

FY13 Annual Results Presentation

29 August 2013

This presentation is a summary of the annual financial results and should be read in conjunction with the Trust's FY13 Annual Results Announcement dated 29 August 2013 and the Financial Report for the year ended 30 June 2013

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Annual Result FY13 – Key points

Financial results for the year ended 30 June 2013

- Funds from operations ("FFO")[1] a gain of A$8.8 million ($1.08 per unit) versus ("vs") prior corresponding period ("pcp") loss of A$0.47m ($0.06 per unit)
- Property net income ("NOI") on a like-for-like basis (adjusted for assets sold) was 0.2% higher in ¥ terms compared to pcp
- Overall NOI down 2.8% to ¥3.7 billion (A$41.2 million) vs pcp primarily due to asset sales
- Total liabilities to total assets was 89.4%[3] as at 30 June 2013 vs 88.7% as at 30 June 2012
- Portfolio value as at 30 June 2013 of ¥57.4 billion (A$626.1 million)[4], reflecting a reduction of 0.4% from 30 June 2012 on a like for like basis[5]
- Net tangible assets ("NTA") of A$68.3 million ($8.42 per unit), 21.1% lower than June 2012 ($10.67 per unit) primarily due to the reduction in portfolio value and weaker Japanese yen
- NTA as at 30 June 2013 assuming conversion of the convertible Eurobonds would be $4.59 per unit, 21.3% lower than at June 2012 ($5.83 per unit). The NTA per unit reflects the position using the 30 June 2013 Statement of Financial Position that has the foreign currency loan recorded at fair value of $39.1 million. The NTA per unit assuming conversion of the convertible Eurobonds and using the face value of the foreign currency loan ($43.6million) is $4.03 per unit, 13.7% lower than at 30 June 2012 ($4.67 per unit)

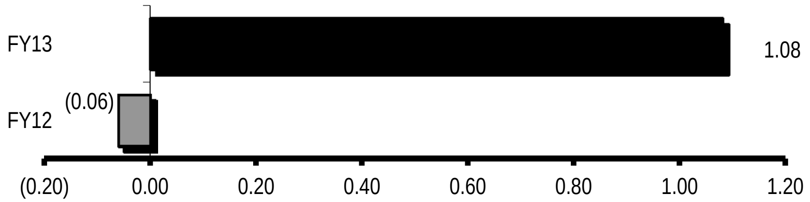
Portfolio performance

- Portfolio occupancy as at 30 June 2013 was 99.0% (30 June 2012: 98.8%)
- As at 30 June 2013, total office vacancy in the Tokyo CBD[6] was 8.46%[7], an improvement of 97 bps since 30 June 2012
- Average Tokyo office market rents continued to trend downwards with a decrease of approximately 2.5% since June 2012[7]

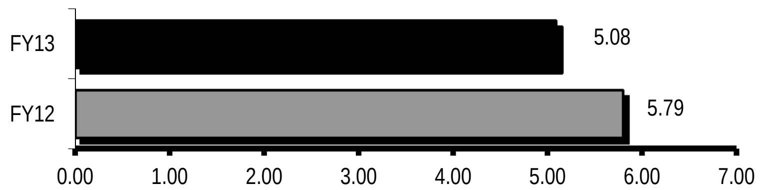
1. Funds from operations (FFO) represents net profit attributable to unitholders adjusted for unrealised gains and losses on financial instruments and property investments, gains and losses on asset sales and amortisation expense
2. Average AUD/JPY rate of ¥89.79 for the year ended 30 June 2013 (¥81.13 for the year ended 30 June 2012)
3. Restated to reflect the face value of the foreign currency loan the ratio is 90.1% (Refer to slide 7 for additional information)
4. AUD/JPY spot rate of ¥91.64 at 30 June 2013 (¥80.89 as at 30 June 2012)
5. Two properties were sold in March 2013 - Irifune and Itabashi Belle Maison
6. The central business district of Tokyo is represented by the five central wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku
7. Miki Shoji Co Ltd – Tokyo Office Building Market Research Report July 2013

Financial Results FY13

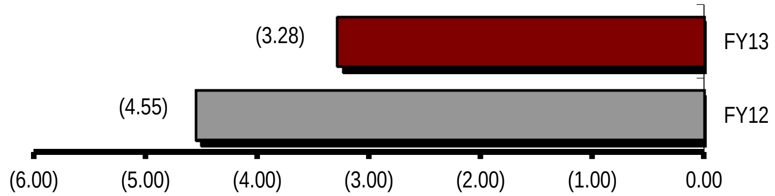
Funds from operations ($ per unit)



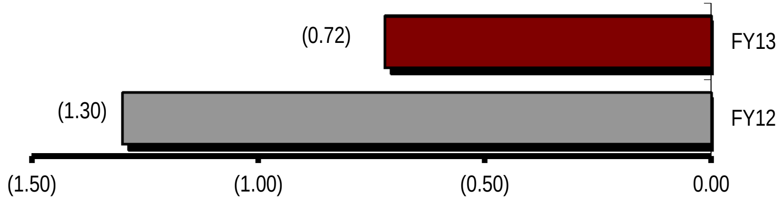
Property NOI ($ per unit)



Borrowing Costs ($ per unit)



Other net expenses ($ per unit)



