



ASX/Media Release

25 February 2011

AJA HALF YEAR RESULTS – APPENDIX 4D AND FINANCIAL REPORT

Please find attached the following documents relating to Astro Japan Property Group's Half Year Results to 31 December 2010:

1. ASX Appendix 4D
2. Interim Financial Report for the half year ended 31 December 2010

ENDS

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About Astro Japan Property Group (AJA)

Astro Japan Property Group is a listed property group which invests in the Japan real estate market. It currently holds interests in a portfolio comprising 41 retail, office and residential properties. Asset management services in Japan are generally undertaken by Spring Investment Co., Ltd.

AJA is a stapled entity comprising Astro Japan Property Trust (ARSN 112 799 854) and Astro Japan Property Group Limited (ABN 25 135 381 663). For further information please visit our website: www.astrojapanproperty.com.

Astro Japan Property Group

Astro Japan Property Group Limited ABN 25 135 381 663
Astro Japan Property Management Limited ABN 94 111 874 563 AFSL 283142
as responsible entity of the Astro Japan Property Trust ARSN 112 799 854

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Appendix 4D Half Year Report

ASTRO JAPAN PROPERTY GROUP

[The financial information in this Appendix 4D represents the consolidated financial information of Astro Japan Property Trust ARSN 112 799 854 and its controlled entities, and Astro Japan Property Group Limited ABN 25 135 381 663.]

1. Details of the reporting period

Current Period:	1 July 2010 – 31 December 2010
Previous Corresponding Period:	1 July 2009 – 31 December 2009

2. Results for announcement to the market

			\$A'000
2.1 Revenues from ordinary activities	up	4.0%	to 78,662
2.2 Operating profit ¹	down	12.9%	to 23,195
2.3 Net (loss) for the period attributable to stapled securityholders	down	93.6%	to (2,257)
2.4 Distributions	Amount per security	Franked amount per security	
<i>Current Period:</i>			
Final distribution	N/A	N/A	
Interim distribution ²	2.25¢	N/A	
<i>Previous Corresponding Period:</i>			
Final distribution	N/A	N/A	
Interim distribution	3.50¢	N/A	
2.5 Record date for determining entitlements to the interim distribution	31 December 2010		
2.6 Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:	Refer to associated ASX results announcement		

¹ Net profit/(loss) attributable to stapled securityholders from ordinary activities after tax before fair value adjustments to investment property, gain on disposal of investment properties, impairment of goodwill, gain on derivatives and net foreign exchange loss.

² Interim distribution per security shown is based on the number of stapled securities on issue at 31 December 2010. Based on the number of securities on issue following the 10 to 1 consolidation of stapled securities completed on 19 January 2011, the interim distribution would represent 22.5¢ per security.

3. Analysis of financial performance

The Group's statutory loss after tax for the half year ended 31 December 2010 was \$1.9 million. The following table summarises key reconciling items between the Group's statutory result and operating profit³.

3.1 Reconciliation between Group's statutory result and operating profit:	December 2010 \$A'000	December 2009 \$A'000
Net profit/(loss) attributable to stapled securityholders	(2,257)	(35,062)
Fair value adjustments to investment property	40,789	73,501
Gain on disposal of investment properties	(2,416)	-
Impairment of goodwill	1,200	-
Gain on derivatives	(16,502)	(14,408)
Net foreign exchange loss	2,381	2,602
Operating profit	23,195	26,633

4. Net tangible asset backing per security

	31 December 2010	31 December 2009
Net tangible asset backing per ordinary security ⁴	\$0.56	\$0.76

5. Control gained or lost over entities during the period

4.1 Name of entity (or group of entities) over which control was gained or lost	N/A
4.2 Date control was gained or lost	N/A
4.3 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
4.3 Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) during the period and the whole of the previous corresponding period	N/A

6. Details of distributions

Refer to the attached financial statements Note 3 Distributions paid and payable and the Director's report.

7. Details of distribution reinvestment plan

N/A

³ Operating profit reflects the Group's statutory result as adjusted to reflect the Directors' assessment of the ongoing business activities of the Astro Japan Property Group, in accordance with AICD/Finsia principles for reporting underlying profit. Operating profit excludes fair value adjustments to investment property, gain on disposal of investment properties, impairment of goodwill, gain on derivatives and net foreign exchange loss.

⁴ Net tangible asset backing per security shown is based on the number of stapled securities on issue at 31 December 2010. Based on the number of securities on issue following the 10 to 1 consolidation of stapled securities completed on 19 January 2011, the net tangible asset backing per security would represent \$5.65 per security.

8. Details of associates and joint venture entities

Spring Investment Co., Ltd.

9. Accounting standards used by foreign entities

Refer to the attached financial statements Note 1 Basis of preparation of interim report.

10. Qualification of audit / review

N/A

Astro Japan Property Group

Interim Financial Report
31 December 2010

The Astro Japan Property Group (Astro Group) comprises Astro Japan Property Trust (ARSN 112 799 854) (AJT) and its controlled entities, and Astro Japan Property Group Limited (ABN 25 135 381 663) (AJCo). Astro Japan Property Management Limited (ABN 94 111 874 563) is the Responsible Entity of AJT.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by the Astro Group during the interim reporting period in accordance with the continuous disclosure requirement of the *Corporations Act 2001* (Cth).

