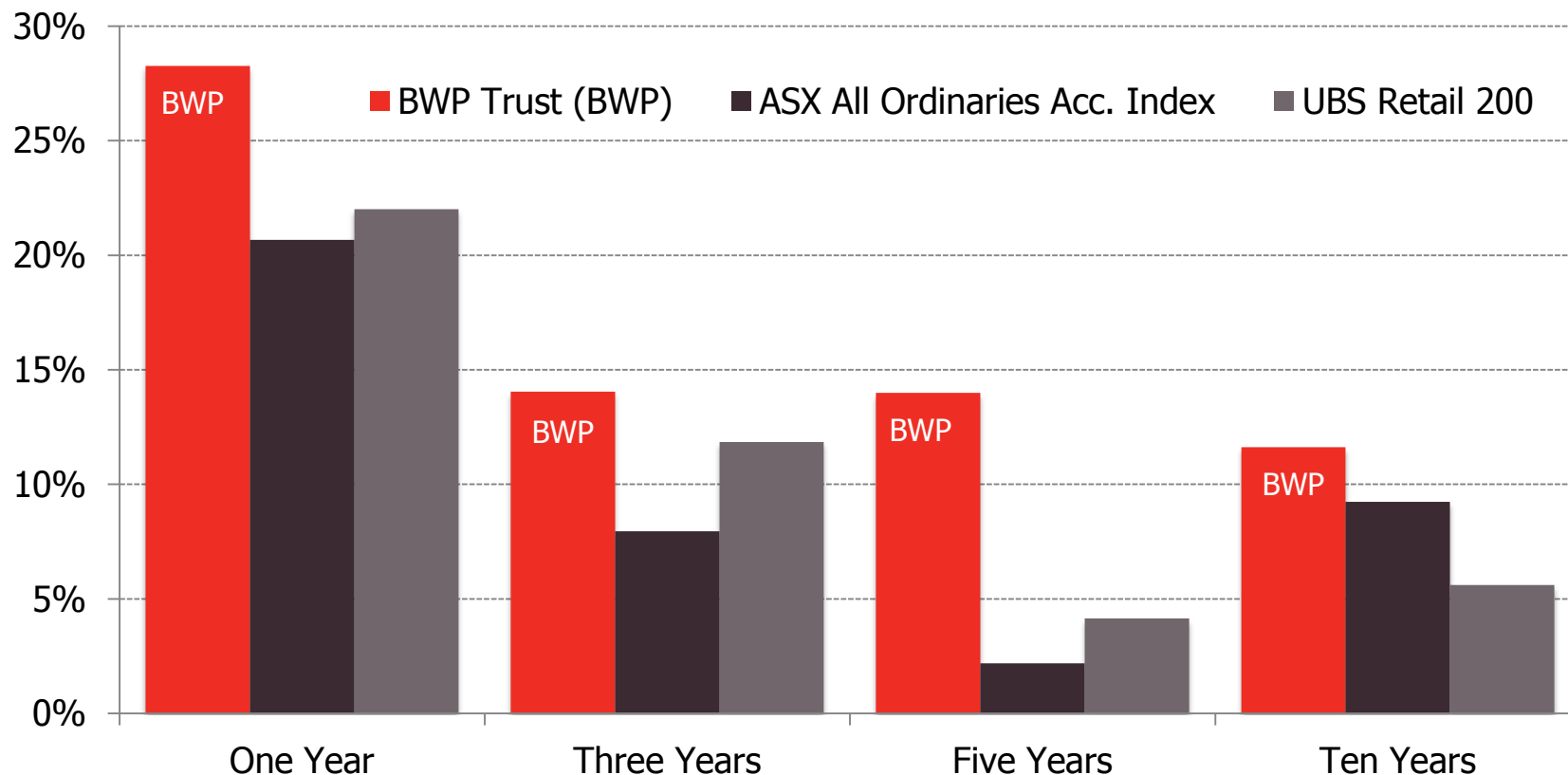


BWP - market performance



BWP – total returns

BWP total returns compared to market
Periods ended 30 June 2013

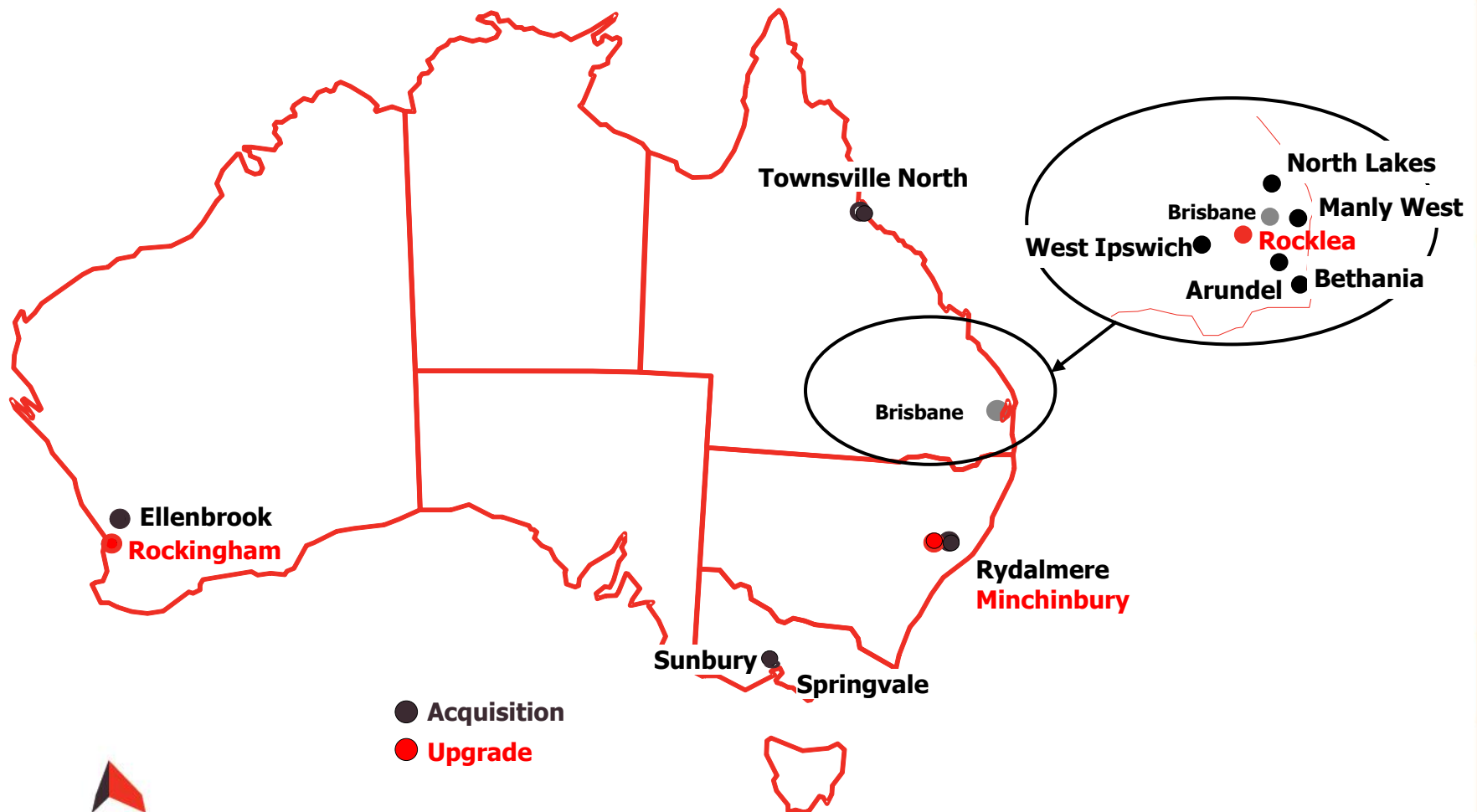


Highlights of year ended 30 June 2013

- > A- (stable) Standard & Poor's credit rating
 - > PIR award for 2012 A-REIT of the Year
 - > Revenue up 7.9%
 - > Distributable profit* up 7.4%
 - > Distributions per unit* up 4.7%
- (*excluding capital profits from sale of property last year)

Grant Gernhoefer
General Manager
BWP Management Limited

Acquisitions and Upgrades – geographic diversity



Grant Gernhoefer
General Manager
BWP Management Limited

Constitution amendments

- > Reflect changes in market practice and changes to the law
- > Removes the specified limits on the maximum discount for rights issues, DRP, and Unit Purchase Plan
- > Changes for issuing new units and satisfying distributions under the Distribution Reinvestment Plan ("DRP"):
 - increased flexibility in setting the price for new issues
 - allows purchase of units on market to satisfy the DRP
- > Clarifies the current position regarding placements:
 - no limit on the maximum allowable discount
 - removes special quorum requirements relating to placements approved by unitholders

Formal business of unitholder meeting

John Austin

Non-executive Chairman
BWP Management Limited

Resolution 1 – Acquisition & Upgrades

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.1 and for all other purposes, the unitholders of the BWP Trust (the “Trust”) approve and authorise BWP Management Limited, as responsible entity of the Trust, to enter into agreements with Bunnings Group Limited or its subsidiaries to acquire and lease back the “Warehouse Properties” and redevelop and enter into new leases of the “Upgrade Properties” as described in the Explanatory Memorandum and on the terms and conditions summarised in the Explanatory Memorandum accompanying the notice of meeting”.

Resolution 2 – Changes to the Constitution

To consider and, if thought fit, to pass, with or without amendment, the following as a special resolution:

“That the Trust’s constitution be amended in the manner outlined in the Explanatory Memorandum accompanying the notice of meeting and set out in the amended constitution tabled by the Chair of the meeting and signed for the purpose of identification”.

Questions and answers

Thank you

FOR FURTHER INFORMATION

Visit: www.bwptrust.com.au

Responsible entity: BWP Management Limited
Tel: +61 8 9327 4356
Email: ggernhoefer@bwptrust.com.au