

24 August 2005

ASX Announcement

Investor presentation

Please find attached a copy of an investor presentation in relation to the financial results for the period ended 30 June 2005.

Ends.

Investor and media enquiries:

Eric Lucas, Babcock & Brown
Phone: +61 2 9229 1800
+81 3 3238 1671

Kelly Hibbins, Babcock & Brown
Phone: +61 2 9229 1800

About Babcock & Brown Japan Property Trust

Babcock & Brown Japan Property Trust is a listed property trust with a strategy to invest exclusively into the real estate market of Japan. It currently holds interests in a portfolio comprising 12 office and retail properties, with a value of approximately ¥47.3 billion. The Trust is listed on the Australian Stock Exchange, trading under the code BJT.

The Responsible Entity of the Trust is Babcock & 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 visit our website: www.bbjapantrust.com



Babcock & Brown Japan Property Trust

Financial highlights

- Net property revenue higher than forecast
- Non-property related items greater impact than forecast, resulting in net profit below forecast
- Distribution above forecast largely due to:
 - costs of IPO and acquisition of property interests lower than forecast
 - property related cash earnings greater than forecast due to properties being acquired earlier than estimated and performing slightly better than (but broadly in line with) PDS estimates.

	Period ended 30/06/05	PDS Forecast 21/02/05
Net profit (\$'000)	4,112	
<i>Adjustments for main non-property related items not in PDS forecast</i>		
- unrealised fair value of derivatives (AIFRS requirement)	(4,951)	
- realised foreign exchange gain (FX trade to purchase Japanese investments)	(2,125)	
- Trust performance fee	8,611	
- interest rate swap cancellation fee (original swap 76bps, debt fixed at 68bps)	1,273	
Net profit adjusted (\$'000)	6,919	6,061

	Period ended 30/06/05	PDS Forecast 21/02/05
Cash distribution per unit	2.25¢	2.11¢
Cash distribution yield based on IPO price (94 days annualised from Allotment date)	8.74%	8.28%

Distribution is 100% tax deferred due to Trust's tax loss position and therefore no foreign tax credits.

Portfolio highlights

- Total portfolio occupancy (by area) has improved from 96.9% at PDS to 97.2%
- Solid leasing results (from acquisition to 15 August):
 - Expired leases: 32 leases, 1,136 tsubo (3,757 square metres)
 - 100% of leases and all space renewed
 - no change in rents at renewal
 - New leases: 15 new leases, 810 tsubo (2,678 square metres)
 - Cancelled leases: 10 leases, 668 tsubo (2,208 square metres)
 - Net leased increase: 142 tsubo (470 square metres)
- Overall gross rent income increased by 0.8% to 30 June, ahead of PDS forecast
- Konan Home Centre completed on schedule and acquired prior to opening on March 30

Property performance vs. PDS forecast

	Actual \$'000	PDS \$'000	Var \$'000	FX Var	Other Var	Actual ¥'000	PDS ¥'000	Var ¥'000	Var %
Income									
<i>Property income (11 TK properties)</i>									
Property revenue	9,505	9,331	173	(615)	788	785,233	718,158	67,075	9.3%
Property expenses	1,267	2,067	(801)	(136)	(664)	105,698	159,121	(53,424)	-33.6%
Net property income	8,238	7,264	974	(478)	1,452	679,535	559,037	120,499	21.6%
<i>Net Income from Property Investment in Associates (Kawasaki Dice)</i>									
Share of property income of associates	2,224	2,386	(161)	(158)	(3)	183,820	183,598	222	0.1%
Share of property expenses of associates	1,000	1,024	(24)	(68)	44	82,633	78,783	3,850	4.9%
Share of borrowing costs of associates	287	309	(21)	(20)	(1)	23,754	23,764	(10)	0.0%
Share of other expenses of associates	37	0	37	0	37	3,083	0	3,083	100.0%
Share of profits from associates	900	1,053	(169)	(246)	77	74,350	81,051	(6,701)	-8.3%

Property results (to 30 June 2005)

