

30 March 2006

ASX Announcement

Babcock & Brown Japan Property Trust Acquires Further Tokyo Property

Babcock & Brown Japan Property Trust (the Trust) (ASX: BJT) today announced the acquisition of an office/commercial property located in the Takadanobaba area of Tokyo ('the Property'), for ¥1,630 million, (approximately A\$20 million).

The Property was acquired on an initial net income yield to purchase price plus acquisition costs of 5.24%.

The acquisition, completed today, is the second purchase that has been funded largely with a combination of fixed and floating debt at an all-in average rate of approximately 1.7%. Similar to the acquisition of the Asakusa property last month, the acquisition costs and initial reserves for the Property, approximately ¥200 million, were funded using part of a Japanese consumption tax refund received in December 2005.

The Property, completed in March 1986, is a four storey building with two basement levels located close to the station on a main street in Takadanobaba, a busy rail hub in central Tokyo, approximately 7 km northwest from Tokyo station. Takadanobaba station is used by an average of over 900,000 people each day.

The Property has a total floor area of 3,133 sqm and a mix of office, restaurant and other commercial tenants. The main tenant, Uchida Unicom, is a subsidiary of Uchida Yoko Co., Ltd., one of the leading office machinery suppliers in Japan. Royal Host, part of Japan's largest restaurant chain, occupies the ground floor.

Mr Eric Lucas, Managing Director of Babcock & Brown Japan Property Management Limited, the Responsible Entity of the Trust, said "Following the Asakusa property purchase just a few weeks ago, we are very pleased to have made another substantially debt-funded, accretive acquisition, particularly of such a well-located, central Tokyo property at this attractive yield. As we have noted previously, BJT's current gearing ratio allows considerable scope for further debt-funded investment, so we anticipate there will likely be more such acquisitions to follow."

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About Babcock & Brown Japan Property Trust

Babcock & Brown Japan Property Trust is a listed property trust which invests into the real estate market of Japan. It currently holds interests in a portfolio comprising 31 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.bb-japan-property-trust.com>