Through our website, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Astro Group. All press releases, financial reports and other information are available on our website: www.astrojapanproperty.com

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	3
Consolidated Statement of Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Consolidated Statement of Changes in Equity	7
Notes to the Consolidated Financial Statements	8
1 Statement of significant accounting policies	8
2 Gain/(Loss) on derivatives	10
3 Distribution payable	10
4 Earnings/(losses) per stapled security	10
5 Cash and cash equivalents	10
6 Investment properties	11
7 Interest bearing loans and borrowings	12
8 Contributed equity	12
9 Segment reporting	13
10 Commitments and contingencies	14
11 Events occurring after the reporting period	15
Directors' Declaration	16
Independent Auditor's Report	17

The Directors of Astro Japan Property Management Limited (ABN 94 111 874 563) ("Responsible Entity"), as the Responsible Entity of Astro Japan Property Trust (ARSN 112 799 854) ("AJT"), present their report together with the consolidated financial statements of the Astro Japan Property Group ("Astro Group"), for the half year ended 31 December 2010. The Astro Group comprises Astro Japan Property Trust (ARSN 112 799 854) and its controlled entities, and Astro Japan Property Group Limited (ABN 25 135 381 663) ("AJCo"), and its controlled entities.

The Astro Japan Property Group

The stapled securities of the Astro Group are quoted on the Australian Securities Exchange under the code AJA and each stapled security comprises one unit in AJT and one share in AJCo. Each entity forming part of the Astro Group is a separate legal entity in its own right under the *Corporations Act 2001* (Cth) and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* (Cth), Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

The registered office and principal place of business of the Responsible Entity, AJT and AJCo is Suite 1 Level 14, 50 Pitt Street, Sydney NSW 2000.

Directors

The Directors of the Responsible Entity at any time during and since the period end are:

Directors	Independence Status	Date of Appointment
Allan McDonald	Independent Non-Executive Chairman	19 February 2005
Paula Dwyer	Independent Non-Executive Director	19 February 2005
John Pettigrew	Non-Independent Executive Director, Chief Financial Officer ¹	19 February 2005

¹Appointed Chief Financial Officer on 1 January 2011. Prior to this Mr Pettigrew was an Independent Non-Executive Director of the Responsible Entity.

Principal activities

The principal activities of the Astro Group, which remain unchanged from 30 June 2010, were investments in interests in properties, and a 30% economic interest in Spring Investment Co. Ltd, the manager of the Astro Group's property interests ("Japan Asset Manager").

Review and results of operations

During the half year ended 31 December 2010 the Astro Group made a loss before income tax of \$2,152,000 (31 December 2009: loss \$37,399,000).

After adjusting the loss after tax for the half year of \$2,257,000 (31 December 2009: loss \$35,062,000) for the following non cash and one off transactions; unrealised losses from a devaluation of the property portfolio \$40,789,000 (31 December 2009 devaluation \$73,501,000), gain on disposal of investment properties \$2,416,000 (31 December 2009: \$nil), impairment of goodwill of \$1,200,000 (31 December 2009: \$nil), net gains on derivative financial instruments \$16,502,000 (31 December 2009 net gain \$14,408,000), and net foreign exchange loss of \$2,381,000 (31 December 2009 \$2,602,000), the Astro Group had an operating profit after tax of \$23,195,000 (31 December 2009: \$26,633,000).

The Astro Group had interests in 41 properties at 31 December 2010 (31 December 2009: 43).

Net property income from interests in investment properties is set out below:

	Half year ended	
	31/12/2010	31/12/2009
	\$'000	\$'000
Retail	21,325	20,671
Office	15,616	18,103
Residential	3,812	4,798
Total net property income from interests in investment properties	40,753	43,572

On 29 September 2010 the Astro Group sold its interests in two office properties, Kokusai Nihombashi and Prime Tsukiji. The sales price of Kokusai Nihombashi was a 9% premium to the most recent fair value of the asset of \$43,643,000 (as at 30 June 2010), however this represented a 36% discount to the original purchase price. The sales price of Prime Tsukiji was a 6% premium to the most recent fair value of the asset of \$10,398,000 (as at 30 June 2010), however this represented an 8% discount to the original purchase price. Following the disposals, \$55,508,000 of debt was repaid by JPT Scarlett Co. Ltd, the special purpose vehicle which held those properties.

At the Annual General Meeting on 10 November 2010 securityholders voted in favour of a consolidation of the Astro Group stapled securities. The Astro Group consolidated every 10 stapled securities into 1 stapled security with effect from 19 January 2011. Where the consolidation resulted in a fraction of a security being held by a securityholder, that fraction was rounded up to the nearest whole security. Following the consolidation there are 50,821,741 stapled securities on issue.

On 22 December 2010 the Astro Group completed the refinancing of a senior loan to the Japanese special purpose company JPT Scarlett Co. Ltd due to mature in December 2010, with the closing of a new senior loan of ¥13.73 billion (approx. A\$165 million), maturing in April 2015. The new lender, a major international bank, is unrelated to the existing lender.

Fair value of investment properties

In accordance with the Astro Group's investment property accounting policy, the Astro Group assessed the fair value of investment properties during the period which resulted in a revaluation downward of \$40,789,000 to \$1,286,125,000 (Half year ended 31 December 2010: \$73,501,000 net downward movement).

Distributions

The Astro Group has announced an estimated distribution of 2.25 cents per security (\$11,435,000) for the half year ended 31 December 2010 (31 December 2009: 3.50 cents (\$17,787,000)). The expected distribution payment date is 25 February 2011.

Significant changes in the state of affairs

In the opinion of the Directors, other than the items already noted in the Directors' Report, there were no changes in the state of affairs of the Astro Group that occurred during the half year under review.

Events subsequent to the end of the half year

The Directors are not aware of any matter or circumstance occurring since 31 December 2010 not otherwise dealt with in the half year financial report that has significantly or may significantly affect the operations of the Astro Group, the results of those operations, or the state of affairs of the Astro Group in subsequent financial years.