- PDS model assumed JPY/AUD exchange rate 77 vs. actual average exchange rate 83
- Net property income ¥120m (A\$1.4m) higher than forecast:
 - Gross property revenue higher due to earlier than forecast property acquisitions and slightly higher than forecast occupancy rates
 - Lower property related expenses due to the treatment of real estate tax acquisition adjustment in Japan ¥49m (\$0.6m)

Portfolio snapshot

	% Interest	Trust share of net rentable area (sqm)	% of portfolio by value	30/06/05 carrying value ¥billion	Independent valuation for PDS ¥billion	Occupancy by area		Occupancy by income	
						PDS At 21/2/05	Actual At 15/8/05	PDS Model At 15/8/05	Actual At 15/8/05
<i>Retail</i>									
Konan Home Centre	100%	48,819	22.0%	10.4	10.4	100.0%	100.0%	100.0%	100.0%
Kawasaki Dice	30%	8,274	16.7%	7.9	7.9	100.0%	100.0%	100.0%	100.0%
Harajuku Bell Pier	100%	766	4.4%	2.1	2.2	93.2%	87.1%	92.0%	81.8%
Motomachi	100%	1,585	4.4%	2.1	2.1	93.8%	93.8%	97.1%	97.1%
Retail sub total / average		59,444	47.7%	22.5	22.6	99.7%	99.7%	99.0%	98.2%
<i>Office</i>									
Shinjuku Sanei	39%	8,141	17.6%	8.3	8.3	97.9%	95.5%	90.0%	96.3%
Ginza Dowa	100%	6,344	15.9%	7.5	7.3	84.7%	88.2%	86.9%	90.1%
Sun	100%	3,673	7.0%	3.3	3.3	100.0%	90.1%	95.0%	89.1%
Higashi Totsuka	100%	5,671	4.7%	2.2	2.2	84.2%	90.4%	85.3%	91.2%
Forest Kita Aoyama	100%	862	3.2%	1.5	1.5	100.0%	100.0%	100.0%	100.0%
Shiba Daimon	100%	966	1.7%	0.8	0.9	63.9%	100.0%	80.0%	100.0%
Yotsuya KD	100%	1,200	1.5%	0.7	0.7	86.8%	83.1%	93.0%	91.1%
Sun No. 5	100%	805	0.8%	0.4	0.4	100.0%	100.0%	96.5%	100.0%
Office sub total / average		27,662	52.3%	24.7	24.6	90.8%	91.9%	89.5%	93.2%
Total / average		87,106	100%	47.2	47.2	96.9%	97.2%	93.5%	95.3%

Key leasing data


Total portfolio

- 178 leases at 15 August 2005
- 153 standard leases
- 19 fixed-term leases/ 6 non-cancellable leases

Retail

- 4 properties
- 17,982 tsubo / 59,444 square metres net rentable area (NRA)*
- 68.2% of total portfolio by area*
- 48.5% of total portfolio by income
- 35 leases
- 19 fixed-term leases
- 6 non-cancellable leases

Office

- 8 properties
- 8,368 tsubo / 27,662 square metres net rentable area (NRA)*
- 31.8% of total portfolio by area*
- 51.5% of total portfolio by income
- 143 leases
- All standard leases

* Reflects Trust's percentage interests in Kawasaki Dice and Shinjuku Sanei

Retail portfolio - through 15 August 2005



- Total rentable area 17,983 tsubo (59,444 square metres)
- 35 leases
- Retail portfolio occupancy of 99.7% vs 99.7% at PDS (by area)
- 27 tsubo (89 square metres) renewed
 - 0.1% of retail portfolio (by area) subject to expiry in period
 - 100% of expiring tenants renewed (1 tenant)
- New leases signed over 40 tsubo (131 square metres) of space (0.2% of total retail space)
- 3 new tenants and 2 tenants departed
- Total retail rent increased by 0.3 %

Office portfolio – through 15 August 2005

- Total rentable area 8,369 tsubo (27,662 square metres)
- 143 leases
- Office portfolio occupancy of 91.9% vs 90.8% at PDS (area based)
- 1,109 tsubo (3,667 square metres) renewed
 - 13.3% of portfolio (by area) subject to expiry in period
 - 100% of expiring tenants renewed (31 tenants)
- New leases signed over 770 tsubo (2,547 square metres) of space (9.2% of total office space)
- 12 new tenants and 8 tenants departed
- Total office rent increased by 1.2%



