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25 June 2014

## **ASX / Media Release**

### **GALILEO JAPAN TRUST Asset sale - Lions Square**

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

#### **Investor and media enquiries:**

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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 21 Japanese Real Estate investments valued at approximately ¥57.56 billion as at 31 December 2013 (approximately \$603 million)<sup>1</sup>. 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](http://www.galileofunds.com.au)

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<sup>1</sup> All JPY amounts in this release have been translated at AUDJPY ¥95.5 the exchange rate as at 25 June 2014

25 June 2014

**GALILEO JAPAN TRUST**  
**Asset sale - Lions Square**

Galileo Japan Funds Management Limited (“GJFML”), as responsible entity of Galileo Japan Trust (ASX: GJT), today announced that the Japanese TK business has entered into an agreement to sell Lions Square, located in Saitama prefecture, Greater Tokyo for ¥2.385 billion.

The sale price represents a 32.5% premium to GJT’s last reported book value of ¥1.800 billion as at 31 December 2013, a value which was supported by an independent appraisal of the same date. The transaction will be accretive to GJT’s net asset value (“NAV”) and is consistent with the Trust’s strategy of divesting non-core assets in circumstances where capital can be recycled to enhance unitholder returns.

Financial close is scheduled to occur 23 July 2014 and therefore will have no impact on GJT’s estimated distribution of 7.0 cents per unit for the six months ending 30 June 2014. Net proceeds available to GJT are estimated to be ¥595 million (approximately \$6.2 million) derived as follows:

	¥ million
Sale price	2,385
TSD liability transferred	(116)
Senior loan repayment	(1,273)
Eurobonds repayment	(222)
Top up to TSD reserve	(150)
Released from trust bank reserves	34
Transaction costs	(45)
TK operator interest	(18)
<b>Net proceeds available to GJT</b>	<b>595</b>

Assuming financial close occurs, GJFML currently intends to conduct an on-market buy back of GJT units with some or all of the net proceeds. GJFML will make a final decision on how it plans to utilise the net proceeds (including whether or not it conducts a buy-back of GJT units) as soon as practicable after financial close.

Mr Peter Murphy, Chief Operating Officer of GJFML, said “The sale represents an attractive 32.5% premium to book value for this particular asset and reflects improving Japanese real estate market fundamentals particularly in Tokyo. However, this does not imply that all properties in the portfolio would attract a similar premium. This transaction enhances GJT’s NAV and delivers on the strategy to unlock value for GJT unitholders post the \$150 million recapitalisation completed in October 2013.”

**Lions Square property summary**

The property is a mixed use asset (supermarket, swimming school, and car park) located in Saitama prefecture, Greater Tokyo. The asset was built in 1998 and comprises a total net rentable area of 5,976 square metres and 641 car spaces.

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