

BABCOCK & BROWN  
JAPAN PROPERTY TRUST

Babcock & Brown Japan Property Management Limited · ABN 94 111 874 563  
as responsible entity of the Babcock & Brown Japan Property Trust ARSN 112 799 854  
Level 39 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia  
T +61 2 9229 1800 · F +61 2 9235 3496 · www.bb-japan-property-trust.com



ASX Release

29 August 2006

**BABCOCK & BROWN JAPAN PROPERTY TRUST COMPLETES  
ACQUISITION OF FOUR RETAIL PROPERTIES**

Babcock & Brown Japan Property Trust (the Trust) (ASX: BJT) today announced completion yesterday, 28 August, as scheduled, of the acquisition of interests in four retail properties for ¥12.8 billion (\$144 million). On 16 August 2006 the Trust announced its intention to acquire interests in five retail properties; the fifth property, Susono, is expected to complete at the end of September 2006.

The following table details the acquisition price, valuation and yield at acquisition for each property:

Property	Acquisition price ¥ billion	Independent valuation ¥ billion	Yield at acquisition <sup>(1)</sup>
Ginowan	3.805	3.820	6.0%
Sapporo Co-op	2.430	2.500	7.4%
Sapporo Nishioka	3.909	3.920	6.3%
Shibuya Konami	2.659	2.670	4.8%

1. Yield on acquisition is calculated as passing net operating income over purchase price plus non recoverable acquisition costs

Attached to this release is an overview of each property.

To fund these acquisitions debt of ¥6.4 billion has been drawn down and the balance of funding obtained from equity raised through the institutional placement announced on 16 August 2006.

Following these acquisitions the Trust now has interests in 35 properties in Japan; 13 retail properties, 19 office properties and 3 residential properties located primarily in the central and greater Tokyo area. The total value of the Trust's portfolio stands at ¥107.4 billion (approximately A\$1.2 billion).

Mr Eric Lucas, Managing Director of Babcock & Brown Japan Property Management Limited, the Responsible Entity of the Trust, stated “Full credit to the Babcock & Brown team in Australia and to the acquisition and asset management teams in Japan for closing these acquisitions exactly on schedule as foreshadowed at the time of the recent equity placement, especially given they were funded with a new recourse debt structure.”

“As previously announced, not only are these acquisitions attractively priced assets, increasing cash available for distribution, but by maintaining existing debt levels the Trust’s overall capacity to make future debt-funded acquisitions is significantly enhanced. We are confident that the Japanese team will continue to source attractive property investments for the Trust. “

### **Distribution hedges**

The Trust also confirmed that, consistent with its distribution hedging policy, it has entered into additional forward sales of Yen for A\$ to maintain hedging of 100% of estimated distributions for the next three years and 90% for years four and five.

The Trust's current distribution hedge settlement dates and weighted average exchange rates are shown below.

Settlement date	Exchange rate ¥ per A\$
Feb-07	78.7
Aug-07	77.0
Feb-08	75.1
Aug-08	73.7
Feb-09	71.9
Aug-09	70.4
Feb-10	69.0
Aug-10	69.5
Feb-11	68.6
Aug-11	67.9
Feb-12	68.9

### **ENDS**

#### **Investor & Media Enquiries:**

Eric Lucas  
Managing Director  
Babcock & Brown Japan Property Trust  
Phone: +61 2 9229 1800 (Australia)  
+81 3 3238 1671 (Japan)

Alison Carter  
Investor Relations  
Phone: +61 2 9229 1800

BABCOCK & BROWN  
JAPAN PROPERTY TRUST

### **About Babcock & Brown Japan Property Trust**

Babcock & Brown Japan Property Trust is a listed property trust with a strategy to invest into the real estate market of Japan. It currently holds interests in a portfolio comprising 35 office, retail and residential properties.

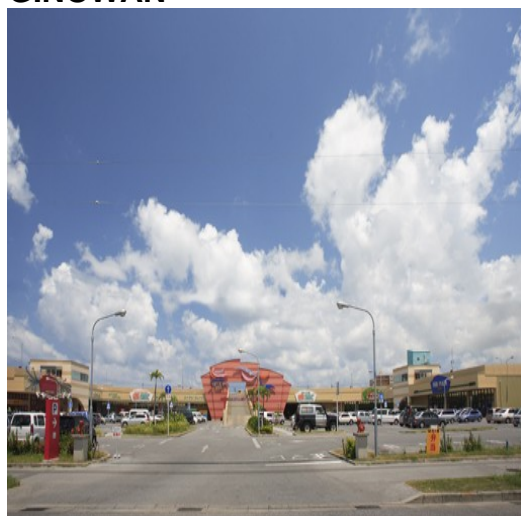
The Responsible Entity of the Trust is Babcock and Brown Japan Property Management Limited, a subsidiary of Babcock & Brown. Asset management services in Japan are generally undertaken by Babcock & Brown Co., Ltd., which is also a subsidiary of Babcock & Brown.