Appendices

Detailed financial results vs PDS forecast

	Actual \$'000	PDS \$'000	Actual ¥'000	PDS ¥'000
Income				
<i>Property income</i>				
Property revenue	9,505	9,331	785,233	718,158
Property expenses	1,267	2,067	105,698	159,121
Net property income	8,238	7,264	679,535	559,037
<i>Net Income from Property Investment in Associates</i>				
Share of property income of associates	2,224	2,386	183,820	183,598
Share of property expenses of associates	1,000	1,024	82,633	78,783
Share of borrowing costs of associates	287	309	23,754	23,764
Share of other expenses of associates	37	0	3,083	0
Share of profits from associates	900	1,053	74,350	81,051
Fair value gain on derivatives - unrealised	4,951	0	409,194	0
Reaslied foreign currency gain	2,125	0	175,616	0
Income from foreign currency capital hedge	796	737	65,823	56,728
Interest compensation revenue	154	168	12,931	12,931
Interest income	145	0	12,003	0
Total income	17,309	9,222	1,429,454	709,747
Expenses				
Asset management fee expense	9,286	655	767,459	50,378
Borrowing expense	842	1,165	69,381	89,693
Withholding tax	1,287	1,007	108,232	77,475
Other expenses	1,738	290	143,671	22,317
TK Operator profit share	44	44	3,686	3,366
Total expenses	13,197	3,161	1,092,430	243,229
Net profit	4,112	6,061	337,024	466,518

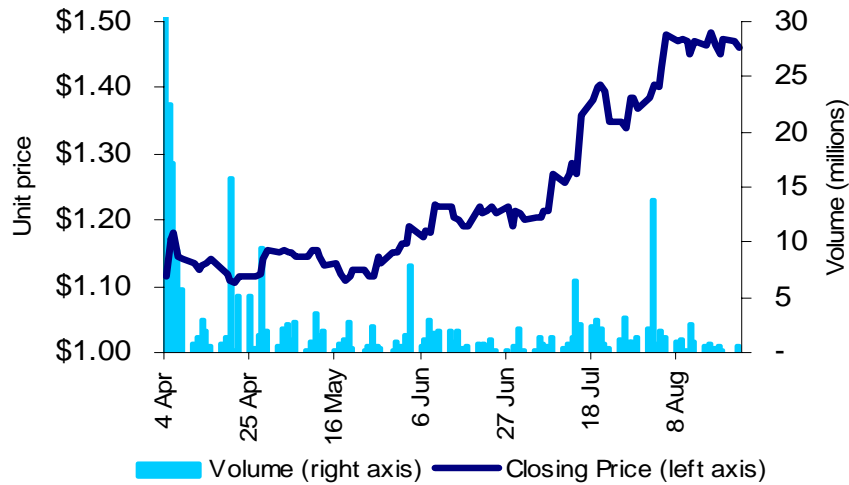
Financial position

	30/06/05 \$'000	30/06/05 ¥'000
Current assets		
Cash	23,862	2,007,723
Tenant deposits	10,105	850,250
Derivative financial instruments	1,473	123,938
Other assets	8,431	709,382
Total current assets	43,871	3,691,292
Non-current assets		
Property investments	466,092	39,216,828
Investment in associates		
Share of property assets of associates	94,236	7,929,000
Share of borrowings of associates	51,379	4,323,000
Share of other net assets of associates	3,996	336,196
Net investment in associates	46,853	3,942,196
Derivative financial instruments	4,275	359,697
Other	365	30,711
Total non-current assets	517,585	43,549,432
Total assets	561,456	47,240,724
Current liabilities		
Payables	12,406	1,043,837
Tenant deposits	25,652	2,158,351
Provisions	6,302	530,248
Current tax liability	867	72,949
Total current liabilities	45,227	3,805,385
Non-current liabilities		
Payables	4,048	340,597
Tenant deposits	4,754	400,000
Borrowings	245,005	20,614,640
Deferred tax liability	176	14,809
Total non-current liabilities	253,983	21,370,046
Total liabilities	299,210	25,175,431
Net assets	262,246	22,065,292
Net tangible assets per unit	\$0.92	
Gearing ratio (liabilities/assets)	53.3%	
Gearing ratio (interest bearing debt/property)	52.9%	