Auditor's independence declaration

The Astro Group's lead Auditor has provided a written declaration under section 307C of the *Corporations Act 2001* (Cth) that to the best of his knowledge and belief, there have been no contraventions of:

- the Auditor independence requirements of the *Corporations Act 2001* (Cth) in relation to the audit; and
- the applicable Australian code of professional conduct in relation to the audit.

The declaration is provided on page 3 and forms part of this Directors' Report.

Rounding

The Astro Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

Basis of preparation

The half year financial report for the Astro Group as at 31 December 2010 has been prepared on a going concern basis as the Directors, after reviewing AJT's going concern status, have concluded that AJT has reasonable grounds to expect to be able to pay its debts as and when they become due and payable.

Dated 25 February 2011.

Signed in accordance with a resolution of the Directors.



F A McDonald
Director

Astro Japan Property Management Limited in its capacity as Responsible Entity of the Astro Japan Property Trust



Auditor's Independence Declaration

As lead auditor for the review of Astro Japan Property Trust for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Astro Japan Property Trust and the entities it controlled during the period.

A handwritten signature in black ink that reads 'TJO Peel' with a horizontal line underneath.

TJO Peel
Partner
PricewaterhouseCoopers

Sydney
25 February 2011

	Note	31 Dec 10 \$'000	31 Dec 09 \$'000
Revenue			
Property rental income	6	58,577	61,728
Financing income		207	112
		58,784	61,840
Other income			
Share of net profit of associate		955	(607)
Gain on derivatives	2	16,502	14,408
Gain on disposal of investment property	6	2,416	-
Other income		5	14
		19,878	13,815
Total revenue and other income		78,662	75,655
Expenses			
Property expenses	6	(17,824)	(18,156)
Asset management fees		(3,803)	(5,071)
Financing costs		(12,135)	(11,961)
Fair value adjustments to investment property		(40,789)	(73,501)
Impairment of goodwill		(1,200)	-
Net foreign exchange loss		(2,381)	(2,602)
Professional fees		(718)	(1,590)
Other operating expenses		(1,964)	(173)
Total expenses		(80,814)	(113,054)
Profit/(loss) before income tax		(2,152)	(37,399)
Income tax benefit/(expense)		(105)	2,337
Profit/(loss) for the half year		(2,257)	(35,062)
Other comprehensive income			
Foreign exchange translation differences		(29,511)	(32,273)
Fair value movements on hedge instruments, net of tax		2,395	(602)
Total comprehensive income/(expense) for the half year		(29,373)	(67,937)
Profit/(loss) is attributable to:			
Securityholders of AJT		(1,656)	(34,455)
Securityholders of other entities stapled to AJT (non-controlling interest)		(601)	(607)
External non-controlling interest		-	-
Profit/(loss) for the half year		(2,257)	(35,062)
Total comprehensive income for the half year is attributable to:			
Securityholders of AJT		(28,217)	(67,128)
Securityholders of other entities stapled to AJT (non-controlling interest)		(1,156)	(809)
External non-controlling interest		-	-
		(29,373)	(67,937)
Basic and diluted earnings/(losses) per ordinary Security available to securityholders of AJT	4	(0.33)¢	(6.78)¢

The Consolidated Statements of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 8 to 15

	Note	31 Dec 10 \$'000	30 Jun 10 \$'000
Current assets			
Cash and cash equivalents	5	62,398	65,009
Restricted cash	5	47,077	55,479
Trade and other receivables		4,813	4,330
Derivative financial instruments		-	2,374
Investment property held for sale	6	-	45,568
Other assets		1,301	1,431
Total current assets		115,589	174,191
Non-current assets			
Investment in associate accounted for using the equity method		6,463	6,094
Investment properties	6	1,286,125	1,459,427
Deferred tax asset		10,396	11,055
Property, plant and equipment		80	91
Intangible assets		6,840	8,046
Other assets		1,266	1,625
Total non-current assets		1,311,170	1,486,338
Total assets		1,426,759	1,660,529
Current liabilities			
Payables		16,552	21,984
Provisions		20	31
Deferred lease incentive		6	3
Derivative financial instruments		19,206	31,783
Tenant deposits		36,142	37,405
Distribution payable	3	11,435	17,787
Interest bearing debt	7	4,838	246,177
Current tax liabilities		624	1,456
Total current liabilities		88,823	356,626
Non-current liabilities			
Deferred lease incentive		16	18
Derivative financial instruments		15,896	18,644
Tenant deposits		48,422	58,424
Interest bearing debt	7	969,360	881,089
Deferred tax liabilities		6,149	6,796
Total non-current liabilities		1,039,843	964,971
Total liabilities		1,128,666	1,321,597
Net assets		298,093	338,932
Equity			
Equity attributable to securityholders of AJT			
Contributed equity	8	588,509	588,509
Reserves		84,761	111,322
Retained profits/(losses)		(392,715)	(379,624)
Total equity of securityholders		280,555	320,207
Equity attributable to other stapled securityholders			
Contributed equity	8	26,441	26,441
Reserves		(1,161)	(606)
Retained profits/(losses)		(7,540)	(6,939)
Total equity of other stapled securityholders		17,740	18,896
Equity attributable to external non-controlling interest			
Retained profits/(losses)		(202)	(171)
Total equity of external non-controlling interest		(202)	(171)
Total Equity		298,093	338,932

The Consolidated Statements of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 8 to 15

