



# Goodman Property Trust

**Investment in Highbrook  
Development Limited,  
\$275 million equity raising  
and interim results**

12 November 2007

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  - (ii) a total balance sheet of more than EUR 43 million;
  - (iii) an annual net turnover of more than EUR 50 million,
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# Executive summary

<b>Interim result</b>	<ul style="list-style-type: none"> <li>+ Goodman Property Trust (GMT) has delivered a strong result to 30 September 2007 with a net operating surplus of \$28.7 million<sup>7</sup> (+42.7% pcp)</li> </ul>
<b>Investment Package</b>	<ul style="list-style-type: none"> <li>+ Acquisition of a 50% interest in Highbrook Development Limited (HDL), the company that owns the Highbrook development site, including:               <ul style="list-style-type: none"> <li>– Commenced developments and Stabilised Assets with a value on completion of \$95.2<sup>5</sup> million; and</li> <li>– Development land with a value on completion of infrastructure of \$99.5<sup>5</sup> million.</li> </ul> </li> <li>+ Further investment in GMT's development pipeline of an estimated \$81.3 million</li> </ul>
<b>\$275 million equity raising</b>	<ul style="list-style-type: none"> <li>+ Placement of approximately \$161<sup>4</sup> million; and</li> <li>+ 1 for 8 non-renounceable Entitlement Offer of approximately \$114<sup>4</sup> million.</li> <li>+ Goodman Group has committed<sup>6</sup> to subscribe for \$77<sup>4</sup> million, being its pro-rata portion in the Placement and Entitlement Offer, and enter into a \$80 million sub-underwrite</li> <li>+ Price to be determined via bookbuild, with Offer fully underwritten by Macquarie and UBS at floor price of \$1.43 (5.9% discount to adjusted 5 day VWAP)</li> </ul>
<b>Expected key benefits</b>	<ul style="list-style-type: none"> <li>+ Provides projected FY09 cash DPU accretion of 2.0% to 10.3 cpu<sup>1</sup>, representing a projected increase from FY08 of 5.1%</li> <li>+ Projected FY09 cash DPU upgrade of 4.2% relative to broker consensus estimates<sup>2</sup></li> <li>+ Provides platform for future growth, enhanced development pipeline (12.2% of gross assets) and strengthened balance sheet</li> <li>+ GMT will have an estimated market capitalisation of circa \$1.3 billion<sup>1</sup>, making it the largest NZ LPT<sup>3</sup> and qualifying it for the NZX 10 index</li> </ul> <p style="text-align: center;">+ GMT also proposing to correct anomalies in the current performance fee drafting</p>

1. Based on price of \$1.46 per Unit, being the midpoint of the bookbuild range.  
 2. Broker consensus calculated as average of Broker estimates, as set out in Appendix C.  
 3. By market capitalisation.  
 4. Based on price of \$1.43 per Unit, being the underwritten floor price.

5. 50% of the values determined by reference to the valuation reports prepared by DTZ New Zealand Limited in the Offer Document.  
 6. Subject to obtaining all necessary consents under the OIA by 1 May 2008.  
 7. Unaudited.

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## Section 1

# Investment Package+



# Investment Package

- + The Investment Package comprises the following two components:
  - i. Acquisition of 50% interest in HDL, including:
    - Commenced developments and Stabilised Assets with a value on completion of \$95.2<sup>5</sup> million; and
    - Development land with a value on completion of infrastructure of \$99.5<sup>5</sup> million.
  - ii. Trust Developments with an estimated Cost To Complete of \$81.3 million
- + Investment Package consistent with GMT's strategy, including:
  - Improvements to the customer diversity, lease expiry profile and average age of the assets
- + GMT is now of sufficient scale and size to hold a direct interest in HDL and participate in the benefits of the Highbrook development pipeline
  - Previously, GMT has acquired stabilised HDL assets
  - Direct holding provides an opportunity to generate superior yields through development programme
- + Goodman Group will retain a 25% direct interest in HDL alongside Fisher Trust (25%) and GMT

Investment Package	Acquisition cost <sup>1</sup>	Cost To Complete <sup>2</sup>	Funding requirement	Adjustments		Gross asset value	Blended yield <sup>6</sup>
				Existing HDL borrowings	GMT land allocation <sup>3</sup>		
Highbrook Acquisition	\$97.3m	\$49.7m	\$147.0m	47.7m <sup>4</sup>		\$194.7m <sup>5</sup>	7.6%
Trust Developments		\$81.3m	\$81.3m		16.9m	\$98.2m	8.4%
<b>Total</b>		<b>\$131.0m</b>	<b>\$228.3m</b>			<b>\$292.9m</b>	<b>8.0%</b>

1. Estimated purchase price of a 50% shareholding in HDL.

2. 50% of the estimated Cost To Complete at Highbrook. Cost to Complete estimated assuming a Settlement Date of 10 January 2008.

3. GMT's land allocation is the estimated cost of the development land of GMT that will be allocated to these projects.

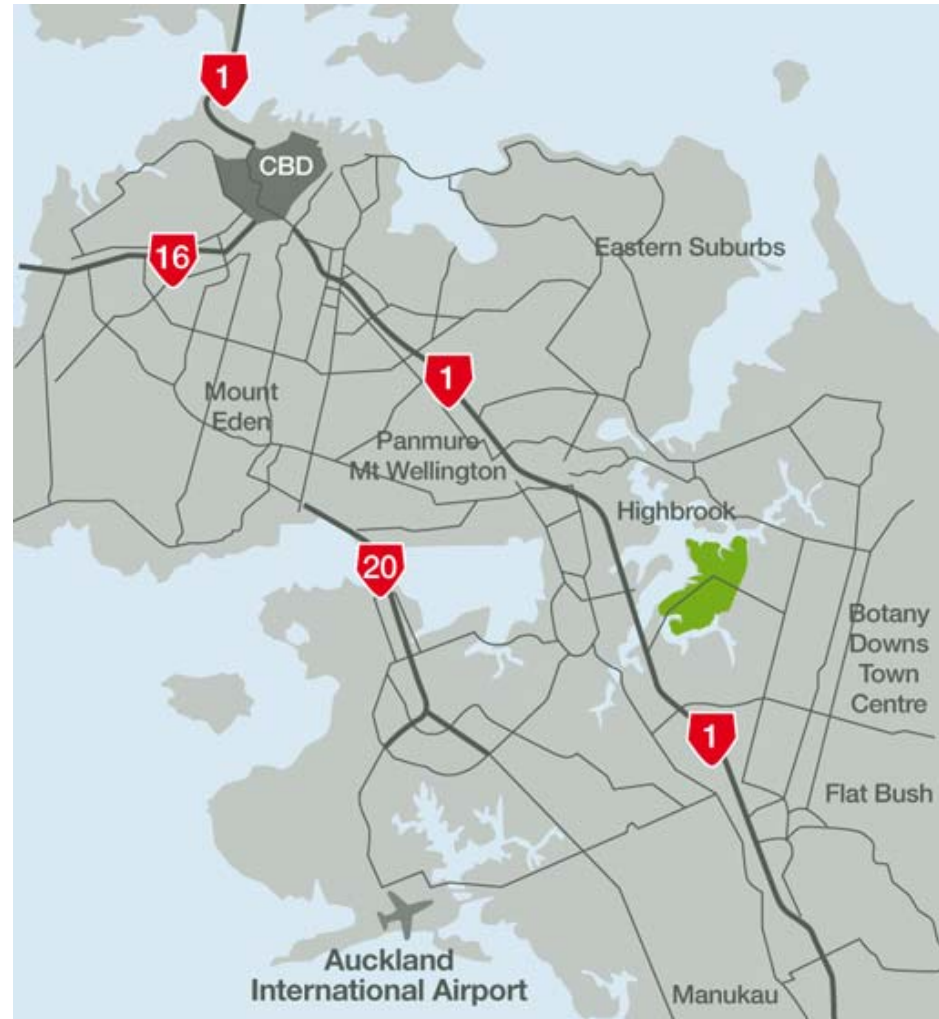
4. 50% of HDL borrowings (net of working capital) estimated assuming a Settlement Date of 10 January 2008.

