

Interim results to 31 December 2006

15 February 2007

AGENDA

1. Highlights for period
2. Key financial results
3. Portfolio overview and leasing activity
4. Key features of BJT and outlook
5. Appendices

HIGHLIGHTS FOR SIX MONTHS ENDED 31 DECEMBER 2006

Continued growth in distributions per unit

- 5.75 cpu distribution for six months ended 31 December 2006
 - 31.3% higher than distribution for six months ended 31 December 2005

Five accretive property acquisitions and successful capital raising

- Interests in 5 retail properties acquired with a combined value of ¥15.0 billion (\$168.4 million)
- Strong weighted average yield of 6.4% on purchase price
- Accretion achieved with 9 and 10 year interest rate swaps being put in place
- Raised \$114.5 million via an oversubscribed institutional placement

Decrease in gearing whilst expanding portfolio

- Gearing ratio reduced to 49.0% at 31 December 2006 (50.9% at 30 June 2006), increasing debt funding capacity to over \$320 million assuming 60% gearing

HIGHLIGHTS (CONT'D)

Strong investor returns

- Total return was 29.3% for six months ended 31 December 2006, ahead of the S&P/ASX200 Property Accumulation Index benchmark
- The BJT price closed at \$2.09 on 29 December 2006, 24.4% higher than at 30 June 2006

Conservative capital management maintained

- Average duration of interest rate hedging on BJT's debt is 4 years
- Capital hedge is 26.5% of net investment in Japanese assets, within BJT's targeted range of 10%-30% (24.5% of unitholders funds)

Further strengthening of management team in Tokyo

- Naoto Ichiki, formerly Managing Director of JP Morgan Real Estate Structured Finance Asia, appointed COO
- Appointment of 6 additional acquisition and asset management specialists, increasing team to 22 professionals.

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KEY FINANCIAL RESULTS

SIX MONTHS ENDED:	31 DECEMBER 2006	31 DECEMBER 2005	VARIANCE %
Net property income	\$32.0m	\$16.2m	↑ 97.5%
Net property income from associate	\$4.0m	\$2.6m	↑ 53.8%
Net operating profit	\$26.9m	\$14.2m	↑ 86.8%
Distribution	5.75 cpu	4.38 cpu	↑ 31.3%

During the 12 months to 31 December 2006:

- 22 properties were acquired with a weighted average yield of 5.5%, increasing total portfolio properties to 36
- Portfolio occupancy by income improved from 96.8% to 98.2%

As a result:

- Net property income and net operating profit increased by 97.5% and 86.8% respectively
- DPU increased by 31.3%

KEY FINANCIAL RESULTS

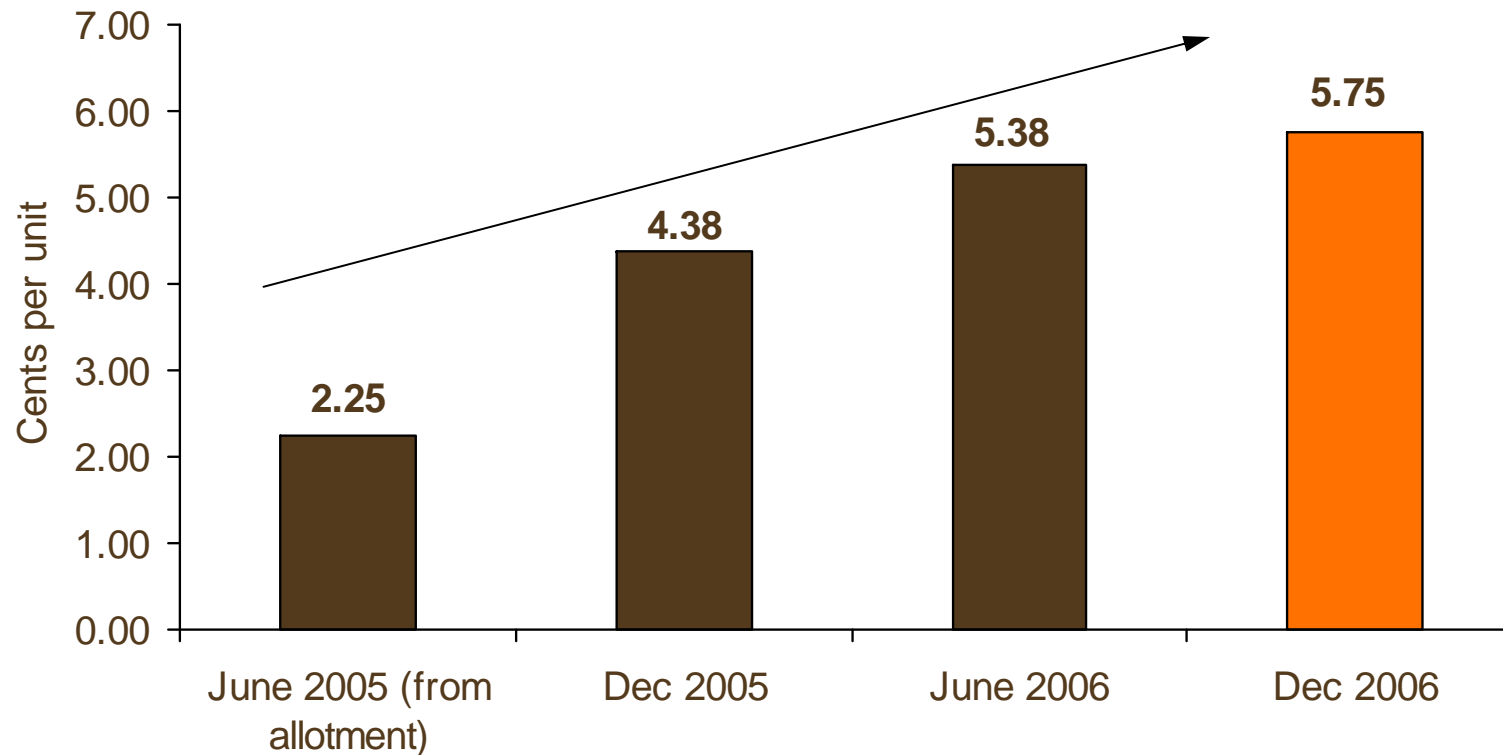
AS AT:	31 DECEMBER 2006	30 JUNE 2006	VARIANCE %
Total assets	\$1.26 billion	\$1.14 billion	↑ 10.5%
NTA per unit ¹	\$1.24	\$1.23	↑ 1.0%
Gearing	49.0%	50.9 %	↓ (3.7%)
Interest cover ²	> 6 times	> 6 times	unchanged

- Total assets have increased by 10.5% since 30 June 2006 due to property acquisitions (5) and revaluations
- Gearing has decreased, improving debt funding capacity to over \$320 million (assuming gearing at top of preferred range of 50-60%)
- Interest cover remains high, relative to LPT average of 3.4 times

1. NTA includes the fair value of capital, distribution and interest rate hedges. NTA at 30 June 2006 has been restated from \$1.19 to reflect this change in methodology.