BJT performance since listing

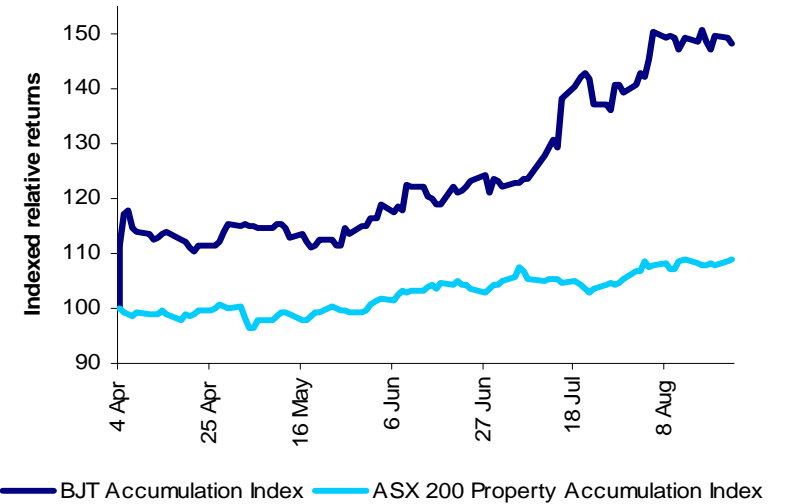


Significant price appreciation



Source: Bloomberg

Strong relative total return



Source: Bloomberg & S&P

Debt at 30 June 2005

	TK borrowings (¥ billions)	KDTMK borrowings (¥ billions)	Trust total/ weighted average (¥ billions)
Fixed debt	18.6	14.4	33.0
Floating	2.1	0	2.1
Trust interest (%)	100%	30%	
Trust interest	20.7	4.4	25.1
Maturity date	29/03/2010	31/08/2006	12/08/2009
Maturity (years)	4.8	1.2	4.1
Fixed interest rate (%)	1.30%	1.0% ¹	1.24%
Floating interest rate (p.a.)	0.69%	n/a	0.69%

¹ The Trust's interest in KDTMK has been acquired with out-of-the money borrowings in place with a maturity of 31/8/2006. The fixed interest rate is after taking into account of arrangements in place on acquisition to reduce the Trust's effective borrowing costs to market levels.

Hedging arrangements

Distribution Hedge Maturity Profile

Settlement date	Exchange rate
15-Aug-05	80.44
15-Feb-06	78.73
15-Aug-06	76.61
15-Feb-07	74.48
15-Aug-07	72.70
15-Feb-08	70.82
15-Aug-08	69.17
16-Feb-09	67.46
17-Aug-09	65.79
15-Feb-10	64.23