	Note	31 Dec 10 \$'000	31 Dec 09 \$'000
Cash flows from operating activities			
Property rental income received		55,923	59,948
Property expenses paid		(18,644)	(16,482)
Net property income received		37,279	43,466
Realised foreign exchange gains		4,974	2,566
Other non property expenses paid		(6,475)	(9,591)
Financing costs		(17,049)	(10,814)
Financing income		207	91
Japanese withholding tax paid		(1,426)	(7,078)
GST/consumption tax received		3,014	1,212
GST/consumption tax paid		(2,325)	(2,440)
Net cash inflows / (outflows) from operating activities		18,199	17,412
Cash flows from investing activities			
Investment in convertible note		-	(307)
Capital expenditure		(1,876)	(1,990)
Proceeds from the sale of investment properties		56,457	-
Investment income from associate		30	-
Release of tenant deposits		(3,761)	(7,435)
Net cash inflows / (outflows) from investing activities		50,850	(9,732)
Cash flows from financing activities			
AJT capital reduction		-	(26,441)
Shares in AJCo issued during stapling		-	26,441
Proceeds from borrowings		165,983	-
Repayment of borrowings		(221,730)	-
Distributions paid		(17,787)	(25,411)
Interest received on capital hedges		2,380	3,035
Net cash inflows / (outflows) from financing activities		(71,154)	(22,376)
Net (decrease) / increase in cash and cash equivalents		(2,105)	(14,696)
Cash and cash equivalents at the beginning of the reporting period		120,488	161,045
Effect on exchange rate fluctuations on cash held		(8,908)	(8,745)
Cash and cash equivalents at the end of the reporting period	5	109,475	137,604

The Consolidated Statements of Cash Flows are to be read in conjunction with the Notes of the Financial Statements set out on pages 8 to 15

	Note	Equity attributable to other securityholders of AJT				Equity attributable to other stapled securityholders				Equity attributable to external non-controlling interests		
		Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Retained earnings \$'000	Total \$'000	Total equity \$'000
Balance at 1 July 2009		614,950	106,097	(239,111)	481,936	-	-	-	-	-	-	481,936
Foreign exchange translation differences		-	(32,071)	-	(32,071)	-	(202)	-	(202)	-	-	(32,273)
Fair value movements on hedge instruments, net of tax		-	(602)	-	(602)	-	-	-	-	-	-	(602)
Net profit/(loss) recognised directly in equity		-	(32,673)	-	(32,673)	-	(202)	-	(202)	-	-	(32,875)
Profit/(loss) for the half year		-	-	(34,455)	(34,455)	-	-	(607)	(607)	-	-	(35,062)
Total comprehensive income/(expense) for the half year		-	(32,673)	(34,455)	(67,128)	-	(202)	(607)	(809)	-	-	(67,937)
Transactions with Securityholders in their capacity as Securityholders:												
AJT Capital reduction	8	(26,441)	-	-	(26,441)	-	-	-	-	-	-	(26,441)
Shares in AJCo issued during stapling	8	-	-	-	-	26,441	-	-	26,441	-	-	26,441
Distributions paid or provided for	3	-	-	(17,787)	(17,787)	-	-	-	-	-	-	(17,787)
Distributions paid/payable to external non-controlling interest holders		-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2009		588,509	73,424	(291,353)	370,580	26,441	(202)	(607)	25,632	-	-	396,212
Balance at 1 July 2010		588,509	111,322	(379,624)	320,207	26,441	(606)	(6,939)	18,896	(171)	(171)	338,932
Foreign exchange translation differences		-	(28,956)	-	(28,956)	-	(555)	-	(555)	-	-	(29,511)
Fair value movements on hedge instruments, net of tax		-	2,395	-	2,395	-	-	-	-	-	-	2,395
Net profit/(loss) recognised directly in equity		-	(26,561)	-	(26,561)	-	(555)	-	(555)	-	-	(27,116)
Profit/(loss) for the half year		-	-	(1,656)	(1,656)	-	-	(601)	(601)	-	-	(2,257)
Total comprehensive income/(expense) for the half year		-	(26,561)	(1,656)	(28,217)	-	(555)	(601)	(1,156)	-	-	(29,373)
Transactions with Securityholders in their capacity as Securityholders:												
Distributions paid or provided for	3	-	-	(11,435)	(11,435)	-	-	-	-	-	-	(11,435)
Distributions paid/payable to external non-controlling interest holders		-	-	-	-	-	-	-	-	(31)	(31)	(31)
Balance at 31 December 2010		588,509	84,761	(392,715)	280,555	26,441	(1,161)	(7,540)	17,740	(202)	(202)	298,093

The Consolidated Statements of Changes in Equity is to read in conjunction with the Notes to the Financial Statements set out on pages 8 to 15

1. Statement of Significant Accounting Policies

On 12 November 2009, the units in AJT were stapled to the shares of AJCo (stapled securities) forming the Astro Japan Property Group ("Astro Group"). It is not possible to trade or deal separately in either the shares or units which comprise the stapled securities.

The entities forming the Astro Group are domiciled in Australia.

AJT has been deemed the parent entity of the Astro Group although it is not the legal parent or legal acquirer of AJCo. AJT has been deemed the parent entity of the Astro Group on the basis that it was in existence prior to AJCo and has greater net assets than AJCo.

The consolidated financial report of the Astro Group for the half year ended 31 December 2010 comprises AJT and its controlled entities, and AJCo (together referred to as the "Astro Group"). The two entities comprising the stapled group remain separate legal entities in accordance with the *Corporations Act 2001* (Cth) and each is required to comply with the reporting and disclosure requirements of Accounting Standards and the Corporations Regulations.

This general purpose consolidated financial report for the half year reporting period ended 31 December 2010 has been prepared in accordance with AJT's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by the Astro Group during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

The consolidated financial report for the Astro Group as at 31 December 2010 has been prepared on a going concern basis as the directors of the Responsible Entity, after reviewing AJT's going concern status, have concluded that AJT has reasonable grounds to expect to be able to pay its debts as and when they become due and payable.