2. Interest cover is net operating profit before capital hedge, interest income, interest expense and tax/borrowing costs

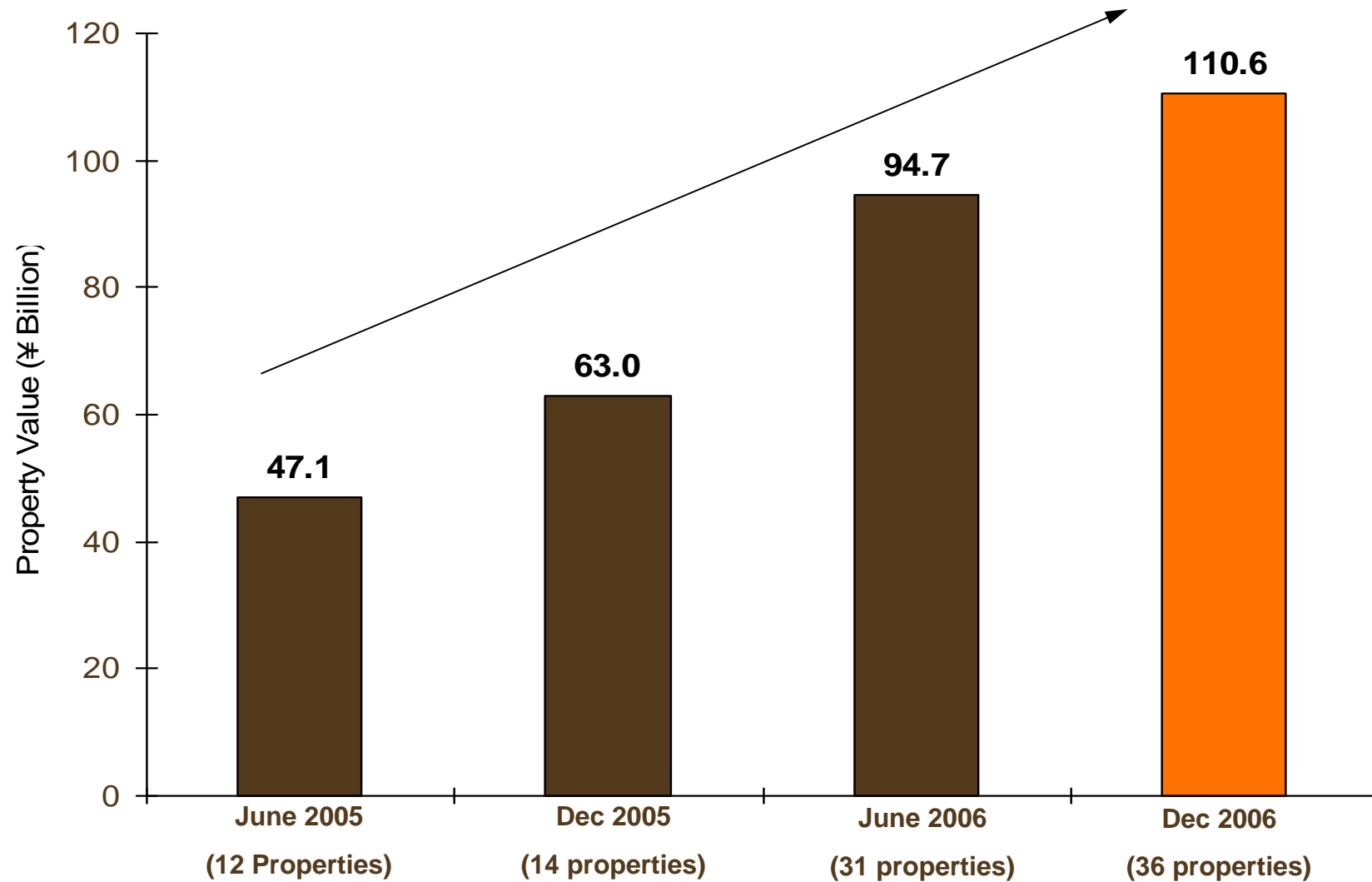
CONTINUED GROWTH IN DISTRIBUTIONS



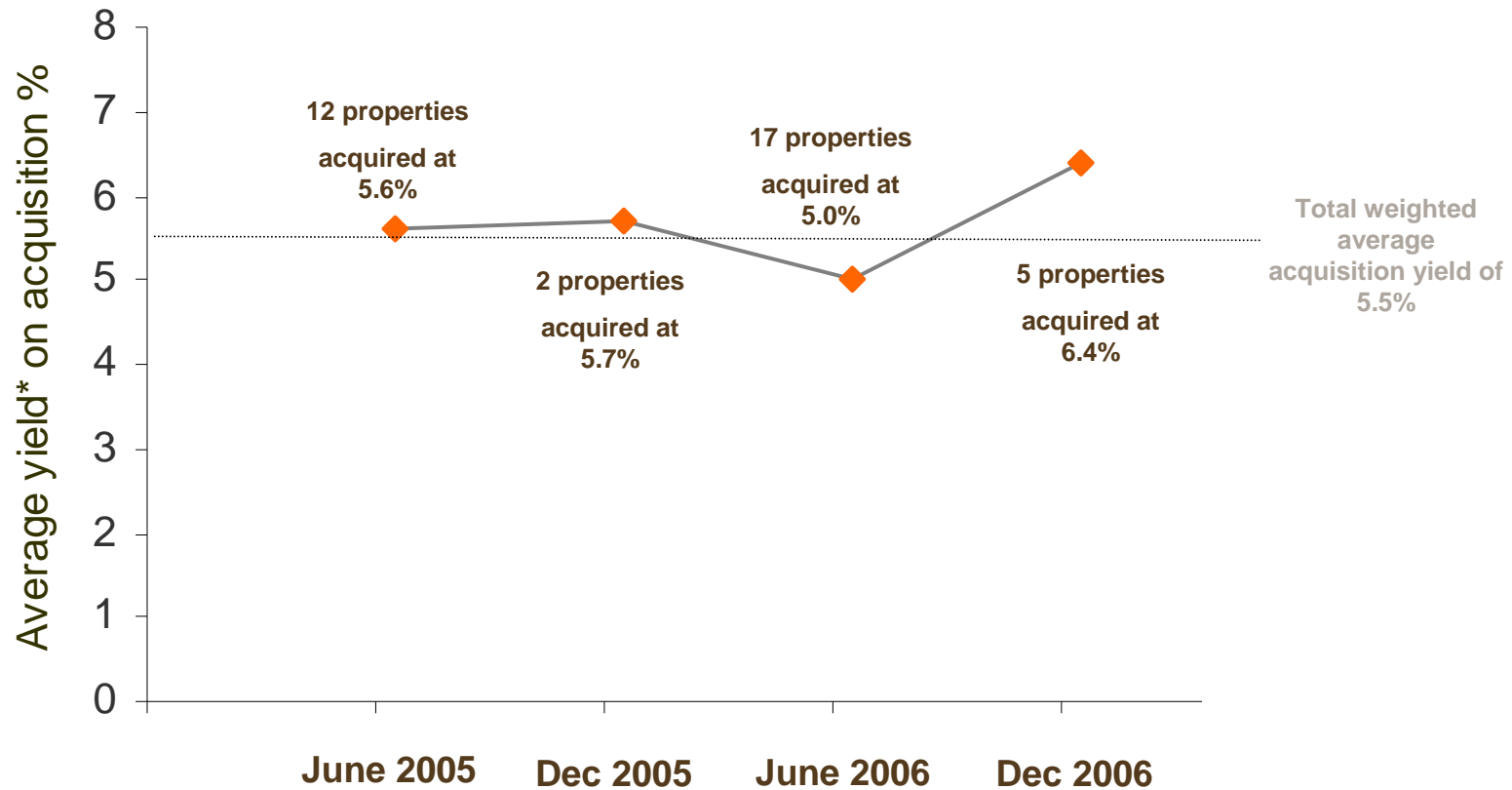
5.75 cpu distribution for six months ended 31 December 2006 is:

