Galileo Japan Funds Management Limited
(ACN 121 567 244) (AFSL 305 429)
as Responsible Entity for Galileo Japan Trust
(ARSN 122 465 990)

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19 December 2007

ASX / Media Release

GALILEO JAPAN TRUST
MARKET UPDATE ON DEBT POSITION AND INCOME HEDGES

Please find attached a Galileo Japan Trust (ASX code: GJT) announcement relating to GJT's debt profile and income hedges.

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About Galileo Japan Trust

The Trust is listed on the Australian Securities Exchange with an indirect interest in a portfolio of 26 Japanese Real Estate investments valued at approximately ¥92.8 billion (approximately A$947 million) [1]. The combined portfolio is diversified by both sector and geography, however, retains a bias to Tokyo.

Further information on Galileo Japan Trust is available at www.galileofunds.com.au/Japan

1 Translated at ¥/A exchange rate of ¥98 and includes Nara 2 which is scheduled to settle 31 January 2008

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MARKET UPDATE ON DEBT POSITION AND INCOME HEDGES

Galileo Japan Funds Management Limited, as responsible entity for the Galileo Japan Trust (GJT), wishes to provide the following information in relation to existing borrowings of GJT as at 30 November 2007.

	¥ Billion	Maturity	Interest Rate
Senior Debt	45.2	July 2012	Fixed with various swaps
Senior Debt	4.3	Dec 2009	Floating – 3m LIBOR
Subordinated Debt	2.6	Nov 2008	Floating – 3m LIBOR
Total	52.1		

- GJT's total debt outstanding at 30 November 2007 is ¥52.1 billion (approximately A$532 million)
- Of the total amount outstanding 87% is fixed using interest rate swaps with a weighted average term of 4.0 years, while the ¥45.2 billion facility itself has a term of 4.6 years remaining
- The weighted average interest rate for the fixed rate portion under the interest rate swaps is 1.96%
- GJT does not have any interest rate swaps maturing until the 2011 financial year, during which 18% of the swaps mature
- GJT gearing at 30 September 2007 on a consolidated and "look through" basis was 53.7%
- GJT protects its trust distributions using forward income hedge contracts. The current income hedge profile for GJT is a 100% hedge position through June 2012 and a weighted average hedge position of approximately 66% for the period from December 2012 through December 2016