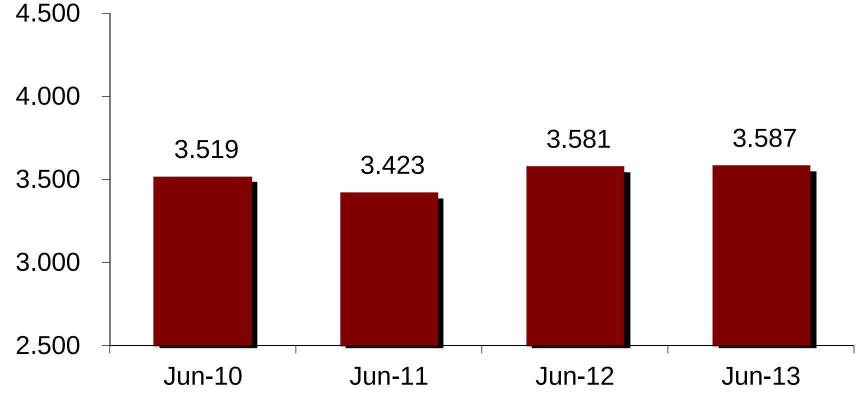
- Funds from operations ("FFO") for the period is a gain of $1.08 per unit, an improvement compared to pcp loss of $0.06 per unit primarily as a result of lower borrowing costs relating to the reduced outstanding balance of the senior bank loan facility, the maturity of all "out of the money" interest rate swaps on the senior loan and the partial repayment of Mezzanine Eurobonds following the sale of two assets in March 2013
- FFO does not include principal amortisation on the senior loan which in the twelve months ended 30 June 2013 amounted to $12.45 million or $1.54 per unit
- Property NOI for FY13 is consistent with FY12 on a like for like basis in ¥ terms, up 0.2%
- Decrease in other net expenses due to reduced asset management fees and other professional fees compared to pcp. Other professional fees in the pcp higher due to legal costs associated with the dispute over the foreign currency loan. Other net expenses for the current year also includes a credit of $1.88 million (0.23 cpu) relating to the reversal of the withholding tax provision from prior periods.

Property Net Income ("NOI")

Movement in NOI by Sector (current portfolio)[1]

	NOI FY12 ¥m	NOI FY13 ¥m	Movement (%)
Office	1,200	1,173	(2.3%)
Retail/Leisure	1,548	1,542	(0.4%)
Mixed Use	215	207	(3.7%)
Residential	490	509	3.9%
Industrial	128	156	21.9%
PORTFOLIO	**3,581**	**3,587**	**0.2%**

Net Property Income - current portfolio (¥ billion) [2]



- Office sector NOI decreased marginally reflecting a decrease in average passing rents. Occupancy in this sector has remained stable
- Decrease in the mixed use sector NOI mainly due to rent free incentives provided to existing tenants
- Residential sector NOI increased compared to prior year due to a higher average occupancy resulting in a reduction in makegood costs
- Industrial NOI in the pcp was impacted by rent free incentives provided to Funabashi Tesco and "one-off" repair and maintenance expenses incurred in Funabashi Hidan in FY12

1. FY12 NOI adjusted for the sale of properties (Shinbashi Redbrick, Daimyo 247 and Asakusa Vista Hotel). FY13 NOI adjusted for sale of FY13 properties (Itabashi Belle Maison and Irifune)
2. Current portfolio excludes properties sold since June 2009

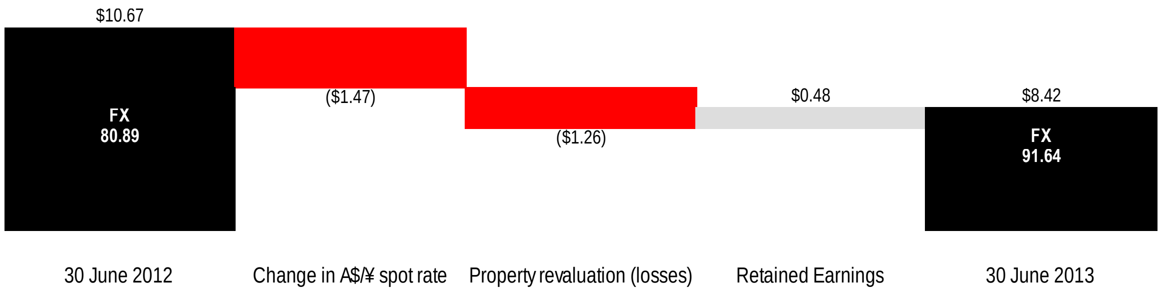
NTA movement

Adjusted NTA

	30 June 2011	31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013
NTA	$12.97	$10.29	$10.67	$8.29	$8.42
Adjusted NTA[1]	$6.21	$4.48	$5.83	$4.43	$4.59
Adjusted NTA[2]	N/A	N/A	$4.67	$3.62	$4.03

[1] Represents NTA adjusted for conversion of Convertible Eurobonds
[2] Represents NTA adjusted for conversion of Convertible Eurobonds and FX loan at face value

