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(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

**REVISED BUSINESS STRATEGY - REFINANCING TERMS AGREED WITH SENIOR AND NEW
MEZZANINE LENDER, AND CAPITAL STRUCTURE STABILISED**

Please find attached a Galileo Japan Trust (ASX code: "GJT") announcement relating to the Trust's annual financial results for the year ended 30 June 2009.

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About Galileo Japan Trust

The Trust is listed on the Australian Securities Exchange with an indirect beneficial interest in a portfolio of 26 Japanese Real Estate investments valued at approximately ¥76.7 billion (approximately A\$988¹ million). The portfolio is 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 AUD/JPY exchange rate of ¥77.65 as at 30 June 2009

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**GALILEO JAPAN TRUST
REVISED BUSINESS STRATEGY - REFINANCING TERMS AGREED WITH SENIOR AND NEW
MEZZANINE LENDER, AND CAPITAL STRUCTURE STABILISED**

Galileo Japan Funds Management Limited ("*GJFML*"), the responsible entity for the Galileo Japan Trust ("*GJT*" or "*Trust*"), today announced the Trust's annual result for the year ended 30 June 2009. GJT's FY09 performance has been severely affected by the cumulative impact of a significant and rapid deterioration of markets to which GJT has exposure. In particular GJT experienced a declining property asset market, volatile foreign exchange markets and constrained debt/equity markets.

In this difficult environment, Galileo Japan KK ("*GJKK*") has pursued an extensive global search for alternative sources of capital to manage breaches of covenants relating to its debt and derivative facilities to stabilise GJT's capital structure.

GJFML can now confirm that documents have been executed relating to a refinancing ("*Refinancing Terms*") with its senior lender, Shinsei Bank ("*Senior Lender*"), and a new mezzanine lender Forum Partners ("*Forum*"). In addition, all of the Trust's existing forward foreign exchange and cross currency swap contracts ("*Derivative Contracts*") have been terminated by the counterparty UBS AG ("*Derivative Counterparty*") and GJT has signed documents to convert the liability arising from that termination into a loan arrangement with the Derivative Counterparty

GJFML recognises that GJT unitholders have incurred a significant loss of value over the last 12 months which has been extremely disappointing. Despite this, the Refinancing Terms reflect the culmination of management's best efforts over an extended period to preserve unitholder value. Without the Refinancing Terms unitholders faced the real prospect of not being able to recover any value for their investment.

In accordance with the stabilised capital structure now achieved, a revised business strategy has been adopted for GJT to maximise potential returns to unitholders.

Key points relating to this announcement are as follows:

Annual Results FY09

- Property net income up 4.3% to ¥4.53 billion (A\$60.9 million)²
- Funds from operations³ of A\$33.3 million equating to 8.21 cents per unit ("*cpu*")
- Net tangible assets of 52 cpu, 42% lower than June 2008
- FY09 distribution of 0.025 cpu

Portfolio Performance

- Underlying property portfolio continues to perform in line with expectations
- Portfolio occupancy remains high at 95.4% (97.6% at June 2008)
- Market conditions more challenging, vacancies higher, market rents lower, yields have increased
- Revaluation of entire portfolio by Savills Japan KK with the carrying value of the portfolio reducing 13% from ¥88.1 billion at 31 December 2008 to ¥76.7 billion at 30 June 2009
- Overall passing income steady, some increases in passing rents for new office leases offset by negative reversion on lease renewals for certain existing tenancies

² AUD/JPY average rate of ¥74.29 for the year ended 30 June 2009

³ Funds from operations represents net profit attributable to unitholders adjusted for unrealised gains and losses and amortisation expense

Debt Refinancing

- Terms agreed and documents executed with Senior Lender, including term extension, increased margin, partial repayment of principal and mandatory amortisation
- Terms agreed and documents executed with Forum⁴ investing ¥11.0 billion via mezzanine bonds and convertible bonds to repay September and December 2009 loan maturities, reduce outstanding loan principal to Senior Lender and provide working capital
- The Refinancing Terms have resulted in the following key changes:-
 1. No loan maturity before December 2012
 2. No loan to value covenant test in any loan facility
 3. No cash distributions to GJT unitholders until Forum and Derivative Counterparty debt have been fully repaid
 4. Convertible bonds, convertible into 40% of TK equity currently held by GJT following the full repayment of the mezzanine bonds
 5. Alterations to Australian and Japanese management arrangements