The financial report was authorised for issue by the Directors on 25 February 2011. The Responsible Entity has the power to amend and reissue this financial report.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the financial report for the period ended 30 June 2010. No significant changes to the Astro Group's financial performance, position or accounting principles have occurred as a result of the application of the new and amended standards, mandatory for annual reporting periods beginning on or after 1 July 2010.

(c) Use of significant estimates and assumptions

The Astro Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Critical accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Property valuations

The fair value of investment property has been updated to reflect market conditions at the end of the reporting period. While this represents best estimates as at the end of the reporting period, if investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the consolidated financial statements. Refer to Note 6 for details of key assumptions used by the Astro Group in determining the fair value of its interest in investment properties.

ii) Deferred Japanese withholding tax

Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

In recognising the deferred tax asset, management have undertaken an exercise of assessing future Japanese taxable profit. Based on this exercise, management believe it probable that taxable profit will be available against which the deductible temporary difference can be utilised, and in doing so meets the recognition criteria under the relevant accounting standards.

At 31 December 2010, the Astro Group has an unrecognised deferred tax asset relating to investment properties, and to a lesser extent, interest rate swaps. These balances have not been recognised since they do not meet the recognition criteria under AASB 112 Income Taxes. Astro Group will assess the unrecognised deferred tax asset at future reporting dates, which may result in the deferred tax asset being subsequently recognised.

iii) Fair value of derivative financial instruments

The fair value of derivative assets and liabilities are based on assumptions of future events and involve significant estimates. The bases of valuation for the Astro Group's derivatives are set out in note 1(h) of the 30 June 2010 consolidated annual financial statements. The future fair values of derivatives reported at 30 June 2010 may differ in future reporting periods if there is volatility in market rates, indexes, equity prices or foreign exchanges rates.

iv) Estimated impairment of goodwill

The Astro Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(l)(i) of the 30 June 2010 consolidated annual financial statements. The recoverable amount of goodwill has been determined based on fair value less cost to sell calculations. These calculations require the use of assumptions.

Critical accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Astro Group and that are believed to be reasonable under the circumstances.

(d) New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2010 reporting periods. The Astro Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect the Astro Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Astro Group is yet to assess its full impact. However, initial indications are that it is unlikely to have a material impact on the Astro Group.

Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment simplifies the definition of a related party. The Astro Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Astro Group will need to disclose any transactions between its subsidiaries and its associates.

In addition to the above, further amendments to accounting standards have been proposed as a result of the revision of related standards and the Annual Improvement Projects (for non-urgent changes). These amendments are set out below:

AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective for annual reporting periods beginning on or after 1 January 2013); and

AASB 2009-12 *Amendments to Australian Accounting Standards* (effective for annual reporting periods beginning on or after 1 January 2011)

These recently issued or amended standards are not expected to have a significant impact on the amounts recognised in these financial statements when they are restated on application of these new accounting standards.

(e) Rounding of amounts

The Astro Group is of a kind referred to in ASIC Class Order 98/100 (as amended) and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

	31 Dec 10 \$'000	31 Dec 09 \$'000
2. Gain/(loss) on derivatives		
Gain		
Net gain on capital hedges	13,747	10,232
Net gain on distribution hedges	2,755	4,176
Net Gain/(loss)	16,502	14,408

At the end of the reporting period, the foreign exchange derivative contracts contain an annual early termination and repayment option that can be exercised by either party (i.e. the Astro Group or the external counterparty), a common feature for derivative contracts. The early termination date in those contracts is 15 August each year up to but excluding the actual termination date. The notice period to exercise the early termination option is 5 or 10 business days preceding the early termination date, depending on the particular derivative contract.

3. Distribution payable

Half year distribution payable	11,435	17,787
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Half year distribution for the period ended 31 December 2010 is estimated to be 2.25 cents per security based on the number of securities on issue as at 31 December 2010 (31 December 2009: 3.50 cents). The expected payment date is 25 February 2011. Based on the number of securities on issue following the 10 to 1 consolidation of stapled securities completed on 19 January 2011, the interim distribution would represent 22.5¢ per security.

4. Earnings/(losses) per stapled security

Basic and diluted	(0.33¢)	(6.78¢)
Profit/(loss) attributable to Securityholders of AJT used in calculating basic and diluted earnings per security (\$'000)	(1,656)	(34,455)
Weighted average number of Securities used as denominator in calculating basic and diluted earnings per Security	508,212,161	508,212,161

The weighted average number of Securities used as denominator in calculating basic and diluted earnings/(losses) per Securities shown above is based on the number of Securities on issue during the period.

The alternative earnings/(losses) per stapled security measure shown below is based upon the profit/(loss) attributable to Securityholders of the Astro Group:

Basic and diluted	(0.44¢)	(6.90¢)
Profit/(loss) attributable to Securityholders of the Astro Group used in calculating basic and diluted earnings per security (\$'000)	(2,257)	(35,062)
Weighted average number of Securities used as denominator in calculating basic and diluted earnings per Security	508,212,161	508,212,161

The weighted average number of Securities used as denominator in calculating basic and diluted earnings/(losses) per Securities shown above is based on the number of Securities on issue during the period.

	31 Dec 10 \$'000	30 Jun 10 \$'000
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5. Cash and cash equivalents

Cash at bank ¹	62,398	65,009
Restricted cash ²	47,077	55,479
Cash and cash equivalents in the Consolidated Statements of Cash Flows and the Consolidated Statements of Financial Position	109,475	120,488

1 Cash at bank includes a balance of \$42,444,000 retained within the TKs for operational purposes (30 June 2010: \$42,897,000).

