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4 July 2008

ASX / Media Release

GALILEO JAPAN TRUST DEBT REFINANCING AND RENT REVIEW UPDATE

Please find attached a Galileo Japan Trust (ASX code: GJT) announcement regarding the refinance of short term borrowings and an update on successful rent review at Irifune Access Building, Tokyo.

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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 ¥95.1 billion (approximately A\$932.4 million)¹.

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

¹ Translated at ¥102.0

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**GALILEO JAPAN TRUST
DEBT REFINANCING AND RENT REVIEW UPDATE**

Galileo Japan Funds Management Limited (GJFML), as responsible entity for the Galileo Japan Trust (GJT), is pleased to announce the refinancing of short term borrowings scheduled to mature in September 2008, and provide an update on the rent review at Irifune Access Building, Tokyo.

Debt Refinancing

In October 2007, GJT acquired an indirect interest in Suroy Mall, Kumamoto funded by two separate loan facilities. The first facility is a senior loan maturing in 2012, which represents approximately 45% of the purchase price, with the balance funded by a subordinate loan with a term of 12 months maturing on 28 September 2008. The current blended rate for the two facilities is 2.6%.

Terms have been agreed with the lender to extend the maturity of the subordinate loan totalling ¥2.64bn (A\$25.9m) to September 2009. The new blended interest rate for the two facilities from 28 September 2008 is estimated to be approximately 4.6%. All terms relating to the senior loan component remain unchanged.

This refinancing represents 4.8% of GJT's total borrowings and increases the total weighted average cost of borrowings from 2.00% to 2.17%. A summary of GJT's borrowings after the refinance of the subordinate debt is as follows:

	¥ Billion	A\$ Million	% of Total Borrowings	Maturity
Senior loan	45.2	443.0	81.5%	Jul 2012
Senior loan	6.1	60.1	11.0%	Dec 2009
Subordinate loan	2.6	25.9	4.8%	Sept 2009
Subordinate loan	1.5	14.6	2.7%	Jan 2009
Total	55.4	543.6		

In respect of loan covenants, GJT remains well inside all loan to valuation and debt service coverage ratios and none of GJT's loan documents incorporate any review opportunity with reference to market capitalisation.

Rent Review

GJFML is pleased to confirm the successful completion of the rent review at Irifune Access, an office building in Central Tokyo. The review is for the whole building (642 tsubo/2,119m²) effective 10 July 2008 and the new rental equates to an increase of 15% or approximately ¥17.3 million per annum.

	Previous rent	New rent	Variance
Rent ¥ per tsubo per month	15,000	17,250	2,250
Rent ¥ per annum	115,560,000	132,894,000	17,334,000

Note: 1 tsubo equates to approximately 3.3 square metres

Chief Operating Officer Peter Murphy said, "The asset management team continues to deliver excellent results in respect of office rental growth and portfolio occupancy which has consistently remained over 98% since IPO. GJT's balance sheet remains strong with interest cover in excess of 3 times and a weighted average term to maturity of all GJT's loan facilities of 3.5 years as at 1 July 2008 following the extension of the Suroy Mall subordinated loan facility."

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