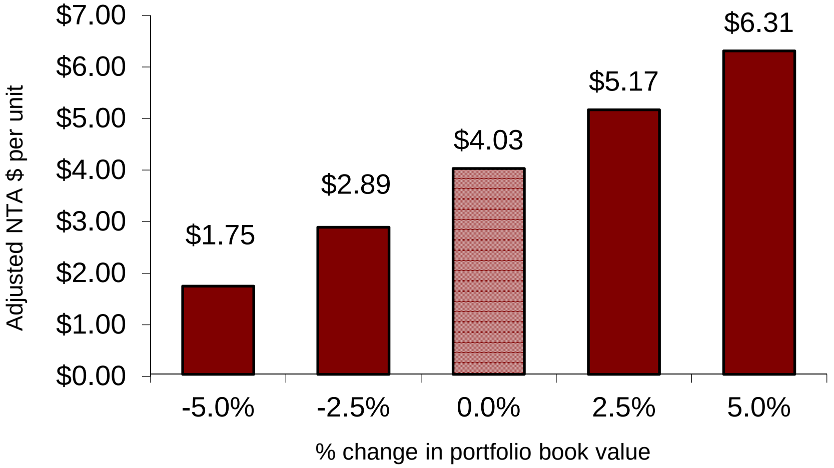
Movement in NTA for FY13



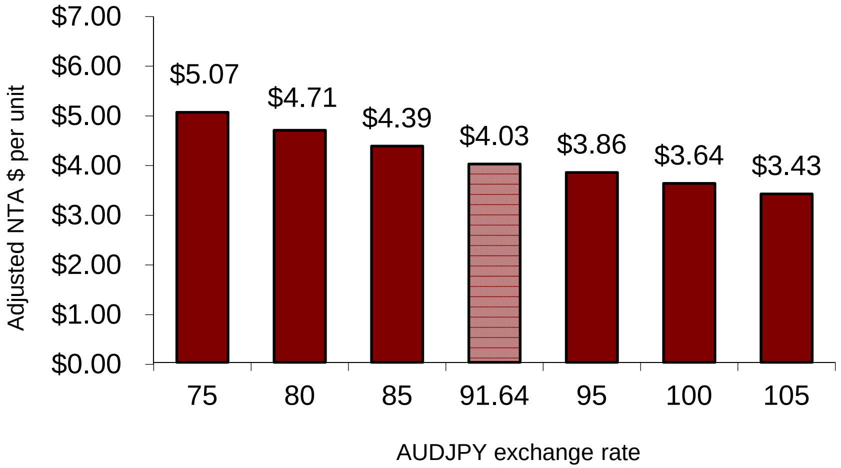
- NTA of $8.42 per unit, a decrease of 21.1% since 30 June 2012, primarily due to an adverse movement in the AUDJPY exchange rate, the write-down of two assets sold during the period and property revaluations
- Following full repayment of the Mezzanine Eurobonds, the Convertible Eurobonds may be redeemed, at the bondholder's option, for the then outstanding principal amount (including accrued interest) or converted into an interest in the Japanese TK equal to 40% of GJT's interest in the Japanese TK business. If this conversion had taken place at 30 June 2013 the NTA per unit of the Trust would have reduced from $8.42 per unit to $4.59 per unit ($5.83 per unit as at 30 June 2012). At this point in time it is unclear if, or when, the Convertible Eurobonds will be converted
- The NTA per unit reflects the position using the 30 June 2013 Statement of Financial Position that includes the foreign currency loan facility recorded at its discounted fair value of $39.1 million. The NTA per unit assuming conversion of the Convertible Eurobonds and using the face value of the foreign currency loan facility of $43.6 million is $4.03 per unit, a reduction of 13.7% since 30 June 2012 ($4.67)

NTA sensitivity – as at 30 June 2013

NTA sensitivity to revaluations



NTA sensitivity to AUDJPY exchange rate



The NTA above is calculated in accordance with Australian Accounting Standards and adjusted for the following:

- the conversion of the Convertible Eurobonds
- the foreign currency loan at its face value rather than its carrying value
- note the above analysis makes no allowance for selling costs

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Summary of borrowings / Eurobond issues

	Facility	Key Terms of Facility
Senior and Mezzanine Lender	Senior Bank Loan	¥36.6 billion (A$399.1million[1]) Term to March 2014 Margin - 175 basis points Mandatory amortisation of 300 basis points p.a. of outstanding loan principal (~¥1.08 billion (A$11.8 million[1])) No LTV covenant, DSCR covenant 1.5x (as defined)
	Mezzanine Eurobonds	¥8.1 billion[2] (A$88.2 million[1]) Term to September 2014 10.0% p.a cash coupon payable quarterly and 4.9% payment-in-kind (PIK) coupon accrued quarterly Restrictions on the Japanese Master TK and Sub-TKs incurring additional debt No DSCR or LTV covenants
	Convertible Eurobonds	¥2.0 billion[2] (A$22.3 million[1]) Term to September 2016 with put option in September 2014 15.0% p.a PIK coupon accrued annually Following full repayment of the Mezzanine Eurobonds, the Convertible Eurobonds may be redeemed, at the holder's option, in cash for the then outstanding principal amount (including accrued interest) or converted into an interest in the Japanese TK business equal to a fixed 40% of the Japanese TK business interest currently held by the Trust No DSCR or LTV covenants
Foreign currency loan	Foreign Currency Loan Galileo Finance Pty Ltd [3]	¥4.00 billion (A$43.6 million[1]) Fair market value as at 30 June 2013 of ¥3.6 billion (A$39.1 million)[1] Term to September 2014 Interest rate – Not applicable No DSCR or LTV covenants, no prepayment penalty

1. AUD/JPY spot rate of ¥91.64 as at 30 June 2013
2. Balance as at 30 June 2013 includes accrued PIK coupon
3. Galileo Finance Pty Limited is 50% owned by an entity controlled by Mr Neil Werrett (Chief Executive Officer and Executive Director of GJFML), with the other 50% owned by an entity controlled by Forum Partners (an affiliate of the note holder of the Mezzanine Eurobonds)

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Senior loan facility

Loan Covenant status as at 30 June 2013

Facility	Amount (¥bn)	Maturity	No of properties as security	Required (DSCR)	Actual DSCR at 30 June 2012	Actual DSCR at 31 Dec 2012	Actual DSCR at 30 June 2013
Senior Bank Loan	36.6	Mar 2014	20	1.50x	1.85x	1.89x	1.93x

- As at 30 June 2013, the actual DSCR under the senior loan document was 1.93x vs the covenant requirement of 1.50x
- The DSCR required under the senior loan document is calculated quarterly using a formula which makes specific allowances for the following:
    - Ongoing reserves for property taxes and insurance
    - Budgeted capital expenditure
    - Leasing commissions
    - Assumed interest rate constant of 4.5%[1]
- DSCR headroom for the senior loan facility for the quarter ended 30 June 2013 was ¥175m (approximately 14% of gross rental income relating to the security pool)
- GJKK continues to discuss refinancing options regarding this facility with the current senior lender and other financiers. However, there is no certainty that this loan facility will be refinanced.
- In the absence of a finalised agreement, there is material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. No adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts and classification of liabilities that might be necessary should the Trust not continue as a going concern.