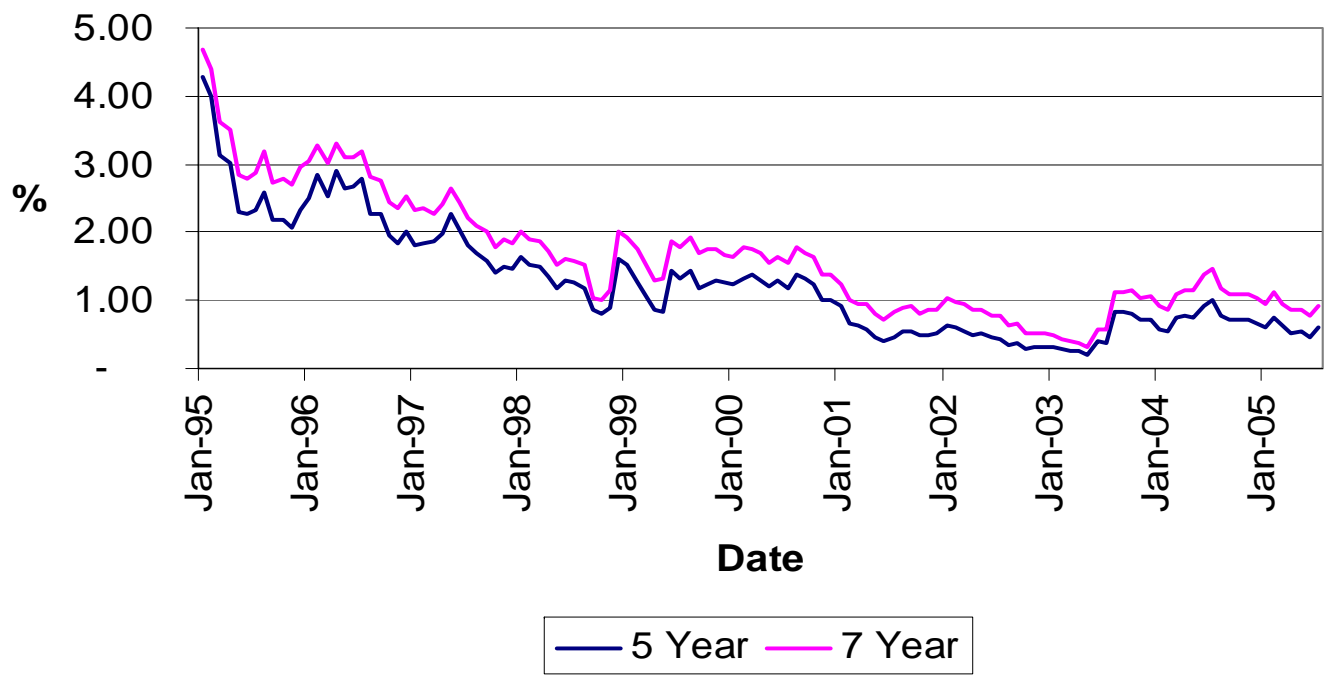
Capital Hedge

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	82.91	6.10%	0.625%
Aug-11	30,000,000	2,487,240,000	82.91	6.13%	0.980%

Interest rates



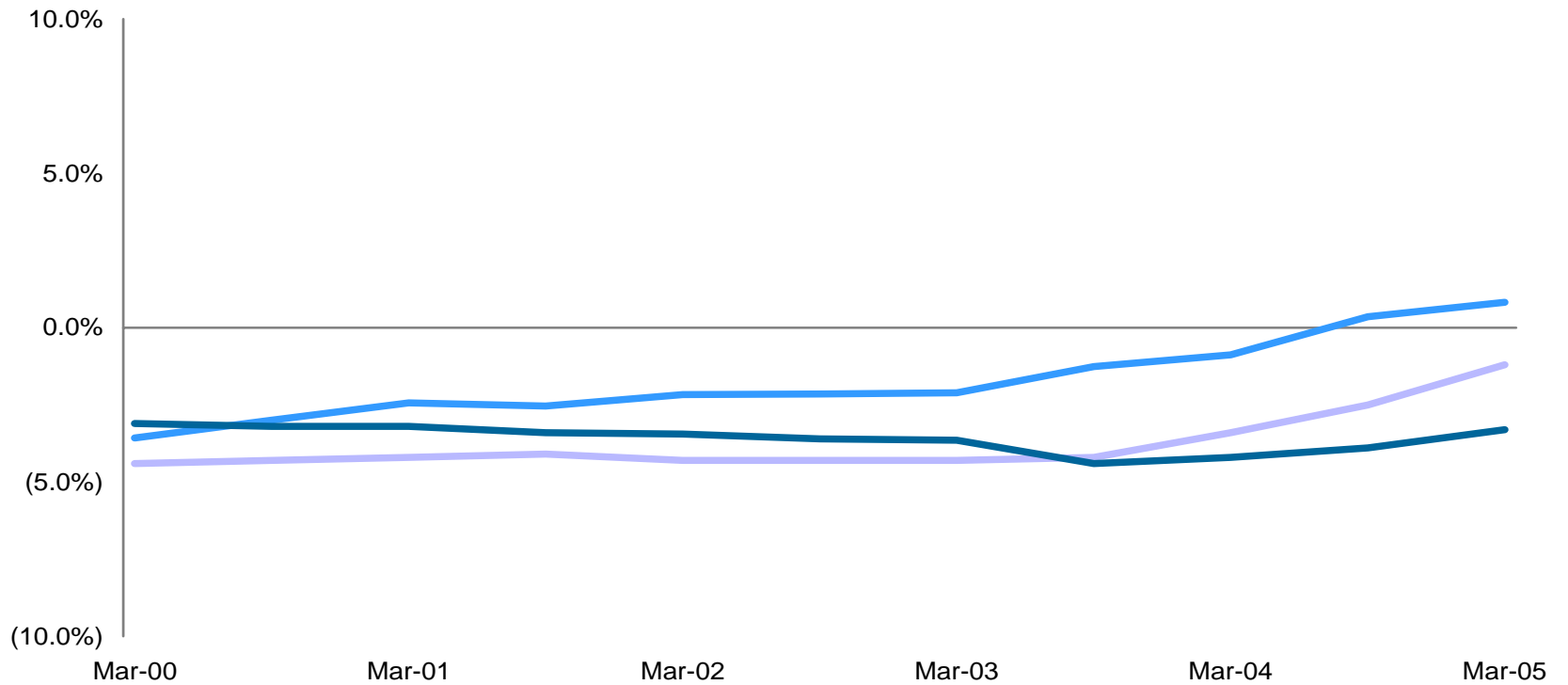
YEN FIXED/FLOATING SWAP RATES (5 & 7 YR)