5. 50% of the values determined by reference to the valuation reports prepared by DTZ New Zealand Limited in the Offer Document.

6. Excludes development land.

# Highbrook Business Park

- + Premier location
  - Centrally located in New Zealand's largest city
  - Direct motorway access through new interchange
  - 12 minutes to Auckland International Airport
  - 15 minutes to Auckland CBD
- + World class Business Park
  - Comprehensive masterplan
  - Award winning landscape design
  - Integration of high quality development with extensive parklands
- + Unrivalled scale
  - Total site area of 155 ha
    - 40 ha of parklands
    - 7 ha of roading / infrastructure
    - 108 ha of developable land
- + In GNZ's opinion, upon completion Highbrook is expected to:
  - Comprise 550,000 sqm of industrial and commercial space
  - Accommodate a workforce of 12,000 – 15,000 people
  - Have a value in excess of \$1.2 billion



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# Highbrook Business Park - History

+ Land originally owned by the estate of well known industrialist, Sir Woolf Fisher, and operated as Ra Ora horse stud

**1998** + Landscape design completed by world renowned landscape architect, Peter Walker

**2001** + Business 5 zoning became operative

**2004** + Goodman Group acquired a 75% interest, with the Fisher estate retaining a 25% interest  
+ Funding granted for motorway interchange

**2006** + First tranche of development commenced and acquired by GMT in March for \$74.1 million (75% interest)  
+ Second tranche of commenced developments acquired by GMT in November for \$25.9 million (75% interest)

**2007** + Motorway interchange and Highbrook Drive opened  
+ All resource consents received and contracts executed to enable undergrounding and re-routing of powerlines throughout site  
+ 34% of the developable area now complete



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# Highbrook masterplan+

- + HDL has committed 34% of the developable area to date
- + GMT target yield on cost of 8.0% to 8.5%
- + Compares favourably to expected valuation cap rate of between 7.25% and 7.50%

## Proposed land use allocation (sqm)

	Completed <sup>1</sup>	HDL Acquisition <sup>2</sup>		Total
		Committed <sup>3</sup>	Future Capacity	
Warehouse	83,320	96,706	211,381	391,407
Office		7,755	111,598	119,353
Retail / amenity		2,854	17,010	17,010
Other			23,978	26,832
<b>Total</b>	<b>83,320</b>	<b>107,315</b>	<b>363,967</b>	<b>554,602</b>

+ Aerial view of Highbrook Business Park, East Tamaki, Auckland.



**KEY**

- HPT land
- Industrial
- Office
- Retail/Amenity
- HDL owned properties
- HBPL owned properties

1. The completed space comprises assets owned by Highbrook Business Park Limited (HBPL).  
 2. HDL owns committed developments totalling 107,315 sqm and development land that Goodman Group estimates can support a further 363,967 sqm of development.  
 3. Committed developments comprise Stabilised Assets and commenced developments.  
 Note: Comments and analysis above, and outlined area in photo includes land owned by HDL, HBPL and Highbrook Park Trust.

# Highbrook Acquisition

Asset	Status	Current value <sup>5</sup>	Cost To Complete <sup>1</sup>	Completed value <sup>3</sup>	Initial Yield <sup>4</sup>	Effective ownership acquired	Lease term (years)
Contract Logistics distribution facility	Commenced	\$5.4m	\$0.3m	\$5.7m	7.7%	50%	9.0
The Crossing Offices	Stabilised	\$6.8m	-	\$6.8m	7.8%	50%	5.4
Datamail distribution facility	Commenced	\$5.6m	\$2.7m	\$8.3m	7.6%	50%	12.0
Courier Post distribution facility	Commenced	\$6.3m	\$9.8m	\$16.1m	7.5%	50%	12.0
The Junction Multi-units	Stabilised	\$2.5m	-	\$2.5m	8.0%	50%	5.4
PaperLinx warehouse	Commenced	\$12.4m	\$1.2m	\$13.6m	7.4%	50%	10.0
OfficeMax warehouse and distribution facility	Commenced	\$10.9m	\$6.6m	\$17.5m	7.5%	50%	12.0
GEON distribution facility	Commenced	\$7.8m	\$0.2m	\$8.0m	7.6%	50%	12.0
Intermech distribution facility	Commenced	\$3.1m	\$0.3m	\$3.4m	7.6%	50%	8.0
Office building D	Commenced	\$2.5m	\$4.7m	\$7.2m	8.0%	50%	6.2
Just Group warehouse facility	Commenced	\$2.5m	\$2.4m	\$4.9m	7.4%	50%	10.0
Shell Ground Lease	Stabilised	\$1.4m	-	\$1.4m	7.0%	50%	15.0
Development Land	Development land	\$78.0m	\$21.6m <sup>2</sup>	\$99.5m	N/A	50%	N/A
<b>Total / weighted average</b>		<b>\$145.0m</b>	<b>\$49.7m</b>	<b>\$194.7m</b>	<b>7.6%</b>		<b>10.2</b>

## + Development land expected to support 181,984 sqm (GMT 50% portion) of future development activity

1. 50% of the estimated Cost To Complete, assuming a Settlement Date of 10 January 2008.
2. For development land, this includes only the cost to develop services and infrastructure.
3. 50% of the values determined by reference to the valuation reports prepared by DTZ New Zealand Limited in the Offer Document. These values are 50% of the values for commenced developments, when completed, and development land when serviced, in accordance with the current development plans.
4. Excludes development land. The Crossing Offices, the Junction Multi-units and Office building D are not fully leased and the Initial Yield and lease term for these properties are based on the valuer's assessment of the market rentals and likely lease terms, as set out in valuation reports referred to in the Offer Document.
5. 50% of completed value less 50% of the estimated Cost To Complete.

Note: Values in table above are calculated to three decimal places and may not appear to sum accurately due to rounding.

# Highbrook Acquisition

- + GMT proposes to acquire a 50% interest in HDL, the company that owns the balance of Highbrook Business Park, from Goodman Group
- + The 50% interest in HDL will be acquired for \$97.3 million, comprising:

Market value of Stabilised Assets <sup>2,3</sup>	\$10.6 million
Completed market value of developments which have been commenced by HDL <sup>2,3</sup>	\$84.6 million
Market value of the development land of HDL <sup>1,2,3</sup>	\$99.5 million
<b>Total value on completion of commenced developments and land infrastructure<sup>2,3</sup></b>	<b>\$194.7 million</b>
Estimated Cost To Complete the commenced developments <sup>2</sup>	\$(28.1) million
Estimated Cost To Complete the infrastructure projects on development land <sup>2</sup>	\$(21.6) million
Estimated HDL borrowings net of working capital <sup>2</sup>	\$(47.7) million
<b>Estimated acquisition price</b>	<b>\$97.3 million</b>

- + After settlement of the Highbrook Acquisition, a further estimated \$49.7 million will be required from GMT to fund 50% of the Cost To Complete the commenced developments, and roading, services and other infrastructure on development land

1. After completion of all roading, services and other infrastructure.

2. 50% of total HDL value.

