

BABCOCK & BROWN

Babcock & Brown Limited · ABN 53 108 614 955
Level 39 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia
T +61 2 9229 1800 · F +61 2 9231 5619 · www.babcockbrown.com



ASX Release

15 August 2006

Change in methodology for substantial holding in BJT

Please find attached a Form 605 (Notice of ceasing to be a substantial holder) in respect of the Babcock & Brown Group's holding of Babcock & Brown Japan Property Trust (ASX: BJT) units.

This notice reflects a revised legal methodology for preparation of such notices following a review by Babcock & Brown of its most recent substantial holding notices. As a result of such review, Babcock & Brown has prepared a revised notice which reflects the current legal position that directors and senior executives are not automatically classified as "associates" for substantial holding purposes. This methodology results in a decrease in the Group's holding to below 5%.

The notice does not reflect any acquisition or disposal of BJT units by the Babcock & Brown Group or its directors and senior executives, rather a restatement of who is considered an associate for substantial holding disclosures.

As at 4 July 2006, members of the Babcock & Brown Executive Committee and senior executives of BJT's management team held approximately 4% of the issued capital in BJT. This is consistent with a strong alignment of the interests of Babcock & Brown's executives with the interests of investors in our funds management platform.

For further information:

Kelly Hibbins
Babcock & Brown
+61 2 9229 1800

About Babcock & Brown

Babcock & Brown is a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Stock Exchange.

Sydney
Melbourne
Brisbane
San Francisco
San Diego
Dallas
New York
Greenwich
Dublin
Madrid
London
Paris
Luxembourg
Milan
Munich
Johannesburg
Dubai
Kuala Lumpur
Singapore
Hong Kong
Tokyo

BABCOCK & BROWN

Babcock & Brown operates from 21 offices across Australia, the United States, Europe, Asia, United Arab Emirates and Africa and has in excess of 740 employees worldwide. Babcock & Brown has five operating divisions including real estate, infrastructure and project finance, operating leasing, structured finance and corporate finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure.

For further information about Babcock & Brown please see our website: www.babcockbrown.com

Form 605

Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name Babcock & Brown Japan Property Trust

ACN/ARSN 112 799 854

1. Details of substantial holder (1)

Name Babcock & Brown Group: Refer Annexure A
ACN/ARSN (if applicable) _____

The holder ceased to be a substantial holder on 11/8/06
The previous notice was given to the company on 6/4/05
The previous notice was dated 6/4/05

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) 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 (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
11/8/06	Babcock & Brown Group	Ceasing to be a substantial holder as a result of executives and directors of the Babcock & Brown Group of companies no longer being considered to be associates of the Babcock & Brown Group for substantial holding purposes. No acquisition or disposal of units is reflected in this change.	N/A	5,800,000 fully-paid ordinary units	Babcock & Brown Group

3. Changes in association

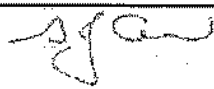
The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
	Refer above

4. Addresses

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

Name	Address

Signature		
print name	Susan Glenton	Capacity <u>Company Secretary</u>
sign here		date <u>15/8/06</u>

ANNEXURE A

BABCOCK & BROWN JAPAN PROPERTY TRUST ARSN 112 799 854

1. DETAILS OF SUBSTANTIAL HOLDERS

In this Form 605 references to the "Babcock & Brown Group" are references to the following entities and their respective related bodies corporate:

Name: Babcock & Brown Limited
ACN: 108 614 955
Address: Level 39, The Chifley Tower, 2 Chifley Square, Sydney NSW 2000

Name: AGSO Property Pty Ltd
ACN: 091 342 951
Address: Level 39, The Chifley Tower, 2 Chifley Square, Sydney NSW 2000

Name: Babcock & Brown Japan Property Management Limited
ACN: 111 874 563
Address: Level 39, The Chifley Tower, 2 Chifley Square, Sydney NSW 2000

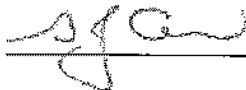
Name: ANZ Nominees Ltd
ACN: 005 357 568
Address: 100 Queen Street, Melbourne VIC 3000

This is Annexure "A" of 1 page referred to in the Form 605 Notice of Ceasing to be a Substantial Holder.

print name: Susan Glenton

capacity: Company Secretary

sign here



date: 15 August 2006