2 Restricted cash includes cash in trust (e.g. tenant security deposits), lender reserves (e.g. cash required under loan agreements for items such as capital expenditure and repairs) and \$23,842,000 (30 June 2010: \$26,053,000) of cash posted as collateral with the foreign exchange hedging counterparty.

	31 Dec 10 \$'000	30 Jun 10 \$'000
6. Investment properties		
Investment properties at fair value	1,286,125	1,504,995
a) Reconciliation		
Reconciliation of the carrying amount of investment properties is set out below:		
Carrying amount at the beginning of the year	1,459,427	1,551,177
Capital expenditure	1,876	5,500
Disposals	(10,398)	-
Change in fair value of investment properties	(40,789)	(139,450)
Foreign currency translation differences	(123,991)	42,200
Carrying amount of non-current investment property at the end of the half year	1,286,125	1,459,427
Investment property held for sale at the beginning of the year	45,568	56,780
Disposals	(43,643)	-
Change in fair value of investment properties	-	(11,212)
Foreign currency translation differences	(1,925)	-
Investment property held for sale at the end of the half year	-	45,568
Total investment properties at fair value	1,286,125	1,504,995

	Kokusai Nihombashi \$'000	Prime Tsukiji \$'000	Total \$'000
b) Reconciliation of gain on disposal			
Disposal proceeds (less disposal costs)	45,721	10,736	56,457
Fair value of properties at 30 June 2010	(45,568)	(10,857)	(56,425)
Foreign currency translation differences	1,925	459	2,384
Gain on disposal	2,078	338	2,416

On 29 September 2010 the Astro Group sold its interests in two office properties, Kokusai Nihombashi and Prime Tsukiji. Following the disposals, \$55,508,000 of debt was repaid by JPT Scarlett Co. Ltd, the special purpose vehicle which held those properties.

	31 Dec 10 \$'000	30 Jun 10 \$'000
c) Amounts recognised in net profit for investment property		
Property rental income	58,577	61,728
Property expenses	(17,824)	(18,156)
	40,753	43,572

d) Valuation basis

The basis of valuation of investment properties is fair value, being amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The Directors' assessment of fair value was based upon independent assessments made by Japanese Licensed Real Estate Appraisers and assessments made by the Japan Asset Manager in accordance with the Astro Group valuation policy. Further detail is provided in Note 1(k) of the 30 June 2010 Financial Statements.

At the reporting date the key assumptions used by the Astro Group in determining fair value were in the following ranges for the Astro Group's portfolio of properties:

	31 Dec 10	30 Jun 10
Discount rate	4.70% - 7.30%	4.70% - 6.80%
Terminal yield	4.90% - 7.70%	4.90% - 7.50%
Capitalisation rate	4.80% - 7.90%	4.70% - 7.50%
Vacancy rate	0.00% - 32.00%	0.00% - 32.00%

The above assumptions have been taken from the independent valuation reports for the relevant period.

e) Assets pledged as security

Refer to Note 7 for information on assets pledged as security

f) Beneficial interest

The Astro Group holds interests in the investment properties arising from the contractual relationship between AJT and the TK Operator. The beneficial ownership of the investment properties is held in the name of the applicable TK Operator.

31 Dec 10 30 Jun 10
\$'000 \$'000

7. Interest-bearing loans and borrowings

Current

Secured bank loans	4,838	246,177
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Non current

Secured bank loans	969,360	881,089
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Secured bank loans are denominated in JPY and are interest-only loans with principal repayable on maturity, except for quarterly instalment payments by JPT Co. Ltd (¥11.8m per quarter), JPT Scarlett Co. Ltd (¥51.6m per quarter) and JPT Corporate Co. Ltd (¥125m per quarter). The weighted average term to expiry is 2.6 years (2009: 2.0 years). After interest rate swaps, 42.98% (2009: 72.4%) of the loans are fixed at a rate of 3.35% p.a. (2009: 2.15% p.a.), with the remaining 57.02% (2009: 27.6%) floating debt with a current rate of 1.55% p.a. (2009: 1.21% p.a.).

On 22 December 2010 the Astro Group completed the refinancing of a senior loan to the Japanese special purpose company JPT Scarlett Co. Ltd due to mature in December 2010, with the closing of a new senior loan of ¥13.73 billion (approx. A\$165 million), maturing in April 2015. The new lender, a major international bank, is unrelated to the existing lender.

The secured bank loan to JPT Corporate Co. Ltd contains a loan to value covenant (the only loan with such a covenant) with an upper limit of 80%. As at the covenant review date (February 2011) the LTV is 79.4% and is in compliance with the covenant.

a) Assets pledged as security

The bank loans are specific to each special purpose company ("TK") and are secured by pledge over the investment properties in that TK. The bank loans are non-recourse beyond the relevant TK, so that the Astro Group is not liable to make up any deficit between net liabilities and the loan amount.

The carrying amount of assets pledged as security for non-current interest bearing debt are:

Investment properties at fair value	1,286,125	1,504,995
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b) Financing facilities

The Astro Group has access to the following lines of credit:

Secured bank loans	985,751	1,127,266
Total facilities available	985,751	1,127,266
Facilities utilised at reporting date	985,751	1,127,266

31 Dec 10 31 Dec 09
No. of Units No. of Units

8. Contributed equity

508,212,161 securities on issue (2010 - 508,212,161)	508,212,161	508,212,161
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Movements in number of securities

Number at 1 July 2010	508,212,161	508,212,161
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Number at 31 December 2010	508,212,161	508,212,161
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	AJT \$'000	Stapled securityholders' interest \$'000	Total \$'000
Movements in contributed equity			
Balance at 1 July 2009	614,950	-	614,950
AJT capital reduction	(26,441)	-	(26,441)
Shares in AJCo issued during stapling	-	26,441	26,441
Balance at 30 June 2010	588,509	26,441	614,950

Balance at 1 July 2010	588,509	26,441	614,950
Balance at 31 December 2010	588,509	26,441	614,950

At the Annual General Meeting on 10 November 2010 securityholders voted in favour of a consolidation of the Astro Group stapled securities. The Astro Group consolidated every 10 stapled securities into 1 stapled security with effect from 19 January 2011. Where the consolidation resulted in a fraction of a security being held by a securityholder, that fraction was rounded up to the nearest whole security. Following the consolidation there are 50,821,741 stapled securities on issue.