3. Values determined by reference to the valuation reports prepared by DTZ New Zealand Limited in the Offer Document.

# Highbrook Business Park

The Crossing Offices



GEON distribution facility



OfficeMax warehouse and distribution facility



Datamail distribution facility



# Trust Developments

- + GMT will also fund existing development projects with an estimated Cost To Complete of \$81.3 million
  - Located in the Greenlane office precinct and the Penrose industrial market
- + Targeting a weighted average Initial Yield of 8.4% on completion for these developments

Location	Type	NLA (sqm)	Spend to date <sup>1</sup>	Cost To Complete <sup>5</sup>	Total development cost <sup>2</sup>	Initial Yield <sup>3</sup>	Expected completion date	Lease term on completion <sup>4</sup> (years)
Central Park - Stage 1 Office and Podium	Office Park	8,735	\$5.3m	\$29.5m	\$34.8m	8.2%	March 2009	5.6
Central Park - Stage 2 Podium infrastructure	Office Park	N/A	-	\$9.4m	\$9.4m	N/A	December 2008	N/A
604 Great South Road	Office Park	7,725	\$5.2m	\$26.8m	\$32.0m	8.7%	December 2008	7.0
Gateside Industry Park - Multi-units	Industrial Estate	16,770	\$6.4m	\$15.6m	\$22.0m	8.4%	May 2008	5.2
<b>Total / weighted average</b>			<b>\$16.9m</b>	<b>\$81.3m</b>	<b>\$98.2m</b>	<b>8.4%</b>		<b>6.3</b>

1. Includes GMT's land allocation, being the estimated cost of the development land of GMT that will be allocated to these projects.

2. Estimated total project cost including all land, construction costs, financing, holding costs and professional fees.

3. Based on targeted rentals and leasing programme.

4. Based on targeted leasing programme.

5. Estimated Cost To Complete, assuming a Settlement Date of 10 January 2008.

Note: values in table above are calculated to three decimal places and may not appear to sum accurately due to rounding.

# Trust Developments

- + GMT is currently enjoying a market which has:
  - Competitive construction costs
  - Upward pressure on rents due to strong occupier demand
  - Limited land supply
- + Vacancy for A grade Greenlane office currently 2.8%, and prime Penrose industrial, 0.7%
- + Chevron New Zealand has committed to approximately 2,400 sqm of the 604 Great South Road Office development (approximately 30%) at market rentals for 9 years



## 604 Great South Road

Total site area	3,744 sqm
NLA	7,725 sqm
Completion date	December 2008
Total project cost <sup>1</sup>	\$32.0m
Initial Yield <sup>1</sup>	8.7%
Lease term	9 years
Customer	Chevron

1. Estimated

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# Trust Developments



## Central Park

Total site area	4,200 sqm
NLA	8,735 sqm
Completion date	March 2009
Total project cost <sup>1</sup>	\$34.8m
Initial Yield <sup>1</sup>	8.2%



## Gateside Industry Park

Total site area	21,700 sqm
NLA	16,770 sqm
Completion date	May 2008
Total project cost <sup>1</sup>	\$22.0m
Initial Yield <sup>1</sup>	8.4%

1. Estimated

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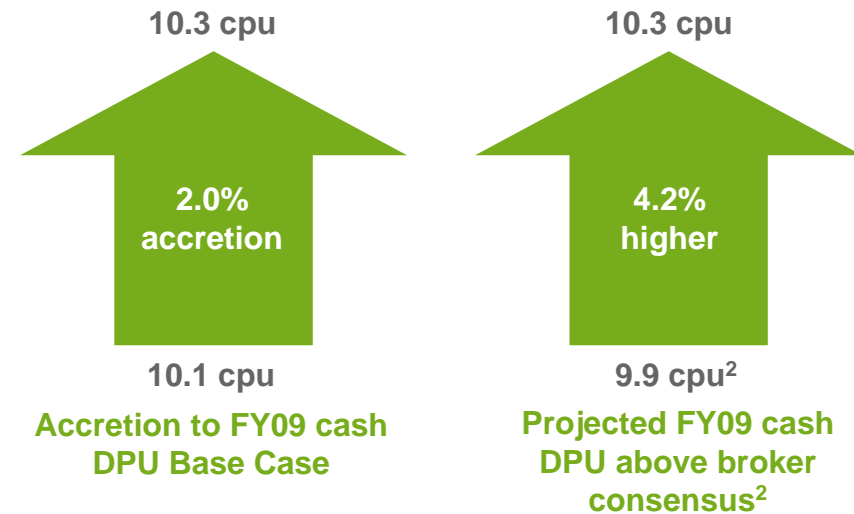
## Section 2

# Key benefits+

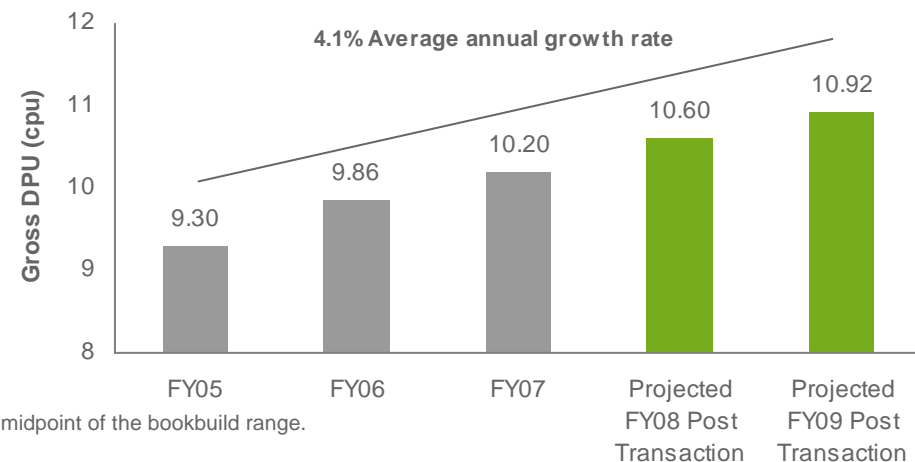


# Expected financial benefits

- + Projected increase of 2.0% to GMT's FY09 cash DPU as a result of the Transaction, representing 5.1% growth from FY08
- + Projected FY09 Equivalent Gross Yield, post introduction of PIE regime, to a marginal tax payer, of 10.5%<sup>1</sup>
- + Upgrade to broker consensus
  - 1.1% higher than FY08 cash DPU of 9.7 cpu<sup>2</sup>
  - 4.2% higher than FY09 cash DPU of 9.9 cpu<sup>2</sup>
- + Projected growth of 3.0% FY08 to FY09 gross DPU, highlighting strong property fundamentals