For further information please see our website:

<http://www.bbjapanpropertytrust.com>



## GINOWAN



**Address**  
7-6-1 Oyama, Ginowan, Okinawa

**Property type**  
Multi-tenant retail

### Acquisition summary

Ownership interest	100%
Purchase price (¥ billion)	3.8
NOI yield (including acquisition costs)	6.0%
Year completed	Jan 01

### Property statistics

Land area (square metres)	22,300
Net rentable area (square metres)	10,843
Gross passing rent plus CAM (¥/month/tsubo)	7,198
Occupancy by area (30 June 2006)	100%
Car spaces	521
PML	1.9%



### Major tenant summary

Tenant name	Industry	Lease type	% of total rent	Lease expiry	Remaining term
Kanehide Shoji	Retail	Standard <sup>1</sup>	45%	Jan 2016	9.6 years
Fun Field	Entertainment	Standard non-cancellable <sup>2</sup>	25%	Jan 2016	9.6 years
Daiso Sangyo	Retail	Standard <sup>1</sup>	11%	Jan 2011	4.6 years
Fast Retailing	Retail	Standard <sup>1</sup>	8%	Jan 2016	9.6 years
Chiyoda	Retail	Standard non-cancellable	7%	Jan 2011	4.6 years

1. Standard lease cancellable with 6 months notice and payment of a penalty

2. Non-cancellable for 4.6 years

## SAPPORO CO-OP



**Address**  
1-4-1, Sakaecho, Kitahiroshima,  
Hokkaido

**Property type**  
Multi-tenant retail

### Acquisition summary

Ownership interest	100%
Purchase price (¥ billion)	2.4
NOI yield (including acquisition costs)	7.4%
Year completed	Apr 92

### Property statistics

Land area (square metres)	15,153
Net rentable area (square metres)	12,208
Gross passing rent plus CAM (¥/month/tsubo)	6,179
Occupancy by area (30 June 2006)	100%
Car spaces	670
PML	6.9%



### Major tenant summary

Tenant name	Industry	Lease type	% of total rent	Lease expiry	Remaining term
Co-op Sapporo	Retail	Standard non-cancellable	70%	Nov 2012	6.4 years
Pandora	Entertainment	Standard <sup>1</sup>	26%	Sept 2008	2.3 years

1. Standard lease cancellable with 6 months notice and payment of a penalty



## SAPPORO NISHIOKA



### Address

3-4-1, Nishioka Sanjo,  
Toyohira-ku, Sapporo,  
Hokkaido

### Property type

Single-tenant retail

### Acquisition summary

Ownership interest	100%
Purchase price (¥ billion)	3.9
NOI yield (including acquisition costs)	6.3%
Year completed	Nov 92

### Property statistics

Land area (square metres)	21,097
Net rentable area (square metres) includes 9,226 sqm of car park structure	30,151
Gross passing rent plus CAM (¥/month/tsubo)	2,741
Occupancy by area (30 June 2006)	100%
Car spaces	682
PML	7.0%



### Major tenant summary

Tenant name	Industry	Lease type	% of total rent	Lease expiry	Remaining term
Posful	Retail	Standard non-cancellable	100%	Oct 2022	16.4 years

## SHIBUYA KONAMI



### Acquisition summary

Ownership interest	100%
Purchase price (¥ billion)	2.7
NOI yield (including acquisition costs)	4.8%
Year completed	May 90

### Property statistics

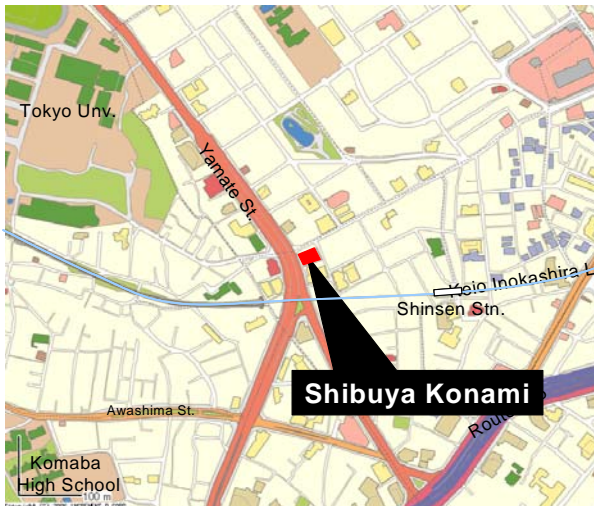
Land area (square metres)	756
Net rentable area (square metres)	4,993
Gross passing rent plus CAM (¥/month/tsubo)	9,043
Occupancy by area (30 June 2006)	100%
PML	6.2%

#### Address

18-11, Shinsencho, Shibuya-ku,  
Tokyo

#### Property type

Single-tenant fitness club



### Major tenant summary

Tenant name	Industry	Lease type	% of total rent	Lease expiry	Remaining term
Konami Sports & Life	Fitness club	Standard <sup>1</sup>	100%	Feb 2009	2.7 years

1. Standard lease cancellable with 6 months notice