



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

Level 9,1 Alfred Street
Sydney NSW 2000 Australia
GPO Box 4760 Sydney NSW 2001
Telephone: (02) 9240 0333
Facsimile: (02) 9240 0300
ASX Code: GJT
Website: www.galileofunds.com.au

18 November 2008

ASX / Media Release

GALILEO JAPAN TRUST SEPTEMBER QUARTER 2008 OPERATIONAL UPDATE

Please find attached a Galileo Japan Trust (ASX code: GJT) update for the three months ended 30 September 2008.

Investor and media enquiries:

Peter Murphy
Chief Operating Officer
Phone: +61 2 9240 0308

Camelia Tan
Trust Analyst
Phone: +61 2 9240 0312

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 ¥94.8 billion (approximately A\$1.5 billion)¹. The 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 ¥63.4, the rate on 14 November 2008

For personal use only

18 November 2008

**GALILEO JAPAN TRUST
SEPTEMBER QUARTER 2008 OPERATIONAL UPDATE**

Galileo Japan Funds Management Limited ("GJFML") as responsible entity for Galileo Japan Trust (ASX code: "GJT") today provided the following operational update relating to the Trust for the three months ended 30 September 2008.

Despite slowing economic conditions both globally and in Japan, the portfolio has performed in line with forecast during the first quarter of FY09. Occupancy remains high at 97.5% (97.6% June 2008) and new leases and forward renewals in the office portfolio have resulted in increases in passing rentals.

Portfolio (by sector)	30 September 2008 % Leased Area	30 June 2008 % Leased Area	Change %
Office	99.8	98.6	1.1
Residential	90.7	91.7	(1.0)
Retail	98.7	98.8	(0.1)
Mixed Use	99.1	98.8	0.3
Industrial / Hotel	100.0	100.0	0.0
Total	97.5	97.6	(0.1)

Leasing activity in the office portfolio during the period can be summarised as follows:

	# of Leases	Area Tsubo*	New Rent ¥ pa	Old Rent ¥ pa	Change %
New Leases	6	520	155,730,000	122,170,000	27.5
Forward renewals	3	135	39,910,000	36,335,000	9.8

* One tsubo equates to approximately 3.3 square metres

The majority of the leasing activity during the period was at Seishin an office building in Shinjuku, Tokyo. Four new leases were completed within the property for a total area of 471 tsubo (1,553 square metres). The average increase in passing rent equates to approximately 29.0%. All three forward renewals completed in the period also relate to Seishin.

In the three month period to 30 September 2008 cancellation notices have been received relating to an area of approximately 531 tsubo (1,752 square metres) or 0.8 % of the total portfolio. This may result in additional vacancy in the period through till 30 June 2009. Assuming all the area subject to cancellation notices remains vacant from the date of expiry to 30 June 2009 the total gross rental equates to approximately ¥26.7 million or 0.5% of gross property income.

For personal use only

Chief Operating Officer, Peter Murphy said, "Vacancy in the Central Tokyo office market has been slowly increasing during the past six months and reached 4.07%² as at 30 September 2008. Whilst growth in passing rentals is still being achieved in GJT's office portfolio the expectation is for the rate of growth to slow in the period ahead at least until vacancy rates stabilise."

The portfolio continues to benefit from a bias toward the Central Tokyo office market where fundamentals remain relatively strong. Approximately 34% of the portfolio is subject to long term "non-cancellable" leases which typically relate to retail assets. These leases have a weighted average term to maturity of 13 years and combined with the strength of the Tokyo office portfolio provides a sound and relatively predictable cash flow in the period ahead.

² Miki Shoji – Tokyo office building market research report (October 2008)