## Growth in normalised gross distributions<sup>3</sup>



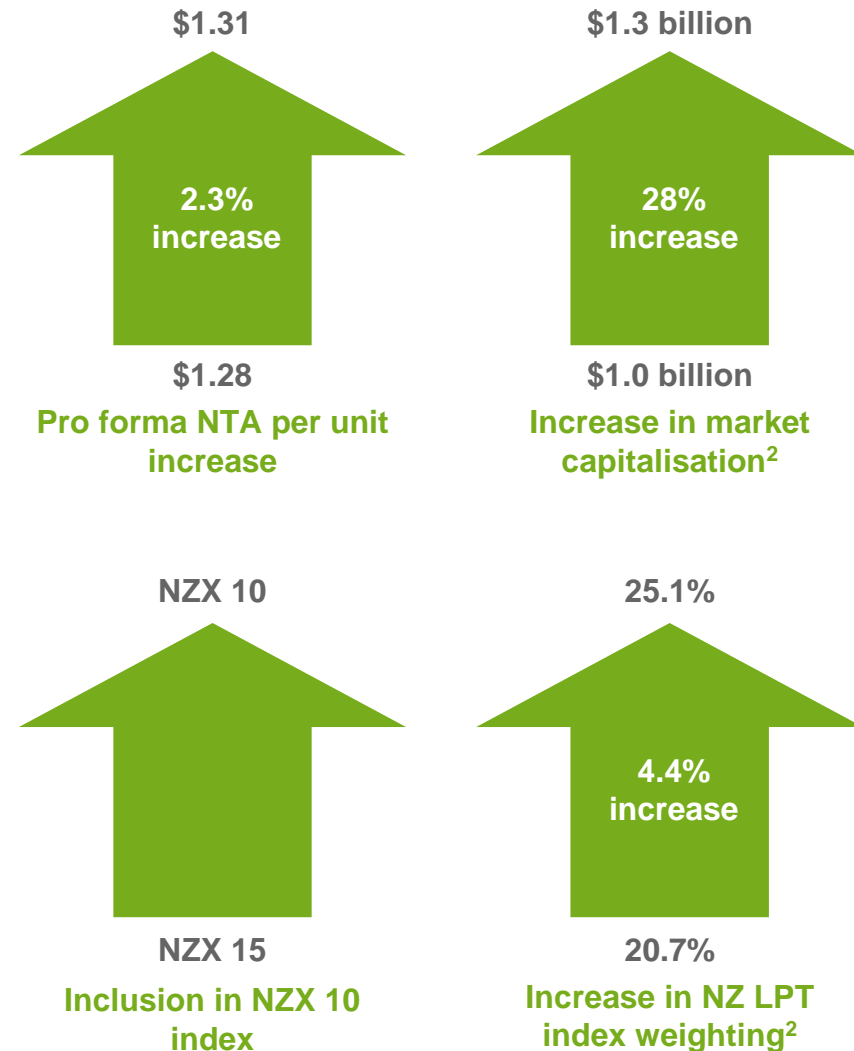
1. Assumes a NZ resident investor with a marginal tax rate of 33% at a price of \$1.46 per Unit, being the midpoint of the bookbuild range.

2. Source: Broker consensus calculated as average of Broker estimates, as set out in Appendix C.

3. Excludes one-off distributions of imputation credits of 2.0 cpu in FY05 and 0.7 cpu in FY07.

# Expected financial benefits

- + Projected NTA per unit increase of 2.3% to \$1.31
- + Pro forma gearing reduced to 31.4%
  - \$225 million of capacity<sup>1</sup> to fund future investment and development opportunities
- + Increased scale and liquidity
  - Expected to become New Zealand's largest LPT, with market capitalisation increasing to circa \$1.3 billion<sup>2</sup>
  - Increased index weighting - NZ LPT index weighting expected to increase from 20.7% to 25.1%<sup>2</sup>
  - Qualify for inclusion in the NZX 10 index<sup>2</sup>



1. Based on gearing limit of 40%, subject to securing new or increased banking facilities.

2. Based on market capitalisations as at 9 November 2007 and a \$275 million equity raising, with Goodman Group taking its pro-rata share only.

# Portfolio benefits

- + Development land weighting increases to 12.2% of gross assets
  - Expected to revert to within target range of up to 10% over time
  - Highbrook development represents an outstanding opportunity to deliver growth and superior yields, with targeted yields on cost in the range of 8.0% to 8.5%, in line with returns achieved from GMT's existing development assets
  - Highbrook is expected to provide a further 364,000 sqm of net lettable area on completion of remaining land
- + Highbrook Acquisition complements GMT's existing development offerings in Auckland at Savill Link, Westney Industry Park and M20 Business Park

## GMT development pipeline

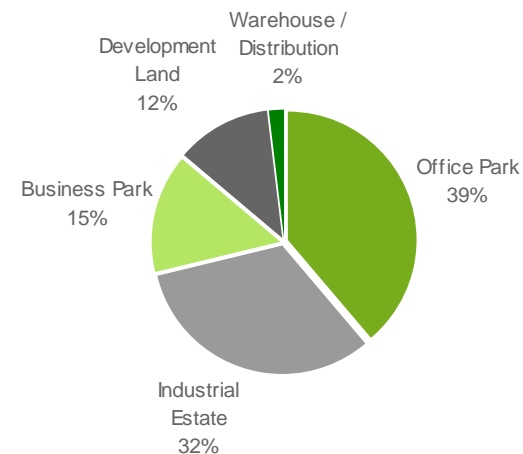
	Ownership	Remaining developable NLA (sqm) <sup>1</sup>	Timeframe (years)
<b>Industrial</b>			
Highbrook	50%	235,359	4 - 7
Savill Link	50%	98,227	2 - 5
Westney Industry Park	50%	72,809	2 - 5
M20 Business Park	100%	68,912	2 - 5
Glassworks Industry Park	100%	44,402	2 - 5
<b>Total industrial</b>		<b>519,709</b>	
<b>Office</b>			
Highbrook	50%	92,225	7 - 10
Central Park	100%	4,601	1 - 3
Show Place	50%	7,619	3 - 5
M20	100%	8,000	2 - 4
<b>Total office</b>		<b>112,445</b>	
<b>Total</b>		<b>632,154</b>	

1. Represents 100% of the site.

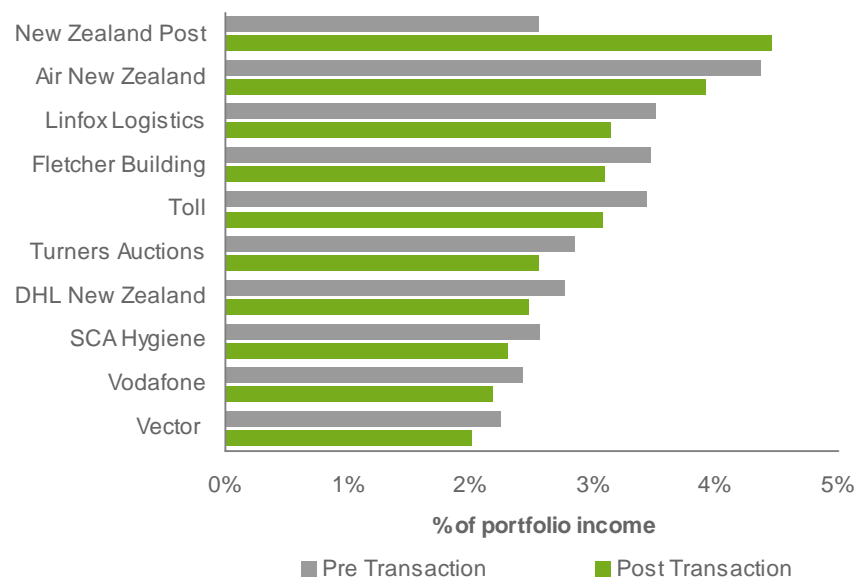
# Improved portfolio metrics

- + Weighted average lease expiry increases to 6.0 years Post Transaction from 5.7 years
  - Over 50% of leases expiring beyond five years
- + Positive re-weighting of the portfolio
  - Continuing to increase exposure to Business Park and Development Land while reducing Office Park exposure towards the goal of 35% to 40%