1. This interest constant is fixed for the entire loan period.

Business strategy

- Until the full repayment of the Eurobonds and the foreign currency loan, the Japanese TK business will not pay any distributions, except where funds are required to cover the Trust's overhead expenses and required distributions for Australian taxation purposes
- The Directors continue to assess a range of alternatives that may be available to preserve and enhance unitholder value relative to the current trading price of GJT securities, including:
  - Refinancing with alternate lenders
  - Possible recapitalisation of the Trust's balance sheet
  - Sale of the portfolio and the ultimate wind-up of the Japanese TK business
- GJFML remains committed to identifying and implementing a strategy that secures the Trust's long term future
- GJFML cautions that successful implementation of these strategies involves considerable risk

Capital return sensitivity – portfolio sale

- Forecast future capital return to GJT unitholders is highly sensitive to a number of assumptions that cannot be accurately predicted
- Based on simplified assumptions, and subject to the key risks outlined in slides 26 and 27, the table below sets out the possible proceeds GJT unitholders may receive following a sale of the property portfolio and repayment of all liabilities

	Divestment (June 2013)		
	Exit at current BV	Implied portfolio value of $0.70 per unit	Implied portfolio value of $0.00 per unit
Portfolio realisation value (¥bn)	57.38	53.92	52.98
Less: selling costs (1.5%)	-	(0.81)	(0.79)
Sub-total (net proceeds)	57.38	53.11	52.20
Other net assets (¥bn)	1.61	1.61	1.61
Less: Senior bank loan debt obligations (¥bn)	(36.57)	(36.57)	(36.57)
Less: Mezzanine Eurobond debt obligations (¥bn)	(8.08)	(8.08)	(8.08)
Less: Net tenant security deposit liability (¥bn)	(2.44)	(2.44)	(2.44)
Estimated TK net surplus (¥bn)	11.89	7.62	6.71
Less: TK operator share (OEI) (¥bn)	(0.20)	(0.10)	(0.10)
Less: Forum share if converted (¥bn) - 40%	(4.70)	(3.00)	(2.60)
Less: Foreign currency loan (¥bn)[1]	(4.00)	(4.00)	(4.00)
Australian TK contribution refund (¥bn)	2.99	0.52	-
Australian TK contribution refund at AUD/JPY 91.64 (A$m)[2]	32.67	5.68	-
Estimated proceeds per unit at AUD/JPY 91.64 (A$)	**4.03**	**0.70**	**-**
Exchange rate sensitivity			
Proceeds per unit at AUD/JPY 80 (A$)	4.61	0.80	-
Proceeds per unit at AUD/JPY 100 (A$)	3.69	0.64	-

[1] Foreign currency loan stated at its face value of ¥4.0 billion

[2] Exchange rate as at 30 June 2013

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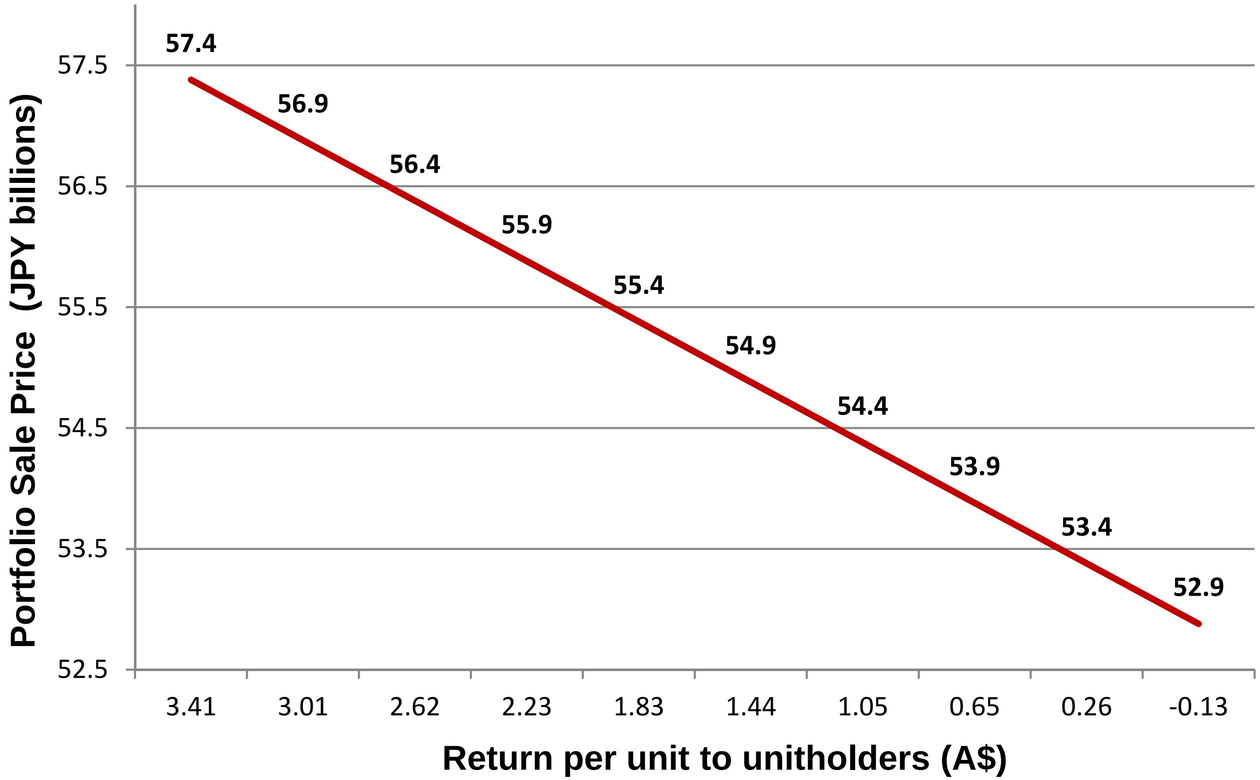
Capital return sensitivity – portfolio sale net of assumed selling costs[1]



- GJT's diluted NTA after adjusting for the conversion of the convertible Eurobond and the foreign currency loan at face value equates to $4.03
- Capital returns to unitholders reflecting a sale of the portfolio net of selling costs (assumed to be 1.5%) would be $3.41 at 30 June 2013
- Equity return is zero at an assumed sale price of ¥53.0 billion (7.7% discount to 30 June 2013 book value)

1. Assuming AUDJPY of 91.64 the rate applicable at 30 June 2013.

Portfolio and market update

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Portfolio update as at 30 June 2013