- 1.4% higher than guidance provided at time of August 2006 placement
- 6.8% higher than distribution for six months ended 30 June 2006
- 31.3% higher than distribution for six months ended 31 December 2005

PORTFOLIO INCREASED BY 17% SINCE 30 JUNE 2006

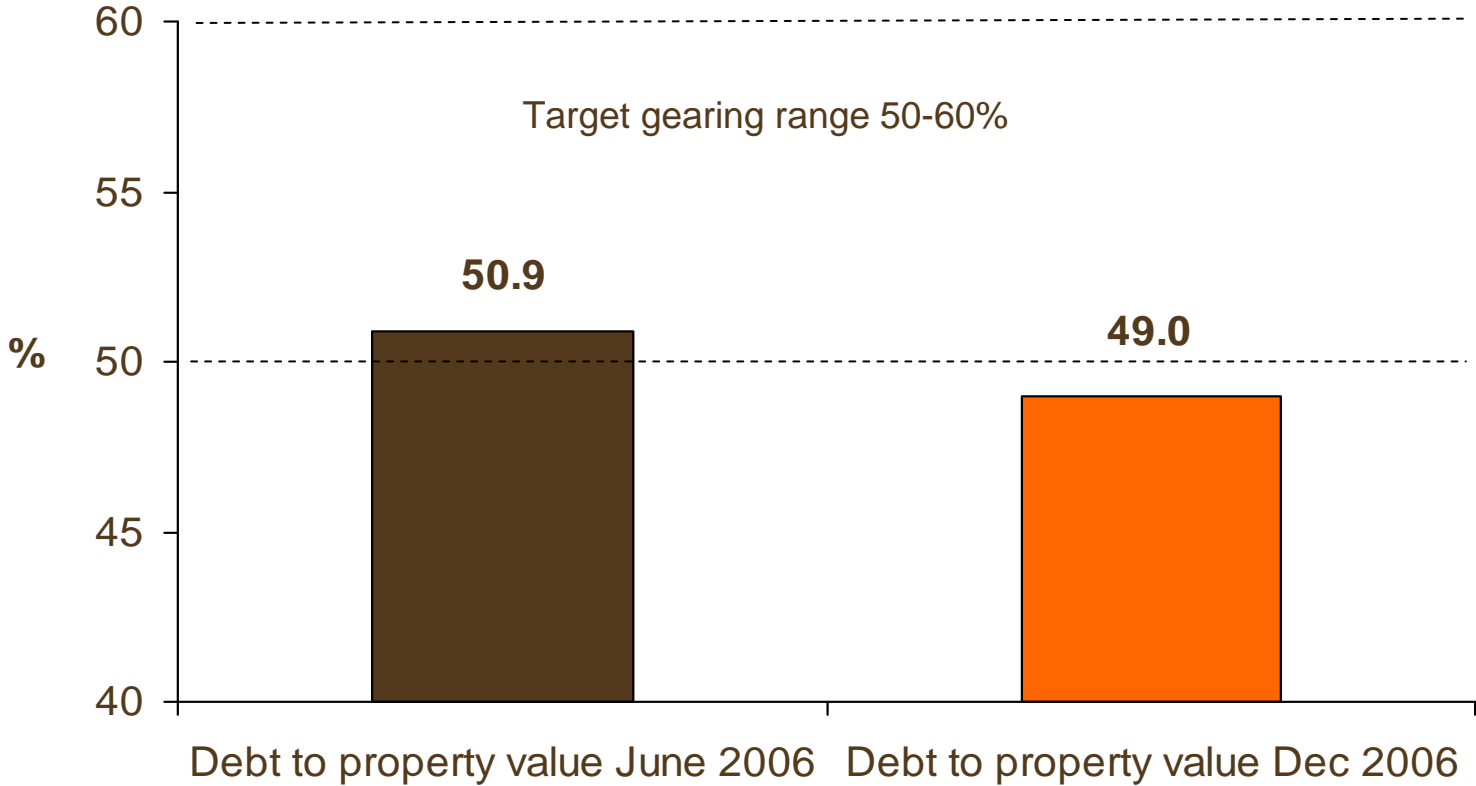


STRONG YIELDS ACHIEVED ON ACQUISITIONS



Demonstrates track record in acquiring well-located properties at strong yields, despite general firming of cap rates in the Japanese market