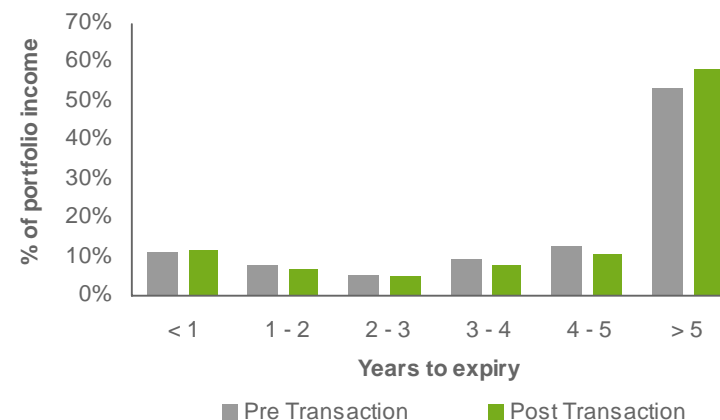
## Post Transaction asset diversity<sup>1</sup>



## Top 10 customers



## Lease expiry profile



1. Asset diversification is shown on completion of all commenced development and infrastructure projects.

## Section 3

# Capital raising details+



# Investment package funding

- + Capital raising includes Placement, 1 for 8 non-renounceable Entitlement Offer, and Public Offer of new Units to raise a minimum of \$275 million
  - Placement approximately \$161 million and Entitlement Offer approximately \$114 million<sup>4</sup>
  - Price to be determined by bookbuild, with the bookbuild range being \$1.43 to \$1.49
  - Fully underwritten by Macquarie Capital Securities (NZ) Limited and UBS New Zealand Limited<sup>1</sup>
- + Goodman Group have committed to take up their full Entitlement and pro-rata portion of the Placement<sup>3</sup>
  - They have also indicated their willingness<sup>3</sup> to increase their holding up to a maximum of 37% (post Offer), through sub-underwriting \$80 million of the Offer
  - Total Goodman Group commitment of \$157 million<sup>3,4</sup>
  - Results in net equity raising of between \$118 million and \$198 million<sup>4</sup>

Sources of funds	\$m	Uses of funds	\$m
Placement and Entitlement Offer	275.0	50% of HDL assets and Cost To Complete HDL assets	194.7
Additional borrowings	23.8	Estimated Cost To Complete Trust Developments plus land cost allocation <sup>2</sup>	98.2
		Issue costs	5.9
<b>Total</b>	<b>298.8</b>	<b>Total</b>	<b>298.8</b>

1. Each underwriter severally underwrites 50% of the Offer. The underwriting agreement is subject to standard conditions and termination rights, and obtaining necessary consents under the OIA.

2. This amount includes the cost of land currently held by GMT that has been allocated to the Trust Developments to reflect the aggregate development cost of these projects. This is not shown in sources and uses cashflow above as GMT already holds the land.

3. Subject to obtaining all necessary consents under the OIA by 1 May 2008.

4. Based on price of \$1.43 per Unit, being the underwritten floor price.

# Offer details

**Amount raised** – a minimum of \$275 million via a Placement, non-renounceable Entitlement Offer and Public Offer

**Entitlement ratio** – 1 for 8

**Ranking** – New Units will rank equally with existing Units. The first distribution payment that New Units will be eligible for is the quarter ending 31 December 2007, which is expected to be paid in March 2008

**Pricing** – Determined by bookbuild in the range of \$1.43 and \$1.49, underwritten at \$1.43

**Institutional Offer** – Qualifying institutions, habitual investors, retail brokers and eligible institutional investors in certain jurisdictions may participate

**Index weighting** – NZ LPT index weighting expected to increase to 25.1% and qualify as a NZX 10 entity

## Summary

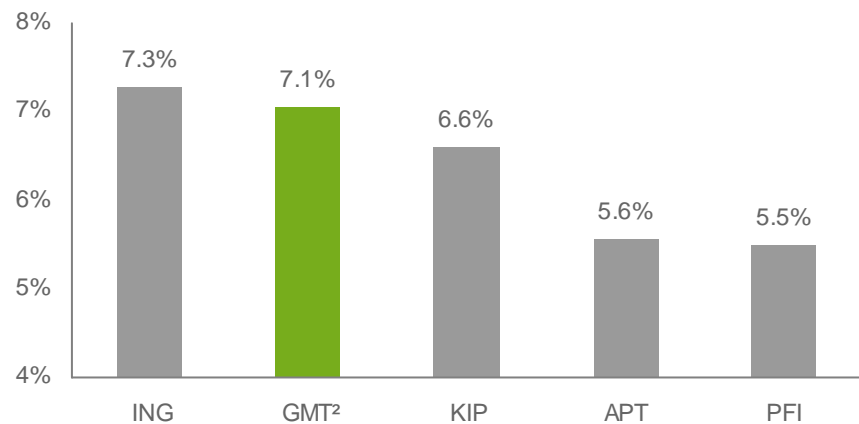
Prior close	\$1.53	
Adjusted prior close <sup>2</sup>	\$1.52	
Adjusted 5 day VWAP <sup>2</sup>	\$1.52	
Bookbuild range	<b>\$1.43</b>	<b>\$1.49</b>
Discount to adjusted 5 day VWAP <sup>2</sup>	(5.9)%	(2.0)%
Discount to adjusted prior close <sup>2</sup>	(5.9)%	(2.0)%
Number of new Units	192m	192m
FY09 cash yield on new Units	7.2%	6.9%
FY09 Equivalent Gross Yield on new Units <sup>1</sup>	10.8%	10.3%
Market capitalisation post Offer	\$1,250m	\$1,261m

1. Assumes a NZ resident investor with a marginal tax rate of 33% at a price of \$1.46 per Unit, being the midpoint of the bookbuild range.

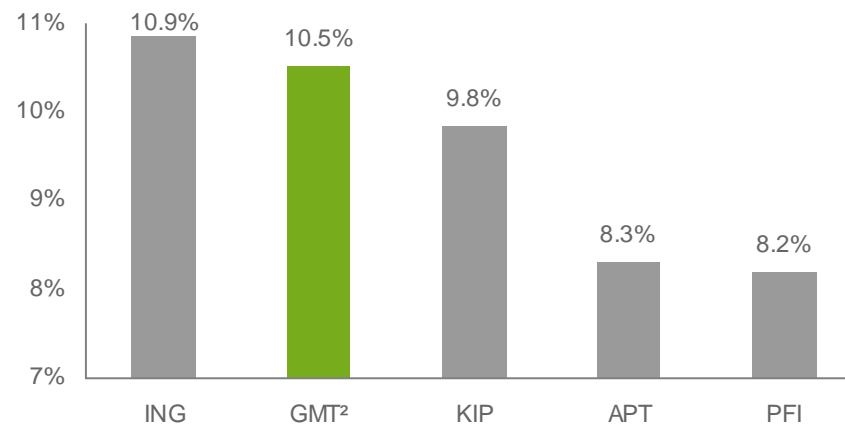
2. Adjusted by 1.45 cpu, representing accrued distribution for quarter ending 30 September 2007.