	30 JUNE 2012	30 JUNE 2013	CHANGE IN PERIOD
Number of properties	23	21	(2)
Total Portfolio book value (100% interest) (¥bn)	60.1	57.4	(2.7)
Net Rentable Area (sqm)	217,394	213,692	(3,702)
Occupancy (by area) (%)			
Office	98.4	98.6	0.2
Retail / Mixed Use	99.6	99.7	0.1
Residential	96.0	96.7	0.7
Industrial	100.0	100.0	-
Overall Portfolio	98.8	99.0	0.2
Number of leases[1]	180	183	3
Proportion of portfolio income (Std Japanese lease) (%)	64	63	-
Proportion of portfolio income (“non-cancellable”) (%)	36	37	-
Weighted ave. NOI Cap. Rate (%)	6.22	6.06	(0.16)
Average rent (¥/tsubo/ month)[2]	5,958	5,898	(60)
Average asset value (¥bn)	2.6	2.7	0.1

- High portfolio occupancy as at 30 June 2013 (99.0%). Overall slight improvement in portfolio occupancy by 0.2%
- Decrease in portfolio book value due to sale of two properties in FY 2013 – Irifune and Itabashi Belle Maison. Revaluation decrement on existing assets was 0.4% (¥0.23bn)

1. Number of leases excludes individual residential leases
2. Average rent for the portfolio represents rents on a fully leased basis adopting assessed market rents on current vacancies

Rental reversions summary as at 30 June 2013

OFFICE	# OF LEASES	AREA SQM	% OF OFFICE NRA	% CHANGE IN RENTAL
New leases	12	1,793	6.8	11.7
Lease renewals in period	55	13,181	50.1	(5.6)

RETAIL	# OF LEASES	AREA SQM	% OF RETAIL NRA	% CHANGE IN RENTAL
New leases	9	1,277	0.9	4.4
Lease renewals in period	16	2,019	1.5	7.5

- 57% of office space was subject to rent review during the period. Passing rents overall decreased by 5.4%. For lease renewals the main change in passing rents relates to the major tenant in Kanda NK with a decrease in rent of 9% (2,882sqm)
- Increase in rents in newly leased areas mainly due to lease of ground floor space (358sqm) in the Seishin building at significantly higher rent compared to the previous tenant
- Leasing activity has been minimal in the retail sector mainly due to the nature of the leases with a large proportion of fixed or non cancellable leases

Revaluation of the portfolio as at 30 June 2013

Book Value Summary[1]

	Book Value as at 30 June 2012 ¥bn	Book Value as at 30 June 2013 ¥bn	Movement June 12 & June 13
Office	23.70	22.35	(5.7%)
Retail/Leisure	22.60	22.15	(2.0%)
Mixed Use	4.15	3.15	(24.1%)
Residential	7.40	7.44	0.5%
Industrial	2.29	2.29	-
PORTFOLIO	**60.14**	**57.38**	**(4.6%)**

NOI Capitalisation Rate Summary

	Weighted Ave Cap Rate (%) as at 30 June 2012	Weighted Ave Cap Rate (%) as at 30 June 2013	Movement (%)
Office	5.44	5.34	(0.11)
Retail/Leisure	6.68	6.39	(0.29)
Mixed Use	6.79	6.94	0.16
Residential	6.79	6.63	(0.16)
Industrial	6.91	6.90	(0.01)
PORTFOLIO	**6.22**	**6.06**	**(0.16)**

- Overall movement in carrying value for the portfolio from June 2012 to June 2013 is a decrease of 4.6% or ¥2.76bn
- On a “like for like” basis adjusting for assets sold in FY2013, carrying value of the portfolio as at June 2013 represents a decrease of 0.4% (June 2013: ¥ 57.38bn, June 2012: ¥ 57.58bn)
- The 30 June 2013 value has been determined using independent valuations for 14 properties prepared by Savills Japan KK, representing approximately 57% of the portfolio. The independent valuation of these assets represented a reduction in carrying value of 0.3%
- The remaining 7 assets were independently valued by Savills Japan KK at 31 December 2012
- Overall NOI cap rates have decreased by 0.16bps

1. Refer to Appendix 1 for property by property detail

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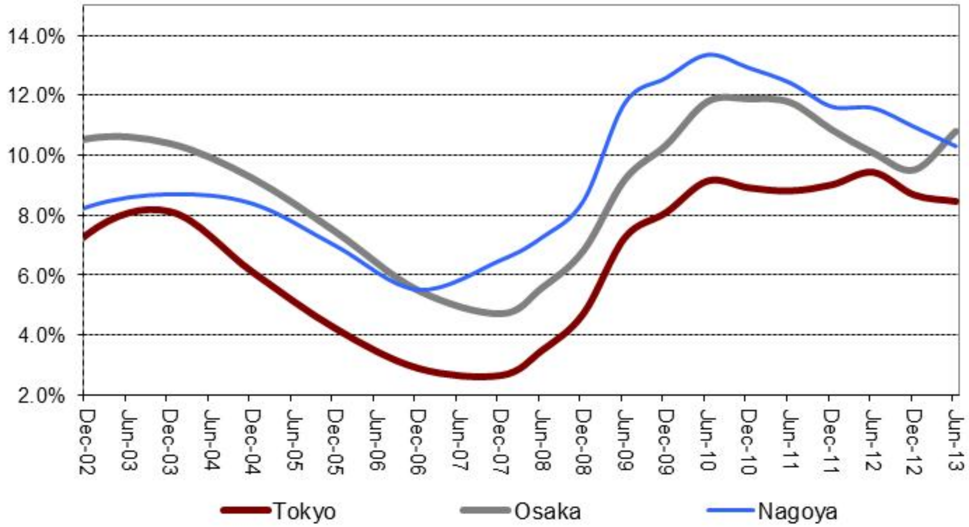
Japan - Real estate market