Market update

- Positive trend for Tokyo land prices
- Trend in land prices in major cities outside Tokyo continues to improve

Urban Land Price Index – annual change



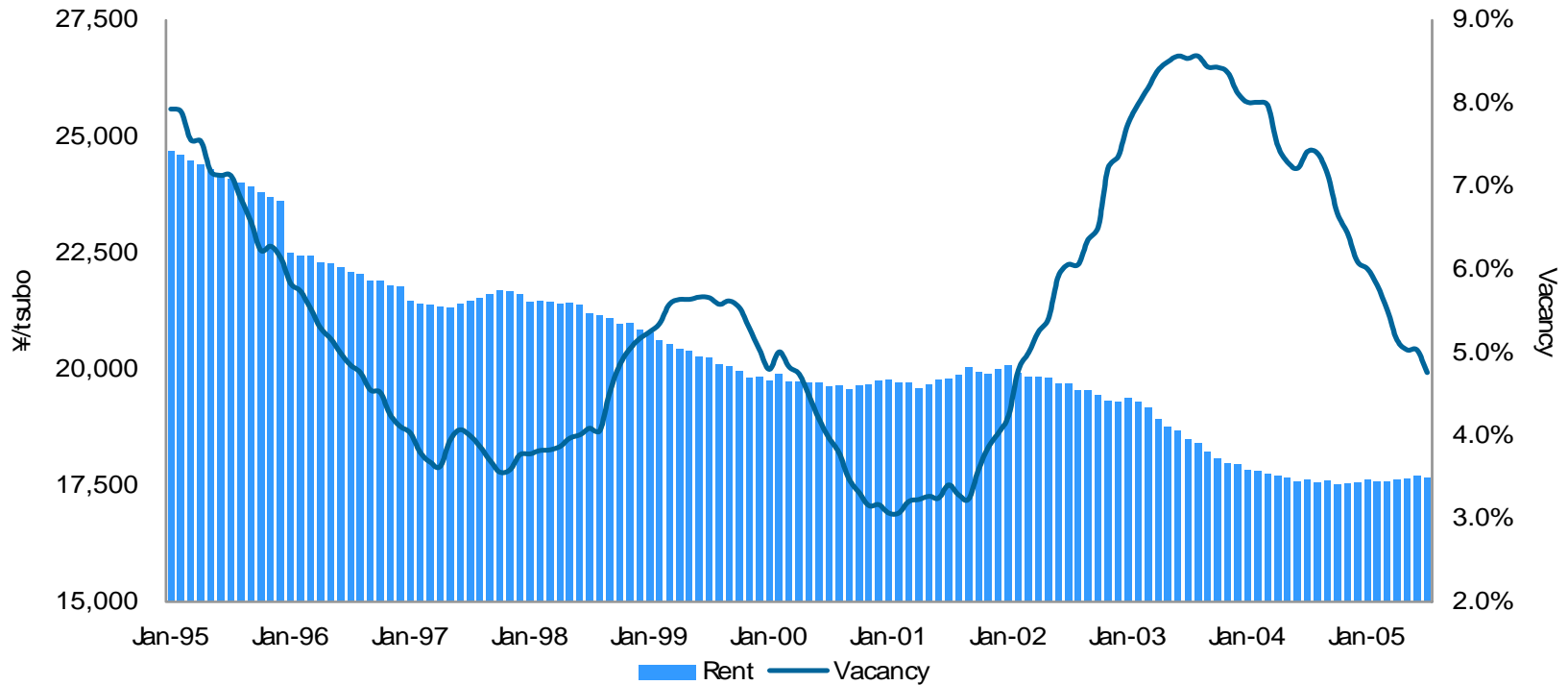
Source: Japanese Real Estate Institute Tokyo 23 Wards 6 Major cities Nationwide

