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as Responsible Entity for Galileo Japan Trust  
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## ASX / Media Release

### GALILEO JAPAN TRUST

#### NOTICE RECEIVED FROM LENDER

Galileo Japan Funds Management Limited (**GJFML**), as responsible entity of Galileo Japan Trust (**ASX:GJT**), provides the following update relating to the notice received from lender, UBS, AG Australia Branch (UBS) (refer to announcement dated 24 August 2011).

GJFML was unable to provide UBS with copies of the documents requested by UBS as each of Shinsei Bank (**Shinsei**) and Forum Partners (**Forum**) declined to give GJFML consent to disclose copies to UBS (refer to announcement dated 8 September 2011). UBS refused to provide any information to assist in the process of seeking those consents.

UBS has now issued GJFML with a “notice of default, reservation of rights and investigation of default” (**Default Notice**) as UBS alleges:

- that GJFML has failed to perform an obligation under the loan agreement (**Facility**) with UBS (**Alleged Breach**); and
- GJFML has not remedied the Alleged Breach within 20 days of UBS’s initial notice and that accordingly an event of default under the terms of the Facility has occurred.

GJFML disputes the occurrence of any breach or of any event of default and, if necessary, will seek appropriate Court orders to protect the interests of GJT and its investors.

The Board of GJFML is extremely disappointed to have received this purported Default Notice from its former adviser UBS given:

1. GJFML could only have provided copies of the Shinsei and Forum documents to UBS by taking the very serious risk that Forum and/or Shinsei would consider such an act to be a breach of their facilities with Galileo entities in Japan;
2. UBS accepted to enter into the UBS Facility without at that time requiring access to copies of the Shinsei and Forum Documents; and
3. UBS’s understanding of the GJT structure, its extensive involvement in the creation of GJT and in the capital and swap structure of GJT including:
  - advising GJFML on the GJT IPO in 2006
  - acting as an underwriter to the IPO in 2006 and an underwriter of the later rights issue in 2007
  - being the counterparty to the forward foreign exchange and cross currency swap contracts.

In 2009 UBS insisted on terminating the swaps converting its position into a loan on the basis of a 5 year term and that any repayments to UBS before 5 years would be linked to sale proceeds as and when returned from Japan.

The Default Notice does not at this stage purport to accelerate the principal sum or exercise any rights other than to purport to appoint an investigating consultant to report to UBS on the affairs, financial conditions and business of GJFML. GJFML does not consider this appointment is legally justified and will treat the appointee as an adviser to UBS and has so informed UBS.

GJT will continue to keep the market informed of any material developments in relation to this matter.

**Investor and media enquiries:**

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Further information on Galileo Japan Trust is available at [www.galileofunds.com.au/Japan](http://www.galileofunds.com.au/Japan)