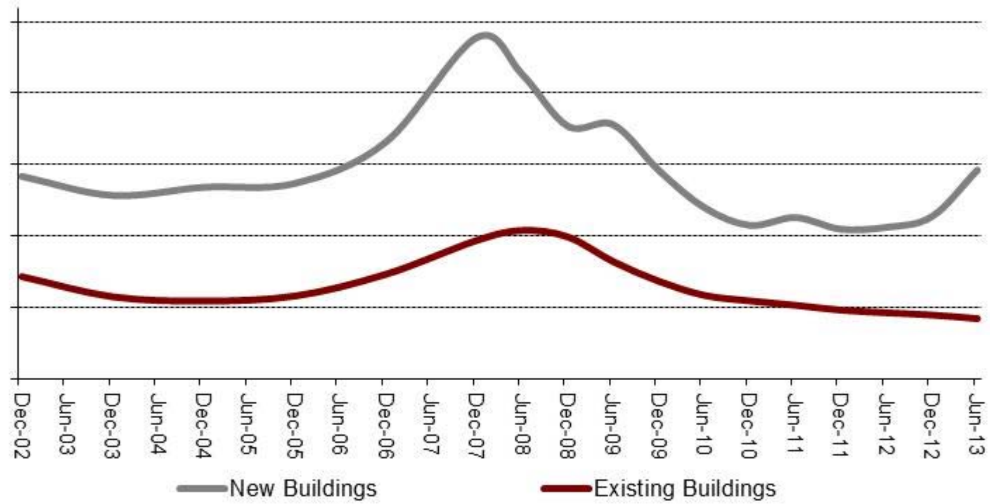
- As at 30 June 2013, the vacancy rate for the Tokyo CBD[1] area was 8.46%[2]. Both Tokyo and Nagoya vacancy rates have continued to trend downward. However, Osaka's vacancy rate has increased mainly due to the completion of a very large scale building (approximately 185,000sqm)
- Average market rents in the Tokyo CBD[1] for existing buildings have continued to trend down with a decrease of approximately 1.5% over the six months to 30 June 2013 and a decrease of 2.5% over the past 12 months

Office Vacancy – Japan's major CBD's



Source: Miki Shoji July 2013

Tokyo CFW office rents (¥/tsubo/month)



Source: Miki Shoji July 2013

1. CFW - The central business district of Tokyo is the five central wards of Tokyo: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku
2. Miki Shoji- Tokyo Office Building Market Research Report – July 2013

Appendix 1

Additional Information

Statement of funds from operations (FFO)[1]

	FY13 ACTUAL ¥'000	FY12 ACTUAL ¥'000
Net property income	3,700,351	3,808,456
Interest expense - Bank	(735,784)	(1,042,660)
Interest expense - Bonds	(1,656,427)	(1,719,618)
Finance cost amortisation	(44,618)	(182,331)
MTM gain on interest rate swap	34,215	338,727
Asset management fee	(393,443)	(419,391)
Other expenses	(105,724)	(235,113)
Loss on sale of investment property	(102,659)	-
Outside equity interest	(21,573)	(16,992)
Net income from TK Business	674,338	531,078
Exchange rate (¥/A$)	89.79	81.13
	A$'000	A$'000
Net income from TK business	7,571	6,546
Interest expense – foreign currency loan	-	(2,823)
Finance cost amortisation	-	(1,174)
Debt forgiveness relating to foreign currency loan	-	7,039
Fair value adjustment relating to foreign currency loan	-	10,037
Amortisation of fair value discount	(3,807)	(593)
Loss on property revaluations (net of minority interest share)	(10,097)	(39,521)
Other expenses	(1,896)	(2,321)
Net loss before tax	(8,229)	(22,810)
Withholding tax credit	1,877	-
Net loss after tax	(6,352)	(22,810)
Add FFO adjustments	15,124	22,341
Funds from operations	8,772	(469)
Funds from operations ($ per unit)	1.08	(0.06)
Distribution paid/ payable ($ per unit)	nil	nil

1 Funds from operations (FFO) represents net profit attributable to unitholders adjusted for unrealised gains and losses on financial instruments and property investments, gains and losses on asset sales and amortisation expense

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Statement of financial position as at 30 June 2013

	¥'000	A$'000
Current assets		
Cash and cash equivalents	3,335,146	36,394
Trade and other receivables	585,121	6,385
Total current assets	3,920,267	42,779
Non-current assets		
Investment property	57,380,019	626,146
Total non-current assets	57,380,019	626,146
TOTAL ASSETS	61,300,286	668,925
Current liabilities		
Trade and other payables	1,050,286	11,461
Borrowings	36,571,874	399,082
Tenant security deposits	483,493	5,276
Total current liabilities	38,105,653	415,819
Non-current liabilities		
Borrowings	13,650,786	148,961
Tenant security deposits	2,826,819	30,847
Other	208,023	2,270
Total non-current liabilities	16,685,628	182,078
TOTAL LIABILITIES	54,791,281	597,897
NET ASSETS	6,509,005	71,028
Non-controlling interest		(2,706)
NET ASSETS (attributable to unitholders)		68,322
Units on issue		8,111,332
NTA per Unit (A$)[2]		$8.42
Debt to assets ratio		81.9%
Total liabilities to total assets ratio		89.4%

1. Statement of financial position translated at AUD/JPY spot rate of ¥91.64 at 30 June 2013
2. NTA as at 30 June 2013 assuming the conversion of the convertible Eurobonds would be $4.59 per unit. The NTA per unit reflects the position using the 30 June 2013 Statement of Financial Position that has the foreign currency loan recorded at fair value of $39.1 million. The NTA per unit assuming conversion of the convertible Eurobonds and using the face value of the foreign currency loan ($43.6 million) is $4.03 per unit

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Book Values as at 30 June 2013