# Peer analysis

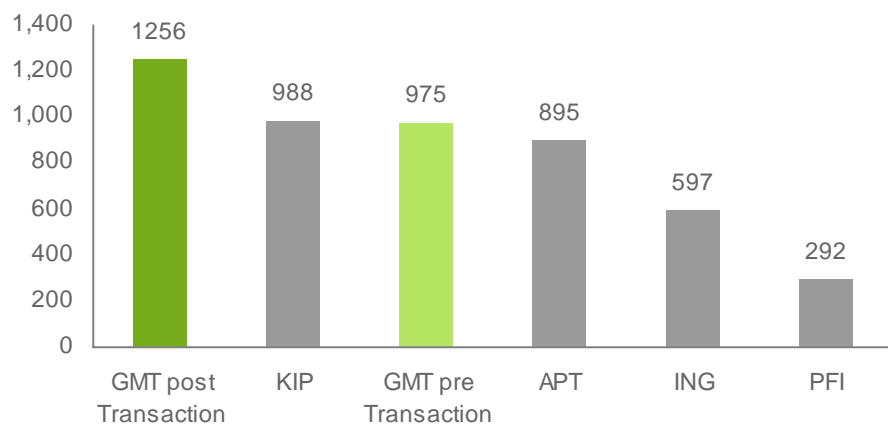
## FY09 cash yield<sup>1,3</sup>



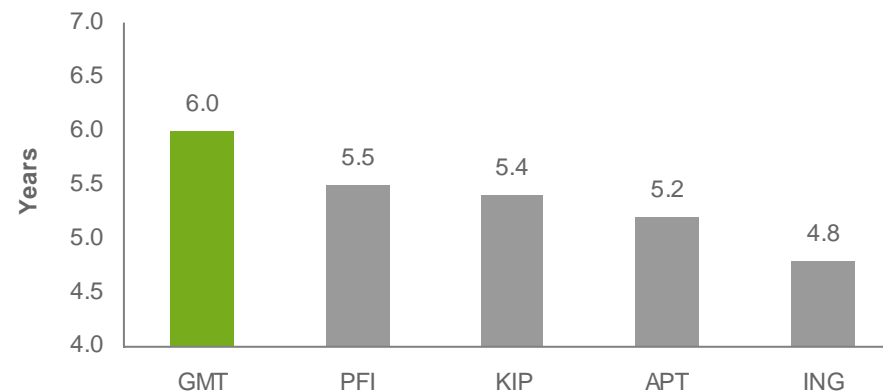
## FY09 Equivalent Gross Yield<sup>1,3,4</sup>



## Market capitalisation<sup>1,3</sup>



## Comparative WALE<sup>5</sup>



1. Source: Iress, consensus of Macquarie Research Equities and UBS Research.  
 2. Based on company guidance, based on price of \$1.46 per Unit, bring the midpoint of the bookbuild range.

3. As at 9 November 2007.  
 4. For a 33% marginal tax paying NZ investor.

5. Based on company guidance.

# Timetable

## Summary

Institutional Offer opens	1.00pm, 12 November 2007
Institutional Offer closes for domestic and Australian institutions	7.00pm, 13 November 2007
Institutional Offer closes for offshore institutions	9.00am, 14 November 2007
Application Price announced, allocations advised and offer confirmation letters dispatched	14 November 2007
Record date for determining Entitlement to New Units <sup>1</sup>	5.00pm, 14 November 2007
Opening date of Retail Offer	20 November 2007
Unitholder meeting to approve the Transaction and other resolutions	3.00pm, 30 November 2007
Institutional Settlement and allotment	3 December 2007
New Units issued under Institutional Offer expected to begin trading on the NZSX	4 December 2007
Retail Offer closes	5.00pm, 14 December 2007
Retail allotment	21 December 2007
New Units issued under Retail Offer expected to begin trading on the NZSX	24 December 2007

1. Any trades or transfers in Units which occur between the end of trading on NZX on 9 November 2007 and the end of the Record Date will be disregarded for the purposes of determining Entitlements on the Record Date. NZX has, at the request of the Manager, granted a trading halt on Units for 12, 13 and 14 November 2007.

Note: The dates and times indicated above are subject to change and are indicative only. All references are to NZ time.

## Section 4

# Performance fee adjustment and approvals+



# Performance fee

- + Performance fees were introduced on 1 April 2005 but calculation mechanics aren't operating as originally intended
  - Primarily a simple as opposed to compound average benchmark calculation and mismatch of GMT and benchmark measurement periods
- + Proposed to correct anomalies by aligning GMT and benchmark measurement period at 12 months – first period 12 months to 31 March 2008
- + Relative benchmark remains – only property trust in New Zealand to adopt relative performance measure
  - Percentage of out-performance remains at 10%, with cap at 5% above benchmark - carry forward of over / under performance
  - Opening position set to \$Nil at 1 April 2007
  - No performance fee payable if GMT performance is negative – over / under performance relative to benchmark carried forward
  - Clarification of carry forward being lump sum basis rather than per Unit, and calculation based on weighted average units (in line with market practice)
- + The table below compares the performance fee outcomes of current, proposed and fixed 10% benchmark structures:

1 Apr 05 - 31 Mar 07	Current structure	Proposed structure	10% benchmark return
<b>Aggregate performance fees paid</b>	\$2.9m	\$3.4m	\$5.5m
<b>Carried forward excess out-performance (31 Mar 07)</b>	\$14.8m	\$14.6m	\$196.2m

*Note: The carried forward excess out-performance at 31 Mar 07 will be reduced to \$Nil if the amendments are approved. Further, we note that the negative balance at 30 Sep 07 will be \$(0.167) per Unit if the amendments are not approved.*

# Transaction approvals

- + Transaction is conditional on Unitholder approval due to the related party nature of the acquisition and equity raising
  - Approval to be sought at EGM on 30 November 2007

<b>Unitholder vote</b>	<ul style="list-style-type: none"> <li>+ Resolution 1 - Approval of related party Highbrook Acquisition and related transactions</li> <li>+ Resolution 2 - Issue of New Units in the Placement, and to Goodman Group participating in the Entitlement Offer and acting as sub-underwriter</li> <li>+ Resolution 3 - Trust deed amendments relating to the performance fee               <ul style="list-style-type: none"> <li>– Resolutions 1 and 2 are inter-conditional</li> <li>– Resolution 3 is independent of the Transaction</li> <li>– Goodman Group are excluded from voting on all resolutions</li> <li>– Institutions that participate in the Placement are excluded from voting on Resolution 2</li> </ul> </li> </ul>
<b>OIA approval</b>	<ul style="list-style-type: none"> <li>+ Required for the Highbrook Acquisition agreement and Goodman Group sub-underwrite</li> <li>+ If not granted for the Highbrook Acquisition, the funds raised will be used to pay down debt and fund alternative investment opportunities</li> </ul>

## Section 5

# Half year results and portfolio update+



# Overview

- + Strong half year results in line with GMT guidance
- + Robust underlying property income
- + Development programme has performed well with 6 pre-commitments for over 24,390 sqm

## Half year results

- + Net profit after tax increased by 42.7% on pcp to \$28.7 million<sup>1</sup>
- + Annualised FY08 cash DPU increased by 3.7% from 30 September 2006 to 9.8 cpu
- + Annualised FY08 gross DPU increased by 3.9% from 30 September 2006 to 10.6 cpu
- + Results in line with guidance provided in March 2007

## Portfolio update

- + 22 rent reviews completed during period with annualised rent growth of 4.3%
- + Lease commitments across stabilised portfolio amounting to 38,500 sqm of rentable area
- + Occupancy rate maintained at 97%
- + Weighted average lease expiry at 5.7 years (as at 30 September 2007)