Foreign Exchange Derivative Contracts

- Derivative Counterparty exercised early termination rights on 24 August 2009
- Out of the money liability at termination of A\$57 million¹ (¥4.4 billion)
- Conversion to ¥ denominated 5 year capitalising term loan facility with GJT
- No mandatory amortisation requirement prior to maturity
- No financial covenant tests

Revised Business Strategy

- GJKK has a clear revised strategy to complete an orderly sale of assets which is expected to occur over a period of 2 to 4 years to optimise GJT unitholder returns
- No income distributions to GJT unitholders until Forum and Derivative Counterparty debts have been fully repaid
- Surplus cash flow, if any, will be utilised to reduce liabilities
- Optimise capital return by continued strong focus on asset management and leasing

Changes to Arrangements with Management

- Permanent waiver of any base responsible entity or performance fees for GJFML
- No financing fee payable to GJKK on the Refinancing Terms
- Post refinancing operating expenses capped at A\$50,000 per month will be recovered and paid only after all outstanding obligations to Forum and Derivative Counterparty have been fully repaid
- Introduction of Asset Management Incentive Fee ("*AMIF*") payable to GJKK via a reduction in Forum's entitlement (subject to satisfaction of certain performance hurdles)

⁴ **Forum Asian Realty Income II, L.P.**

Forum Asian Realty Income II, L.P. is managed by Forum Partners, a global real estate investment management firm, which together with its affiliate Forum Securities Limited, manages over US\$2 billion of capital on behalf of institutional and individual investors worldwide. Forum Partners provides restructuring capital and market expertise to small and mid-size real estate companies that are traditionally underserved in the capital markets. Since its establishment in 2002, Forum Partners has managed investments in over 70 companies in 21 countries in Asia, Europe and North America. Forum Partners, together with Forum Securities, has over 70 employees based in offices in London, Hong Kong, Beijing, Toronto, Santa Fe, New Mexico and Greenwich, Connecticut.

Further information on Forum Partners is available at www.forumpartners.com

Outlook

- Stable capital structure will facilitate the execution of the revised business strategy
- GJT will be primarily a capital return investment, with GJKK working to maximise the capital return for unitholders
- Given additional interest costs post the Refinancing Terms, GJT is not expected to have taxable income

Annual Results FY09

Financial Performance

Galileo Japan Trust today announced underlying funds from operations for the year ended 30 June 2009 of A\$33.3 million (8.21cpu), 5.0% below the previous corresponding period ("*pcp*"). The decrease compared to the pcp was primarily due to a realised foreign exchange loss relating to the early settlement of foreign currency hedges. The result was underpinned by net property income of A\$60.9 million (¥4.53 billion), 4.3% above pcp.

A net loss after tax of A\$251.6 million was reported for the full year inclusive of non-cash items of a A\$218.6 million devaluation of the property investment portfolio and a A\$74.9 million unrealised loss on the mark to market of derivative hedge book.

A final distribution for FY09 of 0.025 cpu was paid on 31 August 2009. This represents the only distribution made to GJT unitholders for the 2009 financial year and is substantially less than the funds from operations of 8.21 cpu.

In the six month period to 31 December 2008, earnings were retained to repay in full a loan maturity in January 2009 and subsequently the Senior Lender in Japan has trapped cash in the Japanese TK and applied that cash to reduce GJT's senior loan principal outstanding.

Balance Sheet

The Trust's Total Assets increased during the period by 5.5% to approximately A\$1.05 billion. This was primarily driven by an appreciation of the ¥ against the A\$ and cash retained by the Senior Lender.

The Trust's NTA decreased 42% during the 12 months ended 30 June 2009 to 52 cpu with the revaluation losses partially offset by gains on the appreciation of the ¥ against the A\$.

GJT's debt to total assets was 65.8% as at 30 June 2009, higher than the pcp primarily due to property devaluations. GJT's total liabilities to total assets was 79.7% as at 30 June 2009. The movement of GJT's gearing over FY09 resulted in it exceeding covenants in its financing facilities and which necessitated entering into the Refinancing Terms.