Source: Japanese Real Estate Institute

Market update

- Office vacancy rates in Tokyo's central 5 wards have fallen below 5%
- Rents showing strength

Vacancy rate and average asking office rent – Tokyo central 5 wards



Source: Miki Shoji

Babcock & Brown Japan

- 14 real estate investment/asset management professionals
 - Eric Lucas, Representative Director (Managing Director BBJPM)
 - Shinya Sato, Representative Director, Acquisitions
 - Tomiji Hasegawa, Representative Director, Asset Management
 - Chihiro Hara, Asset Management
 - Tetsuya Hirata, Asset Management
 - Kazuyuki Honda, Acquisitions
 - Masahiro Nakazato, Acquisitions/Asset Management
 - Hideyuki Satoh, Acquisitions
 - Kentaro Sato, Acquisitions/Asset Management
 - Masato Tanaka, Acquisitions
 - Yu Watanabe, Acquisitions
 - Sachi Ogino, Administration/Accounting
 - Mikiko Shimano, Administration/Accounting
 - Sanae Murata, Administration/Accounting

Babcock & Brown Australia

- Michelle Wilkinson, Financial Controller

Important notice



This presentation has been prepared by Babcock & Brown Japan Property Management Limited. No representation or warranty, express or implied, is made as to the accuracy, completeness or thoroughness of the content of the information contained in this presentation. To the maximum extent permitted by law, none of Babcock & Brown Japan Property Management Limited or any of its related entities (“Babcock & Brown”) or their respective directors or officers, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with, and including, without limitation, any liability arising from fault or negligence on the part of Babcock & Brown or their directors, employees or agents.

Nothing in this presentation constitutes legal, tax or accounting advice or opinion. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy of the information contained herein and conduct its own due diligence and other enquiries in relation to such information.

The information in this presentation has not been independently verified by Babcock & Brown. Babcock & Brown disclaims any responsibility for any errors or omission in such information, including the financial calculations, projections and forecasts set forth herein. No representation or warranty is made by or on behalf of Babcock & Brown that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

Please note, in providing this presentation, Babcock & Brown has not considered the objectives, financial position or needs of the recipient. Before making an investment in Babcock & Brown Japan Property Trust an investor should consider whether such an investment is appropriate to their particular investment objectives, financial situation and particular needs and consult a financial or other professional adviser if necessary.

Neither this document nor any copy hereof may be transmitted in the United States or distributed, directly or indirectly, in the United States or to any US person including any US resident, any partnership or corporation or other entity organised or incorporated under the laws of the United States of any State thereof, any trust of which any trustee is a US person, or any agency or branch of a foreign entity located in the United States. By accepting this document you agree to be bound by these limitations.

This document is not a product disclosure statement under Australian law and does not constitute an invitation to subscribe for or buy securities or an offer for subscription or purchase of any securities or a solicitation to engage in or refrain from engaging in any transaction.