SIGNIFICANT GEARING CAPACITY AVAILABLE



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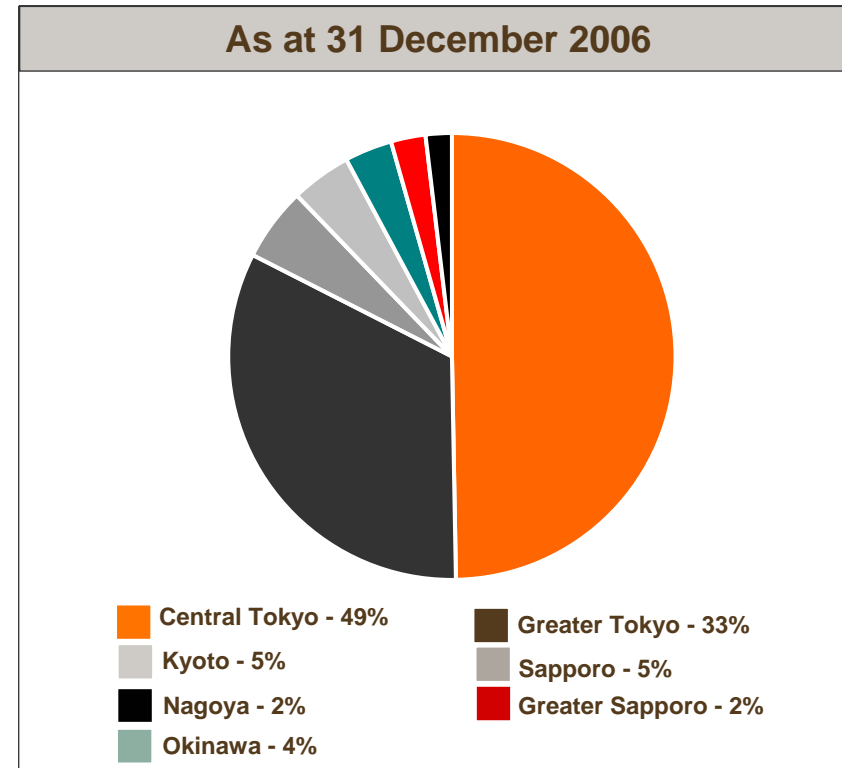
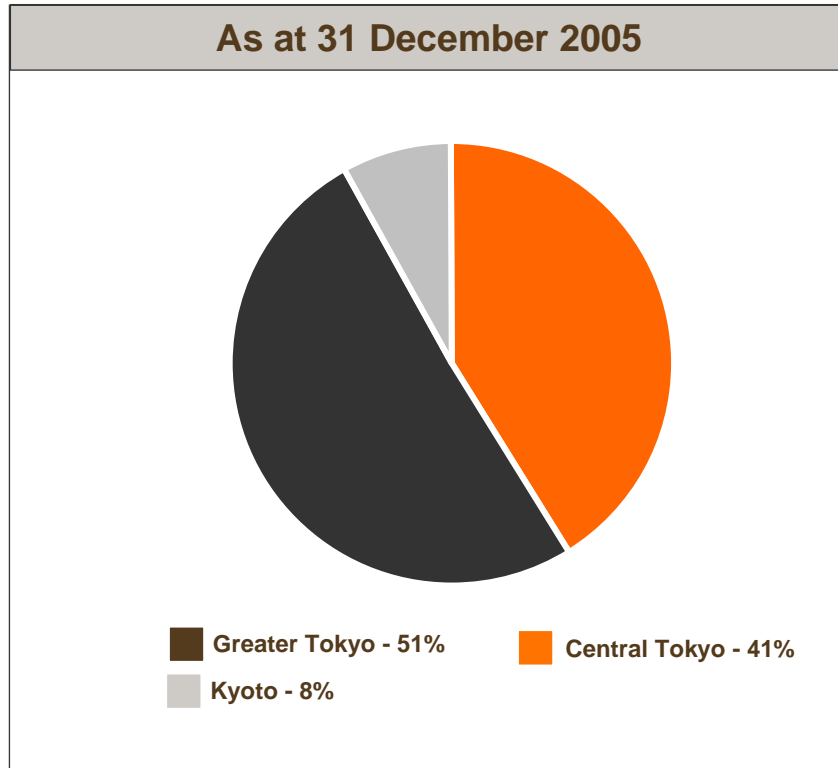
PORTFOLIO OVERVIEW

AS AT:	31 DECEMBER 2006	30 JUNE 2006
Total no. of properties	36	31
NRA (sqm)	222,768	155,610
Occupancy by income ¹	98.2%	97.0%
Occupancy by area ¹	98.5%	97.2%
No of leases	347	321
% non-cancellable leases by income	44%	42%
Ave. term to expiry (non-cancellable leases)	8.8	8.8

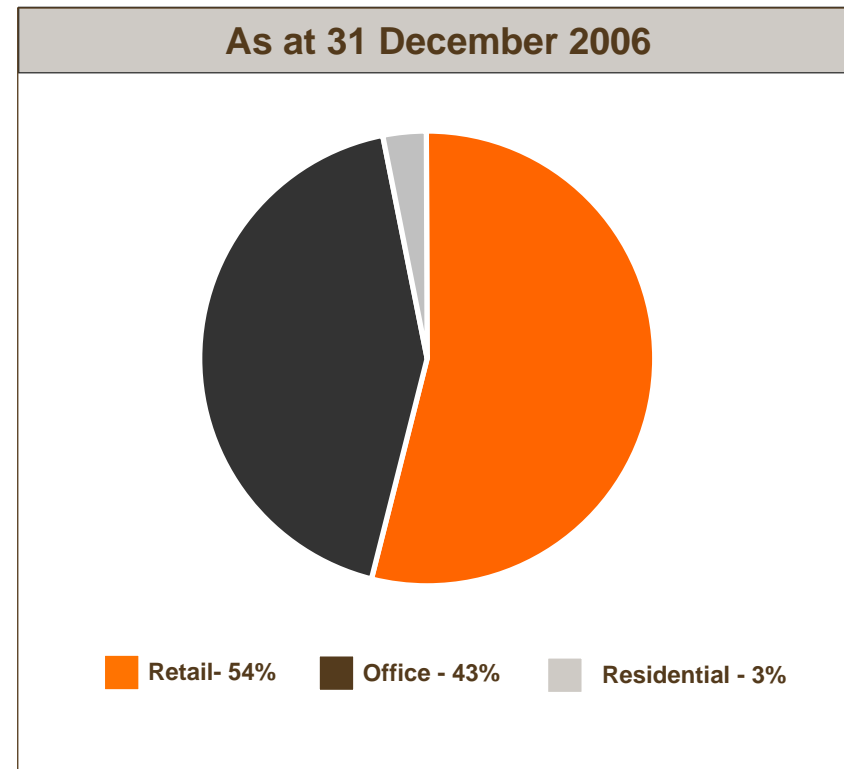
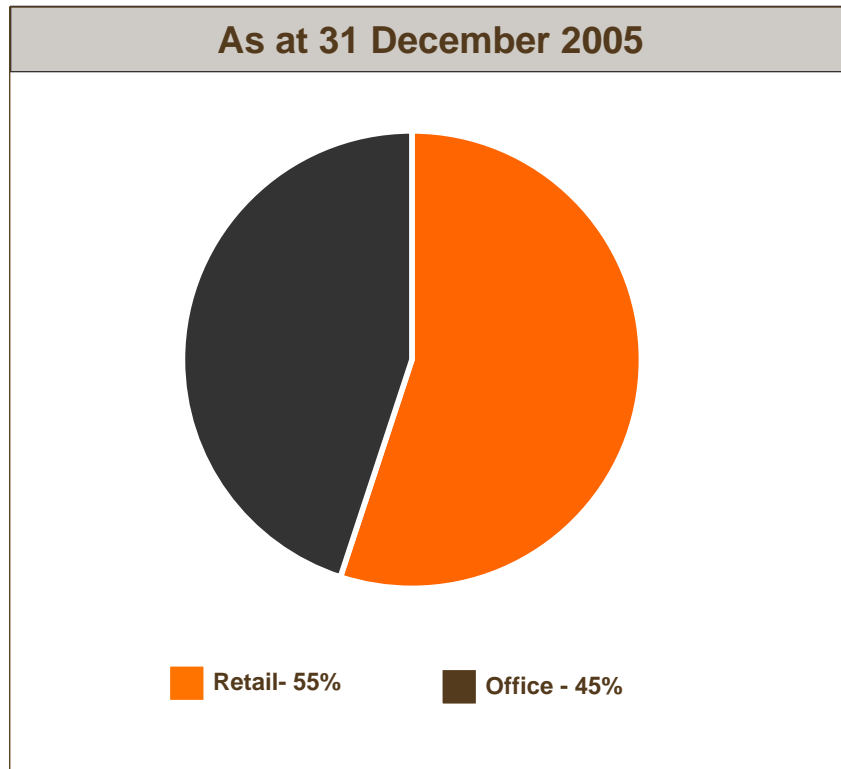
- NRA increased by 43% since 30 June 2006 due to the acquisition of 5 retail properties
- Occupancy by income and area have improved since 30 June 2006

1. Occupancy by income and occupancy by area decreased to 96.5% and 97.8% respectively following the expiry of the Kuroshio Shijo master lease guarantee in mid-January 2007.