Property	Prefecture	Occupancy (%) 30 June 2013	Market Rents 30 June 2013[2] ¥/tsubo/month	Passing Rents 30 June 2013[2] ¥/tsubo/month	Book Value 30-Jun-12 (¥bn)	Book Value 30-Jun-13 (¥bn)	Mvmt (%)
OFFICE							
Seishin	Tokyo	100.0%	20,922	19,780	6.51	6.59	1.2%
Tsukasacho	Tokyo	100.0%	17,500	17,240	3.26	3.33	2.1%
Takadanobaba Access	Tokyo	100.0%	14,823	13,761	3.11	3.12	0.3%
Kanda NK	Tokyo	100.0%	18,213	17,808	3.35	3.27	-2.4%
Azabu Amerex	Tokyo	100.0%	16,486	14,659	1.82	1.87	2.7%
Hiei Kudan	Tokyo	100.0%	17,000	15,832	1.75	1.77	1.1%
Irifune Access	Tokyo	-	-	-	1.40	-	0.0%
Doshoumachi	Osaka	91.8%	9,000	9,315	0.70	0.70	0.6%
Nara 2	Kanagawa	94.7%	8,398	9,524	1.80	1.70	-5.6%
Total/ Average		**98.6%**	**15,814**	**15,278**	**23.70**	**22.35**	**-5.7%**
RETAIL/LEISURE							
Kishiwada[3]	Osaka	99.7%	4,178	4,178	7.51	6.93	-7.7%
Seiyu Minakuchi	Shiga	100.0%	2,863	2,863	3.74	3.87	3.5%
Suroy Mall, Fukuoka	Fukuoka	100.0%	5,059	5,067	7.41	7.38	-0.4%
Suroy Mall, Kumamoto	Kumamoto	99.3%	6,617	6,617	3.94	3.97	0.8%
Total/ Average		**99.8%**	**4,617**	**4,417**	**22.60**	**22.15**	**-2.0%**

1. Assets highlighted in blue were independently revalued as at 30 June 2013. All other values reflect Directors' valuations as at 30 June 2013
2. Passing and market rents are inclusive of common area maintenance "CAM". Market rents per the most recent independent appraisal
3. Market and passing rents for Kishiwada represent rents as at 1 July 2013 post Don Quixote relinquishing the whole of level 2 and 80% of space subsequently being re-leased

Book Values as at 30 June 2013 (cont'd)

Property	Prefecture	Occupancy (%) 30 June 2013	Market Rents 30 June 2013[2] ¥/tsubo/month	Passing Rents 30 June 2013[2] ¥/tsubo/month	Book Value 30-Jun-12 (¥bn)	Book Value 30-Jun-13 (¥bn)	Mvmt (%)
RESIDENTIAL							
Shiroi	Chiba	99.0%	3,399	3,478	2.23	2.21	-0.9%
Matsuya Residence Sekime	Osaka	94.6%	5,867	5,757	2.02	2.03	0.5%
Royalhill Sannomiya II	Kobe	93.6%	9,843	9,682	1.43	1.46	2.1%
Imazato	Osaka	91.1%	4,894	4,868	0.97	0.97	0.4%
Prejeal Utsubo	Osaka	97.0%	9,763	9,834	0.76	0.77	2.0%
Total/ Average		**96.7%**	**4,866**	**4,875**	**7.40**	**7.44**	**0.5%**
MIXED USE							
Lions Square	Saitama	100.0%	4,797	4,796	1.73	1.80	4.0%
Confomall	Sapporo	97.9%	5,720	5,751	1.26	1.35	7.1%
Itabashi Belle Maison	Tokyo	-	-	-	1.16	-	0.0%
Total/ Average		**99.1%**	**5,196**	**5,209**	**4.15**	**3.15**	**-24.1%**
INDUSTRIAL							
Funabashi Hidan	Chiba	100.0%	4,000	4,056	1.58	1.56	-1.3%
Funabashi Tesco	Chiba	100.0%	4,000	3,800	0.71	0.73	2.3%
Total/ Average		**100.0%**	**4,000**	**3,970**	**2.29**	**2.29**	**-**
TOTAL PORTFOLIO		**99.0%**	**6,077**	**5,898**	**60.14**	**57.38**	**-4.6%**

1. Assets highlighted in blue were independently revalued as at 30 June 2013. All other values reflect Directors' valuations as at 30 June 2013
2. Passing and market rents are inclusive of common area maintenance "CAM". Market rents per the most recent independent appraisal

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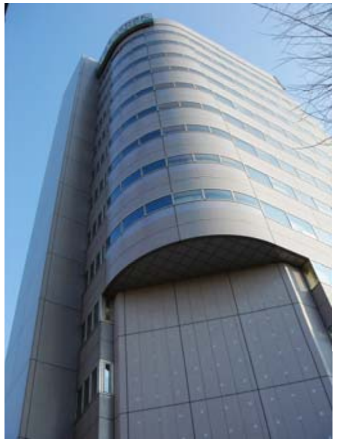
Leasing activity in detail

Office portfolio

	AREA SQM
Total Office NRA at the beginning of the year	28,489
Occupied area at beginning of the year	28,033
Occupancy % at beginning of the year	**98.4%**
Lease expiry in the year	(13,181)
Lease renewals	13,181
Lease terminations	(1,705)
New leases	1,793
Asset Sales[1]	(2,125)
Occupied area at end of the year	25,996
Occupancy % at 30 June 2013	**98.6%**
Total Office NRA at the end of the year	26,368



Takadanobaba, Tokyo

Seishin, Tokyo

Hiei Kudan, Tokyo

1. Irifune sold during FY13

Leasing activity in detail

Retail / mixed use portfolio

	AREA SQM
Total retail / mixed use NRA	137,132
Occupied area at beginning of the year	136,565
Occupancy % at beginning of the year	**99.6 %**
Lease expiry in the year	(7,007)
Lease renewals	7,007
Lease terminations	(1,765)
New leases	3,480
Asset Sales[1]	(3,108)
Occupied area at end of the year	135,172
Occupancy % at 30 June 2013	**99.7%**
Total retail / mixed use NRA at end of the year	135,553

La Park Kishiwada, Osaka

Seiyu, Shiga

1. Itabashi Belle Maison sold during FY13

Leasing activity in detail

Residential portfolio

	AREA SQM
Total residential NRA at the beginning of the year	39,197
Occupied area at beginning of the year	37,613
Occupancy % at beginning of the year	**96.0%**
Net leased area in the year	280
Occupied area at end of the year	37,893
Occupancy % at 30 June 2013	**96.7%**
Total residential NRA at the end of the year	39,197

Prejeal Utsubo, Osaka

Shiroi, Chiba

Matsuya Residence Sekime, Osaka

Appendix 2

Key Risks

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Key risks

Galileo Japan Funds Management Limited ("GJFML") believe a range of alternatives may be available to preserve and/or enhance unitholder value relative to the current trading price of GJT securities. These include continued active asset management by GJKK which may include a sale of the portfolio and the potential wind-up of the Japanese TK business. It could also involve some form of refinance/recapitalisation which may effectively stabilise the capital structure and facilitate reinstatement of distributions to unitholders.