Property Revaluations

In recognition of changing market conditions and to facilitate the Refinancing Terms, GJKK appointed independent valuers to revalue the entire property portfolio as at 30 June 2009 resulting in a new independent valuation of ¥76.7 billion. This represents a decline of approximately ¥11.4 billion, a decrease of 13% from 31 December 2008 and a decrease of 18% since 30 June 2008. The weighted average capitalisation rate adopted for the current valuations equates to 6.00% compared to 5.20% as at 30 June 2008. The revaluations of the Trust's office assets in particular have also been negatively impacted by a reduction in assessed market rentals due to increasing vacancy rates over the past 12 months.

A summary of the movements from 31 December 2008 to 30 June 2009 is presented in the table below.

	Property	Prefecture	Book Value 31 Dec 2008 (¥bn)	Book Value 30 June 2009 (¥bn)	Mvmt (%)
OFFICE					
1	Seishin	Tokyo	9.3	8.4	(9.2)
2	Tsukasacho	Tokyo	4.7	3.7	(21.2)
3	Takadanobaba Access	Tokyo	4.2	4.1	(1.9)
4	Kanda NK	Tokyo	5.3	4.2	(20.2)
5	Azabu Amerex	Tokyo	3.4	2.4	(27.8)
6	Hiei Kudan	Tokyo	2.5	2.2	(8.6)
7	Irifune Access	Tokyo	2.1	2.0	(4.3)
8	Doshoumachi	Osaka	0.9	0.8	(11.9)
9	Nara 2	Kanagawa	3.1	2.5	(21.1)
Total/ Average			35.3	30.3	(14.1)
RETAIL/LEISURE					
10	Shinbashi Redbrick	Tokyo	4.5	4.3	(4.9)
11	Daimyo 247	Fukuoka	2.0	1.2	(36.4)
12	Kishiwada	Osaka	10.3	9.2	(10.8)
13	Seiyu Minakuchi	Shiga	4.3	3.7	(12.9)
14	Suoy Mall, Fukuoka	Fukuoka	8.7	7.5	(12.9)
15	Suoy Mall, Kumamoto	Kumamoto	4.3	4.0	(7.0)
Total/ Average			34.0	30.0	(11.8)
RESIDENTIAL					
16	Shiroi	Chiba	2.7	2.3	(14.8)
17	Matsuya Residence Sekime	Osaka	2.3	1.9	(16.0)
18	Royalhill Sannomiya II	Kobe	1.8	1.5	(19.1)
19	Imazato	Osaka	1.2	1.0	(12.9)
20	Prejeal Utsubo	Osaka	0.9	0.8	(12.4)
Total/ Average			8.8	7.4	(15.5)
MIXED USE					
21	Lions Square	Saitama	2.3	1.9	(18.7)
22	Confomall	Sapporo	1.5	1.4	(6.2)
23	Itabashi Belle Maison	Tokyo	1.4	1.3	(6.4)
Total/ Average			5.2	4.5	(11.8)
INDUSTRIAL					
24	Funabashi Hidan	Chiba	2.0	1.8	(11.0)
25	Funabashi Hi-Tech	Chiba	0.9	0.8	(7.7)
Total/ Average			2.9	2.6	(10.0)
HOTEL					
26	Asakusa Vista Hotel	Tokyo	2.1	1.9	(9.3)
Total/ Average			2.1	1.9	(9.3)
TOTAL PORTFOLIO			88.1	76.7	(13.0)

Note: Values may not add due to rounding

Portfolio Performance

Economic and real estate market conditions became extremely challenging throughout the period with consecutive quarters of negative GDP growth recorded in Japan, vacancies increasing and market rents declining. Despite these negative pressures the GJT portfolio continues to perform in-line with forecast. Occupancy remains high at 95.4% and passing rents have remained steady with some negative rent reversion on lease renewals to existing tenants offset by positive rent reversion on new office leases completed in the period.

The proportion of the portfolio represented by "non-cancellable" leases is currently 35% (by income) with the weighted average lease term to maturity on these leases approximately 13 years.

Debt Refinancing

Terms have been agreed and documented with the Senior Lender and Forum. The Refinancing Terms have extended GJT's debt maturity profile, with the first loan maturity not occurring until December 2012. This will stabilise the capital structure and allow execution of the revised business strategy.