1. Unaudited

# GMT development

## Development pre-commitments for six months to 30 September 2007

Estate	Customer	Cost to develop	NLA (sqm)	Lease (yrs)	Commence date
604 Great South Road	Chevron	\$32.0m	2,400	9	Dec-08
Glassworks Industrial Estate	Fisher & Paykel	\$5.1m	3,950	9	Mar-08
Glassworks Industrial Estate	Big Chill Distribution	\$2.1m	560	15	Feb-08
Glassworks Industrial Estate	NZ Safety	\$2.3m	1,800	10	Mar-08
Westney Industry Park	Fliway	\$10.5m	9,455	10	Dec-07
Westney Industry Park	SCS	\$4.0m	3,900	10	Mar-08
<b>Total</b>		<b>\$56.0m</b>	<b>22,065</b>	<b>9.5</b>	

## Development completions for six months to 30 September 2007

Estate	Customer	NLA (sqm)	Lease (yrs)	Share (%)	Completion date
Highbrook Business Park	NZ Post	15,658	12	75%	Jun-07
Westney Industry Park	Gluck	4,800	6	50%	May-07
Highbrook Business Park	BMW	4,906	10	75%	Apr-07
Highbrook Drive Units	Synnex, LG, Stanley Tools, Home Depot	9,400	6	75%	Jun-07
<b>Total</b>		<b>34,764</b>	<b>8.7</b>		

## Section 6

# Recap of investment case+



# Recap of investment case

- + GMT has delivered a strong result to 30 September 2007 with a net operating surplus of \$28.7<sup>5</sup> million (+42.7% pcp)
- + Opportunity to enhance investment portfolio and development pipeline via acquisition of 50% interest in Highbrook Development Limited
- + GMT is raising a minimum of \$275 million via a fully underwritten Placement and 1 for 8 Entitlement Offer
  - Underwritten floor price of \$1.43 represents a 5.9% discount to adjusted 5 day VWAP
  - Projected FY09 cash DPU yield of 7.1% and Equivalent Gross Yield of 10.5%<sup>3</sup>
  - Goodman Group committed to \$157 million under the Offer, comprising \$77 million pro-rata and \$80 million sub-underwrite<sup>4,6</sup>
- + Acquisition and capital raising affirms GMT's market leading position
  - Provides projected FY09 cash DPU accretion of 2.0% to 10.3 cpu<sup>1</sup> (upgrade of 4.2% to broker consensus<sup>2</sup>)
  - Projected FY08 to FY09 cash DPU growth of 5.1%
  - Provides platform for future growth, enhanced development pipeline (12.2% of gross assets) and strengthened balance sheet
  - GMT expected to become the largest NZ LPT by market capitalisation and qualify as a NZX 10 entity
- + Unitholder approval required for acquisition and equity raising
  - Unitholders also to consider amendments to performance fee structure to better align interests of Goodman Group with GMT

1. Accretion to Base Case.

2. Broker consensus calculated as average of Broker estimates, as set out in Appendix C.

3. Assumes a NZ resident investor with a marginal tax rate of 33% at a price of \$1.46 per Unit, being the midpoint of the bookbuild range.

4. Subject to obtaining all necessary consents under the OIA by 1 May 2008.

5. Unaudited.

6. Based on price of \$1.43 per Unit, being the underwritten floor price.

## Appendix A

# Half year accounts+



# Half year to 30 September 2007

## Financial performance (unaudited)

	Six months ending 30 Sept 07 (\$m) <sup>1</sup>	Six months ending 30 Sept 06 (\$m)	% Change
Net operating income	47.5	38.7	22.7%
Operating expenses	(3.1)	(2.4)	29.2%
<b>EBIT</b>	<b>44.4</b>	<b>36.3</b>	22.3%
Interest and finance charges	(11.3)	(9.5)	18.9%
<b>Net operating surplus before tax</b>	<b>33.1</b>	<b>26.8</b>	23.5%
Taxation expense	(4.4)	(6.7)	(34.3)%
<b>Net operating surplus after tax</b>	<b>28.7</b>	<b>20.1</b>	42.7%
Gain on realisation of assets	-	0.5	N/A
<b>Net operating surplus after tax</b>	<b>28.7</b>	<b>20.6</b>	39.3%
Unrealised valuation	-	(0.5)	N/A
<b>Net surplus</b>	<b>28.7</b>	<b>20.1</b>	42.7%

1. Prepared using NZ IFRS

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## Appendix B

# Prospective financial information+



# Prospective financial performance

## Financial performance (Transaction Case)

	Year ending 31 Mar 08 (\$m)	Year ending 31 Mar 09 (\$m)	FY08 to FY09 % change
Net rental and related income	97.2	112.0	15.2%
Profit on disposal of investment property	1.9	-	N/A
Net gain from fair value property adjustments	24.3	0.9	(96.3%)
Admin expenses	(6.8)	(8.1)	19.1%
Net finance costs	(16.4)	(13.0)	(20.7%)
<b>Profit/(loss) before income tax</b>	<b>100.2</b>	<b>91.8</b>	<b>(8.4%)</b>
Income tax (expense)/benefit	(15.3)	(20.7)	35.3%
<b>Profit/(loss) after income tax</b>	<b>84.9</b>	<b>71.1</b>	<b>(16.3%)</b>
EPU pre revaluations, taxation and gain on realisation of property	10.60	10.92	3.0%
<b>Cash DPU (cpu)</b>	<b>9.80</b>	<b>10.30</b>	<b>5.1%</b>
Imputation credit per Unit (cpu)	0.80 <sup>1</sup>	0.62	(22.6%)
<b>Gross DPU (cpu)</b>	<b>10.60</b>	<b>10.92</b>	<b>3.0%</b>

Note: This prospective financial information should be read in conjunction with the detailed financial information, assumptions and risks set out in section 6 and 7.6 of the Offer Document.

1. Normalised for additional distribution of 0.70 cpu of imputation credits made in June 2007, as part of the transitioning to the Portfolio Investment Entity regime.

# Prospective financial position

## Assets and liabilities (Transaction Case)

	As at 31 Mar 08 (\$m)	As at 31 Mar 09 (\$m)	FY08 to FY09 % change
Total current assets	9.5	9.6	1.1%
Property assets <sup>1</sup>	1,585.4	1,821.3	14.9%
<b>Total assets</b>	<b>1,616.7</b>	<b>1,850.1</b>	14.4%
Borrowings	466.2	676.8	45.2%
<b>Total liabilities</b>	<b>540.7</b>	<b>766.2</b>	41.7%
Equity	1,076.0	1,083.9	0.7%
Underlying total borrowings to total assets	29%	37%	8%
<b>NTA backing per Unit (cpu)</b>	<b>\$1.31</b>	<b>\$1.31</b>	(0.8%)

Note: This prospective financial information should be read in conjunction with the detailed financial information, assumptions and risks set out in section 6 and 7.6 of the Offer Document.