GEOGRAPHIC DIVERSIFICATION BY VALUE



ASSET CLASS DIVERSIFICATION BY VALUE



LEASING ACTIVITY - SIX MONTHS ENDED 31 DECEMBER 2006

LEASING ACTIVITY	NO. OF LEASES	SQM ¹	% OF NRA ¹
Existing/scheduled leasing activity			
Expired leases	(46)	(8,343)	(3.3)%
Renewed leases	46	8,343	3.3%
Net change due to renewals	0	0	0%
New/unscheduled leasing activity			
Cancelled leases ²	(14)	(5,627)	(2.2)%
New leases ²	26	7,000	2.8%
Net change due to new leases	12	1,373	0.5%
Net increase in occupied area	12	1,373	0.5%

1. SQM and % of NRA are calculated on 100% of net rentable area, including 100% of Kawasaki Dice and Shinjuku Sanei, the properties co-owned by the Trust.

2. Includes the cancellation of a 1,585sqm lease for the sole tenant of Kuroshio Shijo that defaulted and was evicted in December 2006 and the activation of a master lease. The master lease guarantee expired in mid-January 2007, decreasing the occupied area by 1,585sqm (0.6%).

LEASING ACTIVITY

- All lease renewals have taken place at existing rentals, with the exception of 2 leases (representing approximately 0.2% of the portfolio by income) which were renewed at an average of 12.4% above the existing rentals
- Of new leases, 18 (representing approximately 6.0% of the portfolio by income) have been entered into at rents which are on average 18.6% higher than previous or assumed rents for that space

Leasing activity at Shinjuku Sanei

	Assumed/previous rent (weighted average ¥/mth/tsubo)	New rent (weighted average ¥/mth/tsubo)	% increase
2 new leases on vacant space (1 st floor)	34,300	41,737	21.7%
7 new leases replacing cancelled leases	22,506	26,257	16.7%

Note: Current average passing rent of office space (excluding 1st floor) is ¥23,218

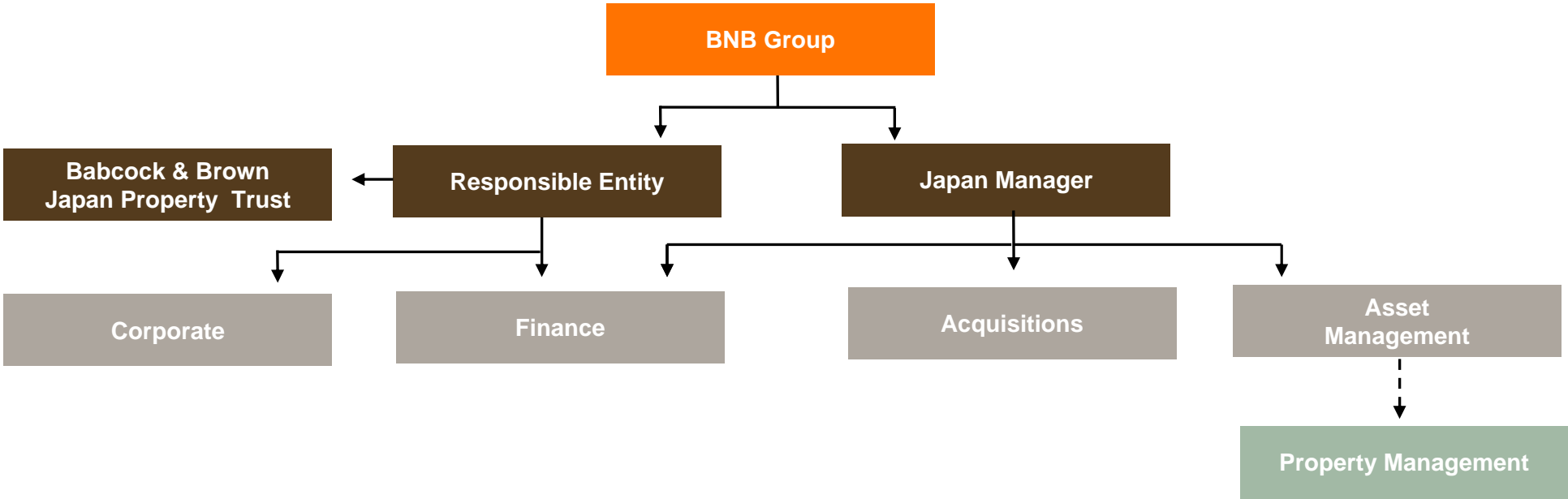
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KEY FEATURES OF BJT

- **Earnings growth.** Focus on sustainable earnings growth
- **Selective acquisition process.** Proven ability to source quality properties at strong yields
- **Bottom up investment approach.** Properties for acquisition are reviewed on their individual merits, with attention given to the impact on overall portfolio cash flow and diversification
- **Diversified portfolio.** Creating a portfolio diversified by asset class, geography and tenant mix
- **Balance between cancellable and non-cancellable leases.** Maintaining this balance creates stability to the Trust's income whilst retaining exposure to potential upside
- **Conservative capital management.** Prudent capital management whilst maintaining an effective cost of capital
- **Large BNB team in Tokyo.** Utilising the expertise of the local BNB team in Tokyo, active in Japanese real estate since 1998

ORGANISATION CHART



ESTABLISHED MANAGEMENT TEAM

Babcock & Brown Japan

- Eric Lucas, Chief Executive Officer (19)
- Naoto Ichiki, Chief Operating Officer (16)
- Shinya Sato, Head of Acquisitions (31)
- Hideyuki Satoh, Acquisitions (7)
- Kentaro Sato, Acquisitions (5)
- Koichi Kurokawa, Acquisitions (7)
- Manabu Suzuki, Acquisitions (4)
- Masahiro Nakazato, Acquisitions/Asset Management (17)
- Masaki Katsura, Acquisitions (16)
- Masato Tanaka, Acquisitions (15)
- Hajime Inoue, Acquisitions/Asset management (2)
- Naoto Yabu, Head of Asset Management (17)
- Chihiro Hara, Asset Management (8)
- Isao Noguchi, Asset Management (1)
- Itsusaburo Hirayama, Asset Management (12)
- Satoru Oishi, Asset Management (14)
- Sachi Ogino, Head of Administration/Accounting (13)
- Junko Ichikawa, Accounting (11)
- Mikiko Shimano, Accounting (16)
- Sanae Murata, Accounting (8)
- Ai Yamaguchi, Accounting (3)
- Rie Ariga, Office Manager (8)
- 1 additional asset manager joining in February 2007

Babcock & Brown Australia

- Michelle Calcarao, Financial Controller (12)
- Dane Rennie, Financial Accountant (5)
- Alex Ong, Legal Counsel (6)
- Alison Carter, Investor Relations (14)