The Astro Group's securities are classified as equity and issue costs are recognised as a reduction of the proceeds of issues.

In accordance with the Constitution of each of AJT and AJCo, each securityholder is entitled to receive distributions as declared from time to time. In accordance with AJT's Constitution, each security in AJT represents a right to an individual security in AJT and does not extend to a right to the underlying assets of AJT.

It is generally expected that General Meetings of securityholders of AJT and General Meetings of securityholders of AJCo will be held concurrently where proposed resolutions relate to the two entities. Voting rights of securityholders at General Meetings are outlined below.

At General Meetings of securityholders of AJT:

- on a show of hands each securityholder who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a securityholder has one vote; and
- on a poll, each securityholder who is present in person has one vote for each dollar of the value of securities in AJT held by the securityholder. Also, each person present as proxy, attorney or duly appointed corporate representative of a securityholder has one vote for each dollar of value of the securities in AJT held by the securityholder that the person represents.

At General Meetings of securityholders of AJCo:

- on a show of hands each securityholder who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a securityholder has one vote; and
- on a poll, each securityholder who is present in person has one vote for each security they hold. Also, each person present as a proxy, attorney or duly appointed corporate representative of a securityholder has one vote for each security held by the securityholder that the person represents.

9. Segment reporting

Management has determined the operating segments based on the reports reviewed by the 'chief operating decision maker' that are used to make strategic decisions. The chief operating decision maker has been determined to be the Board of the Responsible Entity. The chief operating decision maker considers the business from a business unit perspective and has identified six reportable segments. Each of the five TK's (which constitute the majority of the Astro Group results) are monitored on an entity-by-entity basis, (each entity contains investment properties that are secured against specific borrowings) and the residual business unit includes the operations of AJT, AJCo, and the Responsible Entity, as well as consolidation adjustments.

The chief operating decision maker assesses the performance of each operating segment based on an adjusted operating cashflow basis. This measure excludes non-operating and non-cash items such as unrealised fair value adjustments on investment properties and unrealised derivative & foreign exchange gains/losses, but includes items such as capital expenditure on investment properties and realised hedge income. Gearing is considered within each of the business units due to the non-recourse nature of debt contained within each TK.

The segment information provided to the chief operating decision maker for the reportable segments for the half year ended 31 December 2010, and reconciliation to Profit Before Tax, are as follows:

31 December 2010	JPT TK \$'000	JPTS TK \$'000	JPTD TK \$'000	JPTC TK \$'000	JPTA TK \$'000	Australia and Consolidation adjustments \$'000	Total \$'000
Segment reporting note							
Net operating cash flows from investment properties	8,861	7,073	6,641	8,667	6,037	-	37,279
Capital expenditure on investment properties	(372)	(367)	(1,103)	(16)	(18)	-	(1,876)
Asset management fees paid	(769)	(840)	(642)	(922)	(645)	-	(3,818)
Interest payments	(1,802)	(7,409)	(2,438)	(1,246)	(2,625)	-	(15,520)
Accounting and administration	(236)	(213)	(314)	(431)	(186)	(1,244)	(2,624)
Realised foreign exchange gains	-	-	-	-	-	4,974	4,974
Adjusted Operating Cashflow	5,682	(1,756)	2,144	6,052	2,563	3,730	18,415
Reconciliation to PBT:							
Adjusted Operating Cashflow	5,682	(1,756)	2,144	6,052	2,563	3,730	18,415
Fair value adjustment to investment properties	(12,021)	(2,195)	(5,879)	(7,869)	(12,825)	-	(40,789)
Unrealised gain/(loss) on derivatives	-	-	-	-	-	8,898	8,898
Unrealised FX gain/(loss)	-	-	-	-	-	(2,227)	(2,227)
Movements in accruals and prepayments	350	8,465	(6)	(4)	(211)	(183)	8,411
Amortisation of borrowing costs	(441)	(293)	(270)	(258)	(294)	-	(1,556)
Depreciation	-	-	-	-	-	(17)	(17)
Financing income	-	-	-	-	-	190	190
Interest received on cross currency swaps	-	-	-	-	-	2,476	2,476
Capital expenditure on investment properties	372	367	1,103	16	18	-	1,876
Impairment of goodwill	-	-	-	-	-	(1,200)	(1,200)
Gain on disposal of investment property	-	2,416	-	-	-	-	2,416
Share of associate's profit/(loss)	-	-	-	-	-	955	955
Profit/(loss) Before Tax	(6,058)	7,004	(2,908)	(2,063)	(10,749)	12,622	(2,152)