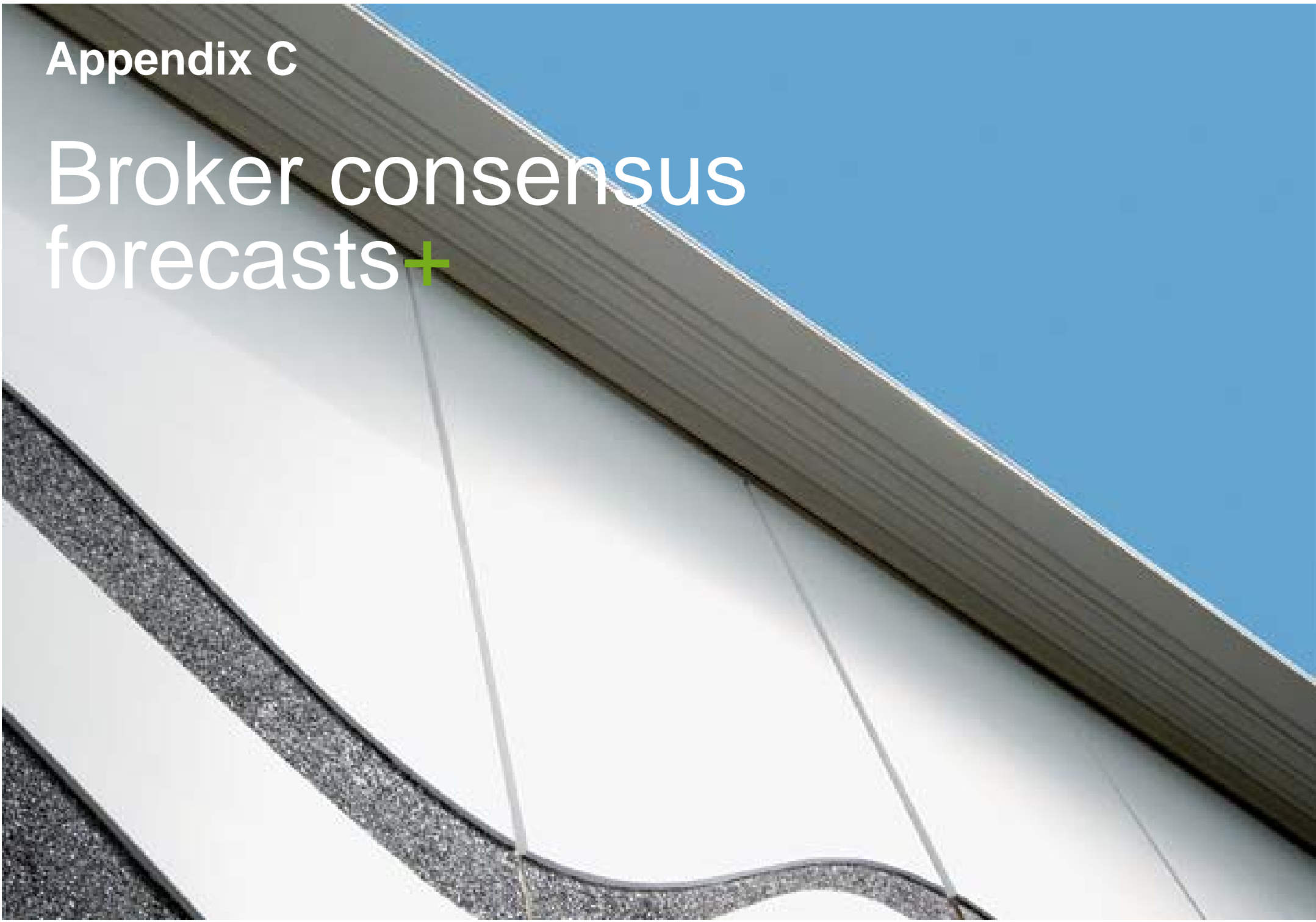
1. Includes investment in associate and development properties.

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## Appendix C

# Broker consensus forecasts+



# Broker consensus forecasts

+ GMT announcing accretion to broker consensus FY09 cash DPU of 4.2%

GMT cash DPU	FY08 cash DPU	FY09 cash DPU	Recommendation	Date
Macquarie Research Equities	9.80	10.10	Outperform	1-Nov-07
UBS	9.70	9.90	Buy	30-Oct-07
Forsyth Barr	9.80	10.10	Buy	5-Oct-07
ABN AMRO Craigs	9.49	9.44	Buy	20-Jul-07
Average	9.70	9.89		
GMT Forecasts (Post Transaction)	9.80	10.30		
<b>Accretion to Broker consensus</b>	<b>1.1%</b>	<b>4.2%</b>		

# Glossary+



# Glossary

**Base Case** means on the basis that the Transaction does not occur.

**Cost To Complete** means the cost to complete a commenced development, or to complete services and infrastructure on development land, following the Settlement Date.

**Entitlement** means the pro rata non-renounceable entitlement of each Eligible Unitholder to subscribe for one New Unit for every eight Existing Units held on the Record Date.

**Entitlement Offer** means the Institutional Entitlement Offer and the Retail Entitlement Offer.

**Equivalent Gross Yield** means the equivalent pre-tax investor yield assuming the investor had to pay its full marginal tax rate. Calculated as ((cash distribution / Application Price) / (100% - investor's marginal tax rate)). Only applicable for New Zealand investors.

**GMT** means Goodman Property Trust and its controlled entities, as the context requires.

**Goodman Group** means Goodman International Limited and Goodman Industrial Trust, operating together as a stapled group. Where either Goodman International Limited or Goodman Industrial Trust is party to a contract or agreement or responsible for an obligation or liability, without the other, all references to Goodman Group as concerns that contract, agreement, obligation or liability shall be to that party alone.

**Highbrook Acquisition** means the acquisition of a 50% share in HDL, the company that owns Highbrook Business Park.

**Initial Yield** means:

- (a) total annual rental income divided by the completed value (in the case of commenced developments which are fully committed);
- (b) targeted total annual rental income divided by the spend to date (including land cost) plus the Cost To Complete (in the case of the Trust Developments); and
- (c) targeted total annual rental income divided by the completed value (in the case of commenced developments) on the HDL land which are not fully committed.

**Institutional Entitlement Offer** means the offer of New Units to eligible institutional Unitholders in certain jurisdictions to raise a minimum of \$34.4 million.

**Institutional Offer** means the Placement and the Institutional Entitlement Offer.

**Investment Package** means the acquisition of a 50% shareholding in Highbrook Development Limited, and the Trust Developments, as described in this document and the Offer Document.

**Offer** means the Placement, the Entitlement Offer and the Public Offer.

**OIA** means the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005.

**Placement** means the offer of New Units to eligible institutional investors in certain jurisdictions to raise a minimum of \$161.1 million as part of the Institutional Offer.

**Pre Transaction** means as of 30 September 2007 assuming commenced developments (including 604 Great South Road but excluding the other Trust Developments) were complete at that time.

**Post Transaction** means the position of GMT after completion of the Transaction assuming commenced developments were complete at that time.

**Public Offer** means the offer of New Units to other persons in New Zealand.

**Retail Entitlement Offer** means the offer of New Units to eligible retail Unitholders in certain jurisdictions.

**Retail Offer** means the Retail Entitlement Offer and the Public Offer.

**Settlement Date** means the date of the settlement of the Highbrook Acquisition (expected to be no earlier than 10 January 2008).

**Stabilised Assets** means developments for which construction is complete and from which rental income is being derived.

**Transaction** means the Investment Package and the Offer.

**Trust Developments** means the funding sought by GMT for new development projects, developed on land already owned by GMT.

**Unit** means that interest in the Trust provided for in the Trust Deed.

**Unitholder** means the person for the time being registered under the provisions of the Trust Deed as the holder of a Unit in GMT and includes persons jointly registered.

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thank you+

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