OUTLOOK

- **The Japanese property market is large and fragmented.** It continues to offer great potential for participants with significant market expertise and extensive networks
- **Significant market recovery taking place.** This market is experiencing a significant recovery in-line with the broader recovery in the Japanese economy
- **Good buying opportunities exist.** Despite substantially increased investor interest we continue to acquire quality properties at strong yields
- **Low interest rate environment.** The yield spread in Japan remains well above that available internationally
- **Significant gearing capacity.** This enhances BJT's ability to fund further accretive acquisitions

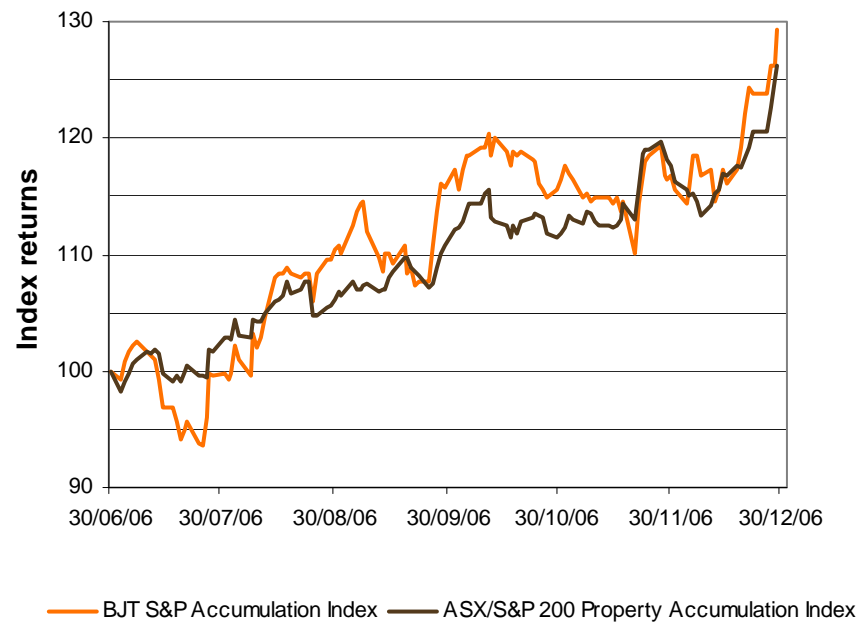
APPENDICES

1. Trust performance
2. Financial information
3. Operational update by asset class

TRUST PERFORMANCE

- Total return of 29.3% for six months ended 31 December 2006, approximately 3% higher than the Trust's benchmark
- The BJT price closed at \$2.09 on 29 December 2006, 24.4% higher than at 30 June 2006

RELATIVE PERFORMANCE FOR SIX MONTHS ENDED 31 DECEMBER 2006



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1. Trust performance
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TRUST PROFIT AND LOSS – SIX MONTHS ENDED 31 DECEMBER 2006

	31/12/2006 \$'000	31/12/2005 \$'000	31/12/2006 ¥'000	31/12/2005 \$'000
Income				
<i>Property income</i>				
Property revenue	41,785	19,408	3,288,023	1,531,692
Property expenses	9,740	3,238	774,176	255,914
Net property income	<u>32,045</u>	<u>16,170</u>	<u>2,513,847</u>	<u>1,275,778</u>
<i>Net Income from Property Investment in Associate</i>				
Share of property revenue of associate	7,322	4,636	575,222	365,121
Share of property expenses of associate	3,319	2,028	261,462	159,070
Share of borrowing costs of associate	727	475	57,098	37,368
Share of other expenses of associate	204	42	18,166	3,503
Share of profits from associate	<u>3,072</u>	<u>2,091</u>	<u>238,496</u>	<u>165,179</u>
Income from foreign currency capital hedge	3,494	1,888	312,887	162,594
Interest compensation revenue	68	197	4,859	15,558
Interest income	796	740	66,688	63,765
Other operating income	<u>4,358</u>	<u>2,825</u>	<u>384,434</u>	<u>241,917</u>
Total income	<u>39,475</u>	<u>21,085</u>	<u>3,136,777</u>	<u>1,682,874</u>
Expenses				
Asset management fee expense	2,986	1,655	244,573	134,404
Borrowing expense	5,126	1,781	406,995	140,029
Withholding tax	3,325	2,407	263,494	190,150
Other expenses	1,118	920	174,980	77,789
TK Operators' profit share	58	109	3,433	8,592
Total expenses	<u>12,612</u>	<u>6,873</u>	<u>1,093,475</u>	<u>550,964</u>
Net operating profit	<u>26,863</u>	<u>14,213</u>	<u>2,043,302</u>	<u>1,131,910</u>
Other income				
Net fair value adjustment of investment properties	3,684	43,389	361,914	3,737,739
Fair value gain on derivatives - unrealised	32,797	4,882	2,946,577	420,487
Net foreign currency gain / (loss)	(1,101)	(382)	(96,783)	(32,891)
Other expenses				
Deferred withholding tax	(532)	10,275	(67,294)	883,105
Net non operating profit	<u>35,913</u>	<u>37,611</u>	<u>3,279,003</u>	<u>3,242,229</u>
Exchange rate difference	(2,652)	(1,004)		
Net AIFRS accounting profit	<u>60,123</u>	<u>50,820</u>	<u>5,322,305</u>	<u>4,374,139</u>

RECONCILIATION OF ACCOUNTING PROFIT TO DISTRIBUTIONS

	DEC 06 ACTUAL \$'000	DEC 05 ACTUAL \$'000
Accounting net profit (\$'000)	60,123	50,820
- distribution hedge contribution: Additional cash from distribution hedge (difference between locked in FX rate approx 79 and accounting FX rate 89)	2,652	1,004
<i>Adjustments – non-operating items included in accounting profit</i>		
- Fair value adjustments to investment properties (including associate)	(3,684)	(43,389)
- Deferred tax expenses	(532)	10,242
- Fair value of derivatives	(32,797)	(4,882)
- Net foreign exchange loss	1,101	382
- KPMG IER (cash raised in Nov 05 PDS)	-	220
Net operating profit	<u>26,863</u>	<u>14,398</u>
<i>Adjustments – other items</i>		
- TMK accounting vs cash difference	(949)	(985)
- Amortisation of upfront acquisition/borrowing costs	847	112
- Fixed asset tax expense (cash expense capitalised for accounting purposes for initial portfolio)	449	(1,207)
- Other: additional cash to rank units equally	1,048	-
- Other	351	(50)
Cash distribution (\$'000)	<u>28,609</u>	<u>12,268</u>
Cash distribution (\$'000)	28,609	12,268
Cash distribution (cpu)	5.75	4.38

