



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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ASX / Media Release

GALILEO JAPAN TRUST CAPITAL MANAGEMENT UPDATE

Please find attached a Galileo Japan Trust (ASX code: GJT) announcement.

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About Galileo Japan Trust

The Trust is listed on the Australian Stock Exchange with an indirect beneficial interest in a portfolio of 26 Japanese Real Estate investments valued as at 31 December 2008 at approximately ¥88.2 billion (approximately A\$1.12 billion)¹. The portfolio is well diversified by both sector and geography while retaining a strong bias to Greater Tokyo.

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

¹ A\$/¥ exchange rate of ¥78.82 as at 11 June 2009



11 June 2009

**GALILEO JAPAN TRUST
CAPITAL MANAGEMENT UPDATE**

Galileo Japan Funds Management Limited ("GJFML"), the responsible entity for the Galileo Japan Trust ("GJT" or "the Trust"), provides the following update on capital management.

GJFML continues to discuss financing initiatives with the Japanese lender and alternate lenders to meet its financial commitments.

We informed the market on 2 March 2009 that the Japanese lender had given notice to trap cash in the Japanese operations and apply it to repay outstanding loan principal. This was confirmed in our release of 30 April 2009.

Under the loan documents the borrower is required to reserve a minimum cash balance for tenant security deposits. The cash trap has restricted cash available to fund the operations in Japan and, in particular, has caused the balance in the tenant security deposit reserve account to fall below the required minimum.

As a result the Japanese lender has notified the borrower as follows:

- The balance in the tenant security deposit reserve account must be increased by ¥47m (approximately A\$596,000) by 1 July 2009; and
- A further amount of approximately ¥515m (approximately A\$6.53m) must be paid into the tenant security deposit reserve account within 60 days of 1 July 2009. GJFML is seeking clarification of this last requirement as it is a departure from past practice.

If not rectified by the due dates, these matters can result in an event of default under the loan documents. In this event, the lender has the right to accelerate the maturity date for repayment and/or foreclose upon and sell properties held as security for the loan.

GJFML is actively considering options to source the funding required, however at this stage there is no assurance that this will be achieved.

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