There are numerous factors that could have a material impact on the potential return to unitholders including the ultimate pricing of any portfolio sale program or the cost or structure of any potential refinancing/recapitalisation.

GJFML cautions that implementation of these strategies involves considerable risk.

Going Concern

The financial report for the Trust as at 30 June 2013 has been prepared on a going concern basis as the directors of the Responsible Entity, after reviewing the Trust's going concern status and despite the uncertainty identified in Note 2(b), have concluded that at the date of signing the financial statements for the Trust there are reasonable grounds to believe that the Trust and the entity it controlled (Galileo Japan Trust II) will be able to pay their debts as and when they become due and payable.

Senior bank loan

The senior bank loan of $399.1 million (¥36.6 billion) matures on 31 March 2014. Galileo Japan K.K. continues to discuss refinancing options regarding this facility with the current senior lender and other financiers. As at the date of this presentation the directors believe there are reasonable grounds to conclude that the senior bank loan can be refinanced on terms that allow the Trust to continue as a going concern. However, at the date of this presentation there is no certainty that the senior bank loan will be refinanced with the current senior lender or other financiers. If current negotiations with the lenders are unsuccessful, it is likely the Trust would not be able to meet its financial obligations when they fall due. As such, in the absence of a finalised agreement, there is a material uncertainty that may cast significant doubt on the Trusts ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. No adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts and classification of liabilities that might be necessary should the Trust not continue as a going concern.

The Board continues to assess a range of options for the future of the Trust's business, including refinancing with alternate lenders and a possible recapitalisation of the Trust's balance sheet, and reiterates its commitment to identifying and implementing a strategy that secures the Trust's longer term future.

On this basis, the Board has determined that it is more appropriate that the Consolidated Financial Report be prepared on the basis that the Trust is a going concern.

Property and market conditions

The ultimate amount of any capital return to unitholders will depend on the price achieved from a sale of the Japanese TK business property portfolio. Factors relevant to determining value include rental, occupancy levels and property yields, and these may change significantly over time for a variety of reasons. Valuations represent only the analysis and opinion of qualified experts at a certain date – they are not guarantees of present or future values. The valuation of a property may be materially higher than the amount that can be obtained from the sale of a property in certain circumstances, such as under a distressed or liquidation sale.

The ability of GJKK to optimise asset sale proceeds depends largely on the stabilisation and recovery in the Japanese real estate market, as well as the broader Japanese economy. These factors are out of GJKK's and GJFML's control, and the near-term outlook remains highly uncertain. A weaker than anticipated recovery in market conditions may result in slower sales and actual proceeds being substantially lower. Refer slide 11 for sensitivity analysis.

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Key risks (cont'd)

Loan facilities/ Eurobond issues

These agreements have various terms which, if breached, are likely to result in an event of default and higher financing costs. A number of factors impacting the refinancing agreements are not fully in GJKK's or GJFML's control, including market conditions which may impact the operating performance of the assets of the Japanese TK business. In addition, there is no certainty that facilities that expire in the future can be refinanced, or refinanced on terms that are substantially comparable to current terms.

Property income

Property income is a key driver of the performance of the GJT portfolio and the Master TK's ability to service debt obligations. The level of property income will depend on factors including rent and occupancy, both of which have experienced downward pressure in recent times. If current economic conditions continue, a number of rent adjustments may be required to fill vacant space and maintain high levels of occupancy.

Foreign exchange

In September 2009, the derivative counterparty terminated all of the foreign currency contracts with the Trust leaving the Trust totally unhedged in relation to the impact of foreign currency movements on equity and net income. The future level of exchange rates cannot be forecast accurately and is outside GJKK's and GJFML's control. Refer to slide 6 for sensitivity analysis on FX impact on NTA.

Interest rate

The TK business currently has no interest rate swaps in place and is therefore exposed to interest rate movements on its floating rate debt obligations, being the senior bank loan that is scheduled to mature in March 2014.

Tax

The terms of the refinancing agreed in 2009 do not allow for cash distributions to be paid to GJT unitholders prior to the full repayment of the Eurobond and foreign currency loan facilities. Tax implications may arise in the absence of distributions, and unitholders are encouraged to seek appropriate professional advice.

Additionally, the price to be achieved from any sale of GJT's property portfolio is uncertain. A higher than anticipated sale price may result in a Japanese tax liability and will be reflected in the ultimate return to unitholders. This may in turn give rise to Australian capital gains tax implications, and unitholders are encouraged to seek professional advice as to their individual cost bases.

Any change to tax legislation in either Australia or Japan, including tax on foreign investment income and withholding tax, may adversely impact the returns received by GJT unitholders.

Timing

GJFML's business strategy assumes it can be executed prior to maturity of the senior loan facility in March 2014. There are a number of factors that could have a material impact on the potential return to unitholders including the ultimate pricing of any portfolio sale program or the cost or structure of any potential refinancing/recapitalisation . GJFML is not in control of a number of these factors, and accordingly, there is a risk the proposed timing is not achieved.

Unit liquidity

There can be no guarantee of an active market in GJT securities. There may be relatively few or no potential buyers or sellers of GJT securities at any time, particularly as an attraction of an investment in REITs is their distribution, and GJT will not make any distributions (other than required for taxation purposes) until the Eurobonds and foreign currency loan facilities are fully repaid.

This may increase the volatility of the market price of the securities. It may also affect the price at which investors are able to sell their securities.

Disclaimer

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