BALANCE SHEET

	31/12/06 \$'000	30/06/06 \$'000	31/12/06 ¥'000	30/06/06 ¥'000
Current assets				
Cash	75,947	58,816	7,133,154	5,010,268
Tenant deposits	15,283	13,907	1,435,457	1,184,723
Derivative financial instruments	45,245	13,912	4,249,554	1,185,109
Other assets	5,926	10,477	556,589	892,495
Total current assets	142,401	97,112	13,374,753	8,272,596
Non-current assets				
Property investments	1,026,838	944,629	96,443,881	80,469,290
<i>Investment in associates</i>				
Share of property assets of associates	151,068	166,562	14,188,800	14,188,800
Share of borrowings of associates	70,525	78,942	6,623,962	6,724,800
Share of other net assets of associates	5,831	6,594	547,622	561,624
Net investment in associates	86,373	94,214	8,112,461	8,025,624
Derivative financial assets	1,922	4,483	180,520	381,889
Deferred tax asset	1,660	613	155,912	52,219
Other	613	1,003	57,575	85,442
Total non-current assets	1,117,406	1,044,942	104,950,349	89,014,465
Total assets	1,259,807	1,142,054	118,325,103	97,287,061
Current liabilities				
Payables	17,886	21,213	1,679,910	1,807,053
Tenant deposits	51,446	45,033	4,831,971	3,836,187
Borrowings	77,362	0	7,266,084	0
Provisions	28,353	23,069	2,663,004	1,965,159
Derivative financial liabilities	1,024	583	96,177	0
Current tax liability	2,535	906	238,095	77,179
Total current liabilities	178,606	90,804	16,775,242	7,685,578
Non-current liabilities				
Payables	31,231	29,568	2,933,315	2,518,784
Tenant deposits	7,433	7,425	698,131	632,507
Borrowings	429,055	486,225	40,298,206	41,419,627
Deferred tax liability	16,256	16,633	1,526,815	1,416,901
Total non-current liabilities	483,975	539,851	45,456,467	45,987,818
Total liabilities	662,581	630,655	62,231,708	53,673,396
Net assets	597,226	511,399	56,093,394	43,613,664
Net tangible assets per unit ⁽¹⁾	\$1.24	\$1.23		
Gearing ratio (interest bearing debt/property value)	49.0%	50.9%		

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1) NTA includes the fair value of capital, distribution and interest rate hedges. NTA at 30 June 2006 has been restated from \$1.19 to reflect this change in methodology.

PORTFOLIO SNAPSHOT AT 31 DECEMBER 2006

	Carrying value		Occupancy by area		Occupancy by income	
	Dec - 2006	% of	Jun 2006	Dec - 2006	Jun - 2006	Dec - 2006
	¥ billions	portfolio				
Retail	59.7	53.9%	99.8%	99.9%	99.2%	99.6%
Office	47.5	43.0%	92.2%	93.9%	95.0%	96.6%
Residential	3.4	3.1%	100.0%	99.7%	100.0%	99.6%
Portfolio	110.6	100.0%	97.2%	98.5%	97.0%	98.2%
<i>Retail</i>						
Kawasaki Dice	14.2	12.8%	100.0%	99.2%	100.0%	99.1%
Konan Home Centre	10.8	9.8%	100.0%	100.0%	100.0%	100.0%
Mukomachi Saty	5.0	4.5%	100.0%	100.0%	100.0%	100.0%
Shinjuku Fuji	4.8	4.3%	100.0%	100.0%	100.0%	100.0%
Sapporo Nishioka ¹	3.9	3.5%	n/a	100.0%	n/a	100.0%
Ginowan ¹	3.8	3.5%	n/a	100.0%	n/a	100.0%
Shibuya Konami ¹	2.7	2.4%	n/a	100.0%	n/a	100.0%
Sapporo Co-op ¹	2.5	2.3%	n/a	100.0%	n/a	100.0%
Matsudo Nitori ¹	2.4	2.2%	n/a	100.0%	n/a	100.0%
Kuroshio Shijo ²	2.0	1.8%	100.0%	100.0%	100.0%	100.0%
Harajuku Bell Pier	2.4	2.2%	86.9%	93.7%	84.9%	92.4%
Motomachi	2.3	2.1%	94.7%	100.0%	97.5%	100.0%
Sapporo Toys R Us	1.8	1.6%	100.0%	100.0%	100.0%	100.0%
Kajicho Ekimae	1.1	1.0%	100.0%	100.0%	100.0%	100.0%
Retail sub total / average	59.7	53.9%	99.8%	99.91%	99.2%	99.6%

(1) Properties acquired during the period at 100% occupancy.

(2) Tenant was in arrears with rental payments, litigation commenced in June 2006 and the tenant was evicted

December 2006. Portfolio occupancy by area and income decreased to 97.8% and 96.5% following the expiry of the master lease guarantee

in mid January 2007. We do not expect this to have a material impact on the performance of the Trust. The Asset Manager

29 is currently investigating re-lease and sale options.

PORTFOLIO SNAPSHOT AT 31 DECEMBER 2006

	Carrying value		Occupancy by area		Occupancy by income	
	Dec - 2006 ¥ billions	% of portfolio	Jun 2006	Dec - 2006	Jun - 2006	Dec - 2006
<u>Office</u>						
Shinjuku Sanei	10.2	9.2%	96.6%	98.5%	95.8%	98.6%
Ginza Dowa	9.1	8.2%	100.0%	99.9%	100.0%	99.9%
Kokusai Nihombashi	5.8	5.3%	100.0%	100.0%	100.0%	100.0%
Sun	3.6	3.3%	100.0%	100.0%	100.0%	100.0%
Higashi Totsuka	2.7	2.4%	90.4%	93.6%	91.2%	94.1%
Sun Ace Tokugawa	2.3	2.1%	64.3%	66.7%	66.4%	68.7%
Takadanobaba	1.8	1.6%	86.1%	86.1%	90.2%	90.2%
Forest Kita Aoyama	1.8	1.6%	100.0%	100.0%	100.0%	100.0%
OS Tsukiji	1.6	1.4%	100.0%	100.0%	100.0%	100.0%
Prime Kanda	1.4	1.3%	100.0%	100.0%	100.0%	100.0%
Asakusa	1.3	1.2%	100.0%	100.0%	100.0%	100.0%
Shiba Daimon	1.0	0.9%	100.0%	100.0%	100.0%	100.0%
Prime Tsukiji	1.0	0.9%	100.0%	100.0%	100.0%	100.0%
Yotsuya KD	0.8	0.7%	83.1%	86.8%	85.8%	86.4%
Akabane	0.8	0.7%	87.3%	87.3%	88.7%	88.7%
Daikanyama Takara	0.8	0.7%	100.0%	100.0%	100.0%	100.0%
Showa Yakubo	0.7	0.7%	78.2%	100.0%	79.5%	100.0%
FT Nihombashi	0.6	0.5%	100.0%	100.0%	100.0%	100.0%
Sun No. 5	0.5	0.4%	87.1%	100.0%	88.4%	100.0%
Office sub total / average	47.5	43.0%	92.2%	93.9%	95.0%	96.6%
<u>Residential</u>						
G-Clef Kamata	1.9	1.7%	100.0%	100.0%	100.0%	100.0%
Prime Stay Tsukiji	0.8	0.7%	100.0%	98.6%	100.0%	98.7%
Nishi-Kasai	0.7	0.6%	100.0%	100.0%	100.0%	100.0%
Residential sub total / average	3.4	3.1%	100.0%	99.7%	100.0%	99.6%
Total / average ³	110.6	100%	97.2%	98.5%	97.0%	98.2%

30 (3) Please note that acquisition of Susono was completed on 24 January 2007 with a valuation of ¥2.6b increasing total portfolio value to ¥113.2b.