31 December 2009	JPT TK \$'000	JPTS TK \$'000	JPTD TK \$'000	JPTC TK \$'000	JPTA TK \$'000	Australia and Consolidation adjustments \$'000	Total \$'000
Segment reporting note							
Net operating cash flows from investment properties	10,262	10,634	7,103	9,082	6,385	-	43,466
Capital expenditure on investment properties	(293)	(801)	(896)	-	-	-	(1,990)
Asset management and base fees paid	(969)	(1,084)	(706)	(990)	(704)	(1,142)	(5,595)
Interest payments	(1,164)	(1,779)	(2,789)	(1,884)	(3,198)	-	(10,814)
Accounting and administration	(220)	(245)	(214)	(114)	(225)	(753)	(1,771)
Realised foreign exchange gains	-	-	-	-	-	1,041	1,041
Adjusted Operating Cashflow	7,616	6,725	2,498	6,094	2,258	(854)	24,337
Reconciliation to PBT:							
Adjusted Operating Cashflow	7,616	6,725	2,498	6,094	2,258	(854)	24,337
Fair value adjustment to investment properties	(17,142)	(8,437)	(8,922)	(22,348)	(16,652)	-	(73,501)
Unrealised gain/(loss) on derivatives	-	-	-	-	-	11,373	11,373
Unrealised FX gain/(loss)	-	-	-	-	-	(3,643)	(3,643)
Movements in accruals and prepayments	(16)	(227)	(352)	1,051	212	5	673
Amortisation of borrowing costs	(107)	(260)	(257)	(244)	(279)	-	(1,147)
Financing income	-	-	-	-	-	91	91
Interest received on cross currency swaps	-	-	-	-	-	3,035	3,035
Capital expenditure on investment properties	293	801	896	-	-	-	1,990
Share of associate's profit/(loss)	-	-	-	-	-	(607)	(607)
Profit/(loss) Before Tax	(9,356)	(1,398)	(6,137)	(15,447)	(14,461)	9,400	(37,399)

The amounts provided to the chief operating decision maker with respect to the total assets and liabilities are measured in a manner consistent with that of the financial statements and as such no reconciliation is required.

31 December 2010	JPT TK \$'000	JPTS TK \$'000	JPTD TK \$'000	JPTC TK \$'000	JPTA TK \$'000	Australia and Consolidation adjustments \$'000	Total \$'000
Total Segment Assets and Liabilities							
Investment properties	320,906	273,455	206,429	305,433	179,902	-	1,286,125
Total Segment Assets	344,417	301,306	218,909	325,584	189,745	46,798	1,426,759
Total Segment Liabilities	(189,051)	(183,450)	(229,165)	(257,738)	(248,262)	(21,000)	(1,128,666)

30 June 2010	JPT TK \$'000	JPTS TK \$'000	JPTD TK \$'000	JPTC TK \$'000	JPTA TK \$'000	Australia and Consolidation adjustments \$'000	Total \$'000
Total Segment Assets and Liabilities							
Investment properties	363,557	357,372	230,915	342,483	210,668	-	1,504,995
Total Segment Assets	390,267	388,588	245,671	364,173	222,202	49,628	1,660,529
Total Segment Liabilities	(212,378)	(263,094)	(253,076)	(283,542)	(275,031)	(34,476)	(1,321,597)

JPT Direct Co. Ltd and JPT August Co. Ltd are in a net liability position as at 31 December 2010, however the bank loans are non-recourse beyond the relevant TK. The Astro Group is not liable to make up any deficit between net liabilities and the loan amount except to the extent that AJT has a contingent liability, arising from obligations under the loan agreements entered into by the TK Operators, to make additional equity contributions to refund security deposits to tenants where the TK has insufficient cash to meet this obligation.

31 Dec 10 \$'000	30 Jun 10 \$'000
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10. Commitments and contingencies

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Investment property

Payable:

Within one year	1,316	-
	1,316	-

31 Dec 10 30 Jun 10
\$'000 \$'000

The Astro Group has non-cancellable leases in respect of the office premises and office equipment. Both leases are for a duration of 5 years and are classified as Operating Leases. The minimum lease payments are as follows:

No later than 1 year	117	112
Later than 1 year and no later than 5 years	347	374
Total lease commitments	464	486

In the opinion of the Directors of the Responsible Entity there were no contingent assets or contingent liabilities at the end of the reporting period.


11. Events occurring after the reporting period

The Directors are not aware of any matter or circumstance occurring since 31 December 2010 not otherwise dealt with in the financial report that has significantly or may significantly affect the operations of the Astro Group, the results of those operations, or the state of affairs of the Astro Group in subsequent financial years.

- 1 In the opinion of the Directors of Astro Japan Property Management Limited, the Responsible Entity of Astro Japan Property Trust (AJT):
- a) the Financial Statements and Notes set out on pages 4 to 15 are in accordance with the *Corporations Act 2001* (Cth), including:
 - i) giving a true and fair view of the financial position of the Astro Japan Property Group as at 31 December 2010 and of its performance for the half year ended 31 December 2010; and
 - ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) there are reasonable grounds to believe that AJT will be able to pay its debts as and when they become due and payable.

Dated 25 February 2011.

This declaration is made in accordance with a resolution of the Directors.



F A McDonald
Director
Astro Japan Property Management Limited in its capacity as
Responsible Entity of Astro Japan Property Trust



Independent auditor's review report to the stapled security holders of Astro Japan Property Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Astro Japan Property Trust (the Trust), which comprises the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration for the Astro Japan Property Group (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled during the half-year, including Astro Japan Property Group Limited and its controlled entity.

Directors' responsibility for the half-year financial report

The directors of Astro Japan Property Management Limited, as responsible entity for the Trust, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Astro Japan Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Trust for the half-year ended 31 December 2010 included on Astro Japan Property Group's web site. The directors of Astro Japan Property Management Limited, as responsible entity of the Trust, are responsible for the integrity of the Astro Japan Property Group web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data

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Independent auditor's review report to the stapled security holders of Astro Japan Property Trust (continued)

communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Astro Japan Property Trust is not in accordance with the *Corporations Act 2001* including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

TJO Peel

TJO Peel
Partner

Sydney
25 February 2011