In summary, Forum has contributed ¥11.0 billion to repay September and December 2009 loan maturities and to partially repay the loan principal outstanding to the Senior Lender (approximately ¥9.6 billion) with

the balance applied to working capital and transaction costs. Forum's ¥11.0 billion investment is structured as:

- ¥9.8 billion mezzanine bonds with both a cash and deferred interest coupon; and
- ¥1.2 billion convertible bonds with a deferred coupon, convertible into 40% of TK equity currently held by GJT following the full repayment of the mezzanine bonds (together the "**Bonds**")

The refinancing has resulted in no loan maturity before December 2012 and no loan to value covenants in any of the loan facilities. An important condition of Forum providing the capital to repay the Senior Loan principal is that no distributions will be made to GJT unitholders until the Bonds are fully repaid. Any surplus cash flow after satisfying the interest and amortisation components of the new loan facilities will be retained in the Japanese TK and used to repay the Bonds principal.

Forum has agreed there will be adequate cash distributed from the Japanese TK to GJT to ensure the Trust's operating costs continue to be met.

Commenting on the Refinancing Terms, Managing Director and CEO of GJFML Mr Neil Werrett, said, "The Refinancing Terms reflect an extensive process, where both equity and debt based solutions have been widely investigated in extremely difficult capital market conditions. The refinancing provides the best available outcome for GJT unitholders in the circumstances. It will provide a stable capital structure, which we believe will generate the best prospect of optimising capital returns for unitholders through an orderly asset sale program."

The following table outlines the key features of each of the loan facilities under the Refinancing Terms.

FACILITY	KEY TERMS OF FACILITY
Senior Loan A Shinsei Bank	¥43.5 billion (A\$560 million ¹) (currently ¥54 billion/A\$695 million ¹) Term extension to December 2012 Increased margin from 59 basis points to 175 basis points Mandatory amortisation of 2.3% per annum of outstanding loan principal (~¥1.0 billion (A\$12.9 million ¹) in year 1) No LTV covenant, DSCR covenant 1.5x
Mezzanine Bonds Forum Partners	¥9.8 billion (A\$126 million ¹) Term of 5 years 10.0% per annum, cash coupon payable quarterly and 5.0% per annum payment-in-kind (" PIK ") coupon accrued quarterly Restrictions on the Japanese TK and Sub-TKs incurring additional debt No DSCR or LTV covenants, no prepayment penalty
Convertible Bonds Forum Partners	¥1.2 billion (A\$15 million ¹) Term of 7 years with put option after 5 years 15.0% PIK coupon accrued annually Convertible into fixed 40.0% of TK equity currently held by GJT following the full repayment of Mezzanine Bonds Japanese TK not paying distributions to GJT (other than to cover operating expenses) until the Bonds are fully repaid or converted Restrictions on the Japanese TK and Sub-TKs incurring additional debt No DSCR or LTV covenants

Foreign Exchange Derivative Contracts

As advised on 2 March 2009 and subsequently on 12 August 2009, GJT's forward foreign exchange and cross currency swap contracts ("*Derivative Contracts*") have early termination and repayment provisions ("*Bermuda Option*").

The Derivative Counterparty elected under the Bermuda Option to terminate the contracts on 24 August 2009. It was subsequently agreed to convert the "out of the money" mark to market liability to a yen denominated loan with GJT. The main loan terms are summarised in the table below:

FACILITY	KEY TERMS OF FACILITY
Derivative Term Loan UBS AG	¥4.4 billion (A\$57 million ^{1,5}) Term 5 years from 18 September 2009 Interest rate – JPY LIBOR plus Applicable Margin Applicable Margin 5% per annum until the 3 rd anniversary, thereafter 10% per annum Interest will be capitalised quarterly to the Facility amount No DSCR or LTV covenants, no prepayment penalty

Revised Business Strategy

Until the full repayment of the Bonds issued to Forum and the facility with the Derivative Counterparty, the Japanese TK shall not pay any dividend distributions to the Trust, except funds required to cover the Trust's overhead expenses and required distributions for taxation purposes.

The Directors recognise that the absence of distributions until the repayment of Forum's Bonds is disappointing. However, we believe the best prospect of maximising the value of unitholders' current investment is through continued active management by GJKK, an orderly sale of assets and the subsequent wind-up of GJT.