PORTFOLIO REVALUATIONS AT 31 DECEMBER 2006

Property name	Book value at 31/12/06 pre valuations (¥ billion)	Change in value (¥ billion)	Book value at 31/12/06 post valuations (¥ billion)
Shinjuku Sanei	9.73	0.47	10.20
Ginza Dowa	8.65	0.40	9.05
Kuroshio Shijo	2.40	(0.40)	2.00
Forest Kita Aoyama	1.61	0.15	1.76
Kajicho Ekimae	1.20	(0.06)	1.14
Showa Yakubo	0.69	0.03	0.72
Total	24.28	0.59	24.87

- The upward revaluation of the four office properties reflects a combination of higher rents in occupied space, improved market rent assumptions and decreased vacancies.
- The devaluation of Kajicho Ekimae primarily reflects adoption by the valuer of the mid point between DCF and cap rate methods (previously cap rate method only)
- The devaluation of Kuroshio Shijo follows the default and eviction of the sole tenant in December 2006 and reflects the Board's current view of the fair value of the property in light of the sale and re-lease options which are being explored.

DEBT

	TK#1 borrowings (¥ billion)	TK#2 borrowings (¥ billion)	TK#3 borrowings (¥ billion)	TMK borrowings (¥ billion)	Total/weighted average (¥ billion)
Fixed debt	18.6	17.8	7.3	-	43.8
Floating debt	2.1	2.0	-	13.8	17.9
Trust interest %	100%	100%	100%	48%	-
Trust interest	20.7	19.8	7.3	6.6	54.5
Debt maturity date	29-Mar-10	22-Dec-10	28-May-07	27-Apr-07	08-Oct-09
Debt maturity (years)	3.2	4.0	0.4	0.3	2.8
Fixed swap maturity date	29-Mar-10	22-Dec-10	12-May-16	-	25-Jul-11
Fixed swap maturity (years)	3.2	4.0	9.4	-	4.6
Fixed interest rate (p.a.)	1.30%	1.58%	2.29%	-	1.58%
Floating interest rate (p.a.)	1.09%	1.04%	0.78%	1.64%	1.42%
Blended rate	1.28%	1.52%	2.29%	1.64%	1.55%

HEDGING ARRANGEMENTS

Distribution hedge maturity profile	
Settlement date	Exchange rate
Feb-07	78.7
Aug-07	77.0
Feb-08	75.1
Aug-08	73.1
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

HEDGING ARRANGEMENTS cont.

Capital hedge maturity profile					
Settlement date	BJT receives AUD	BJT pays JPY	Exchange rate	AUD interest rate	JPY interest rate
Aug-09	30,000,000	2,487,240,000	82.9	6.10%	0.63%
Aug-10	46,500,000	4,040,385,000	86.9	5.86%	0.88%
Aug-11	30,000,000	2,487,240,000	82.9	6.13%	0.98%
Aug-12	20,000,000	1,793,200,000	89.7	6.17%	0.44%
Aug-13	10,000,000	896,600,000	89.7	6.14%	1.56%
Aug-14	10,000,000	896,600,000	89.7	6.13%	1.67%
May-11	146,500,000	12,601,265,000	86.0	6.04%	0.89%

APPENDICES

1. Trust performance
2. Financial information
3. Operational update by asset class

RETAIL PORTFOLIO AS AT 31 DECEMBER 2006

- **14 properties**
- **Net rentable area**
 - 49,668 tsubo / 164,187 sqm (29,358 tsubo / 97,045 sqm at 30 June 2006)
 - 73.7% of portfolio by area
- **Occupancy by area: 99.9% (99.8% at 30 June 2006)**
- **Occupancy by income: 99.6% (99.2% at 30 June 2006)**
 - 53.3% of portfolio by income
- **65 leases (50 at 30 June 2006): 47 cancellable, 18 non-cancellable**

LEASING ACTIVITY SINCE 30 JUNE 2006	NO. OF LEASES	SQM ¹	% OF NRA ¹
Existing/scheduled leasing activity			
Expired leases	(4)	(695)	(0.4)%
Renewed leases	4	695	0.4%
Net change due to renewals	0	0	0%
New/unscheduled leasing activity			
Cancelled leases ²	(2)	(1,794)	(1.0)%
New leases ²	3	1,721	1.0%
Net change due to new leases	1	(73)	0%
Net increase in occupied area	1	(73)	0%

36 1. SQM and % of NRA are calculated on 100% of net rentable area, including 100% of the property co-owned by the Trust, Kawasaki Dice.

2. Includes the cancellation of a 1,585sqm lease for the sole tenant of Kuroshio Shijo that defaulted and was evicted in December 2006 and the activation of a master lease. The master lease guarantee expired in mid-January 2007 decreasing the occupied area by 1,585sqm (0.6%).

OFFICE PORTFOLIO AS AT 31 DECEMBER 2006

- **19 properties**
- **Net rentable area**
 - 15,898 tsubo / 52,556 sqm (15,898 tsubo / 52,556 sqm at 30 June 2006)
 - 23.6% of portfolio by area
- **Occupancy by area: 93.9% (92.2% at 30 June 2006)**
- **Occupancy by income: 96.6% (95.0% at 30 June 2006)**
 - 43.7% of portfolio by income
- **210 leases (199 at 30 June 2006): 208 cancellable, 2 non-cancellable leases**

LEASING ACTIVITY	NO. OF LEASES	SQM ¹	% OF NRA ¹
Existing/scheduled leasing activity			
Expired leases	(37)	(7,561)	(11.6)%
Renewed leases	37	7,561	11.6%
Net change due to renewals	0	0	0%
New/unscheduled leasing activity			
Cancelled leases	(10)	(3,798)	(5.8)%
New leases	21	5,244	8.0%
Net change due to new leases	11	1,446	2.2%
Net increase in occupied area	11	1,446	2.2%

1. SQM and % of NRA are calculated on 100% of net rentable area, including 100% of Kawasaki Dice and Shinjuku Sanei, 37 the properties co-owned by the Trust.

RESIDENTIAL PORTFOLIO AS AT 31 DECEMBER 2006

- **3 properties**
- **Net rentable area**
 - 1,817 tsubo / 6,009 sqm (1,817 tsubo / 6,009 sqm at 30 June 2006)
 - 2.7% of total portfolio by area
- **Occupancy by area: 99.7% (100% at 30 June 2006)**
- **Occupancy by income: 99.6% (100% at 30 June 2006)**
 - 3.0% of portfolio by income
- **72 leases (72 at 30 June 2006): 70 cancellable, 2 non-cancellable leases**

LEASING ACTIVITY	NO. OF LEASES	SQM	% OF NRA
Existing/scheduled leasing activity			
Expired leases	(5)	(87.1)	(1.4)%
Renewed leases	5	87.1	1.4%
Net change due to renewals	0	0	0%
New/unscheduled leasing activity			
Cancelled leases	(2)	(34.6)	(0.6)%
New leases	2	34.6	0.6%
Net change due to new leases	0	0 (0)	0%
Net increase in occupied area	0	0 (0)	0%

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