Following the refinancing it is GJFML's expectation that there will be sufficient time for both property and credit markets to stabilise, and potentially improve, such that GJT unitholders realise a better outcome than if property sales were forced in the current environment.

Changes to Arrangements with Management

The significant amendments to GJT's financing structure and terms as well as the adoption of the revised business strategy, has resulted in a number of changes to the fees and cost recovery arrangements with management entities associated with GJT.

All existing arrangements with management other than those outlined below remain unchanged.

GJKK will be tasked with continuing to ensure the portfolio is managed proactively to best position assets to maximise disposal proceeds over time in the interest of unitholders.

GJFML has agreed to permanently waive all base responsible entity and performance fees in Australia. In lieu of these waivers, operating costs capped at \$50,000 per month will be recovered with payment deferred until after all outstanding obligations to Forum and the Derivative Counterparty have been met.

In addition, there is an Asset Management Incentive Fee ("AMIF") for GJKK whereby, provided the aggregate consideration following the sale of assets is greater than ¥67.5 billion net of any disposal fees, GJKK will be entitled to the AMIF. Importantly, the AMIF, if payable, will be funded 100% via a reduction in Forum's entitlement to 40% of the TK net equity currently held by GJT post the completion of the asset sale program (assuming conversion of Forum's convertible bonds). The AMIF is payable up to the 4th anniversary of the bonds issuance after which the entitlement lapses.

⁵ Counterparty terminated the contracts on 24 August 2009

Considerable costs have been incurred on behalf of the Trust during the last 12 months associated with the pursuit of alternate capital sources and ultimately implementation of the refinancing as outlined herein. The Refinancing Terms allow for partial recovery of these costs.

Outlook

GJT, post the refinancing, will be primarily a capital return investment as no cash distributions will be made to unitholders until the Forum and Derivative Counterparty facilities have been repaid from the sale of the portfolio. There are numerous factors that could have a material impact on the potential return of unitholders' capital at the completion of the asset sale program.

The following table is a simplified summary of potential asset sale proceeds, future loan repayment obligations and sensitivity of AUD/JPY spot rates to determine possible indicative capital returns to GJT unitholders after 4 years.

	AFTER 4 YEARS (SEPTEMBER 2013) ⁶		
	Exit at 10% discount to current book value ⁷	Exit at current book value	Exit at 10% premium to current book value
Forecast portfolio realisation (net of selling costs) (¥bn)	69.0	76.7	84.4
Less: Total Senior Debt obligations ⁸ (¥bn)	(39.7)	(39.7)	(39.7)
Less: Total Mezzanine Bonds obligations ⁸ (¥bn)	(11.9)	(11.9)	(11.9)
Less: Net Tenant Security Deposit liability (¥bn)	(3.2)	(3.2)	(3.2)
Estimated TK net equity (¥bn)	14.2	21.9	29.6
Less: TK Operator share (OEI) (¥bn)	(0.2)	(0.3)	(0.4)
Less: Forum share on conversion (¥bn)	(5.6)	(8.7)	(11.7)
Less: UBS Derivative liability (¥bn)	(5.8)	(5.8)	(5.8)
Australian TK contribution refund (¥bn)	2.6	7.1	11.7
Australian TK contribution refund at AUD/JPY 80 (A\$m)	33.6	90.3	146.9
Estimated proceeds per unit at AUD/JPY 80 (A\$)	0.08	0.22	0.36

Exchange rate sensitivity

Proceeds per unit at AUD/JPY 60 (A\$)	0.11	0.29	0.48
Proceeds per unit at AUD/JPY100 (A\$)	0.06	0.18	0.29

The projections above are provided on an indicative basis only and GJFML cannot, under any circumstances, provide any assurance that any of these projections will be realised, or that any capital return will be made to GJT unitholders following the sale of the property portfolio and repayment of all liabilities.

The Directors of GJFML and GJKK are being advised by Macquarie Capital Advisers. Further advice is being provided to the Directors by Greenwich Legal (as regards Australian legal matters) and by Moelis & Company in relation to the Refinancing Terms.

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⁶ Simplified summary – assumes constant exchange rate and application of all operating cash flows and asset sale proceeds to operating costs, debt servicing and repayment obligations

⁷ Current book value equates to the independent valuations completed as at 30 June 2009 for the portfolio

⁸ Net of senior debt amortisation and Forum Partners having converted Convertible Bonds