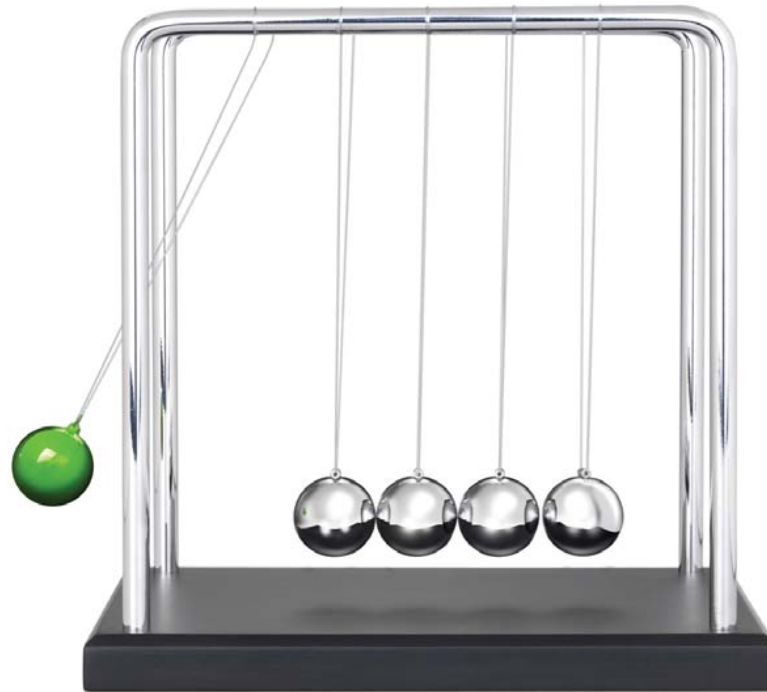


Goodman Group

# Annual General Meetings

30 November 2010



building momentum  
+  
delivering opportunities

# Directors and Executives

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Mr Ian Ferrier  
Independent Chairman

Mr James Hodgkinson  
Non Executive Director

Mr Gregory Goodman  
Group Chief Executive Officer

Mr Phil Pryke  
Independent Director

Mr John Harkness  
Independent Director

Mr Carl Bicego  
Company Secretary

Ms Anne Keating  
Independent Director

Mr Jim Sloman  
Independent Director



## Agenda+

Chairman's address  
Group CEO's address  
Formal business

M7 Business Hub, Australia

# Overview – FY10 results

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- + **Underlying business fundamentals remain sound despite continued uncertainty in global markets**
  - Operating profit of \$310 million
  - Statutory loss of \$562.6 million reflected property and investment revaluations and other non operating items the majority of which were the result of property devaluations to December '09
  
- + **Maintained stable financial position**
  - Headline gearing reduced from 47% to 24.9%
  - Liquidity of \$1.7 billion
  - Able to meet all debt maturities to 2013
  - Average debt maturity profile of 3.3 years

# Business model overview

Goodman will continue to focus on its core business of owning, developing and managing industrial property while taking a prudent financial approach. **Our integrated model enables experience to be applied and value added at each stage allowing cumulative gains to be realised.**

- + Industrial property – long term asset class
- + Long term property investment – facilitates customer relationships and investment opportunities for our funds
- + Stable blue chip customer base
- + Global platform creating opportunities with increase in cross border enquiry



**Recurring income stream**  
**– rental returns**



- + Ability to tailor developments to customer's needs
- + Long term ownership of properties ensures high quality developments
- + Developments matched to third party equity to reduce risk and keep gearing low



Development of new facilities underpins other segments of the business model and **generating management fees and development profits for the Group.**

- + Diversified platform; 11 distinct sector and geographic funds
- + Ability to attract capital partners to fund / co invest in development opportunities



**Generates income from management fees and investment returns**

# Overview – leading into FY11

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- + Specialist manager, proven capability and leading operational platform building momentum**
  - Attracted 3<sup>rd</sup> party capital to fund development projects – mitigates impact on Group's balance sheet
  
- + Development pipeline has been reactivated**
  - Use of 3rd party capital to fund projects
  - \$10 billion pipeline with \$1.3 billion WIP
  
- + Leveraged existing and introduced new capital partners**
  - Canadian Pension Plan Investment Board (CPPIB)
  - CB Richard Ellis Realty Trust (CBRE RT)
  - China Investment Corporation (CIC)

# Capital management initiatives

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Goodman's capital management strategy has been, and will be, focused on:

- 1. Raising third party capital and equity**
- 2. Lengthening the term of debt maturities**

# Capital management initiatives

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- + Capital management plan and strategic initiatives announced in August 2009**
  - During the year, in response to the GFC, the business was restructured and refinanced with the introduction of CIC as a capital partner
  - New strategic relationships with Canadian Pension Plan Investment Board and later CBRE RT were announced
  
- + Diversifying debt platform and lengthening the term of debt maturities**
  - Average debt maturity profile of 3.3 years
  - Inaugural US\$325 million senior, 10 year, unsecured note issue in the US144A/Reg S bond market

# Capital management initiatives - funds

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- + **GAIF established a new 5 year, \$250 million debt facility with Challenger Life Co Ltd**
- + **GAIF successfully completed \$320 million equity raising, consisting of;**
  - \$120 million mandatory distribution reinvestment policy
  - \$200 million pro rate non renounceable rights issue
- + **GAIF refinanced \$1.9 billion of debt facilities**
- + **GMT completion of NZ\$150 million Goodman+Bonds issue in December 2009**
- + **In November 2010, announced €300 million equity raising for GELF**

# Major new initiatives

- + Established \$1.3 billion relationship with CBRE RT in UK (£400 million) and Europe (€400 million) through two new co investment vehicles
- + Launched US\$300 million logistics fund in China (GCLH) with CPPIB
- + Launched \$400 million development fund in Australia (GADF) with CPPIB



DSV, Germany



Kmart, Melbourne

# Major new initiatives

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- + Reduced cornerstone investment in GMT from 28% to 17%, releasing NZ\$88 million.
- + Established a joint venture between Goodman and Europa Capital to acquire land sites suitable for the development of distribution and logistics property across the UK.

## **Japan initiatives October announcement**

- + Macquarie Goodman Japan Pte Ltd (MGJ), a 50/50 joint venture between Goodman Group and Macquarie Group, has lodged a proposal with Japanese regulatory authorities to strengthen its Japanese logistics offering, conducted via J REP

## **IIF Transaction**

- + Goodman led consortium has submitted an indicative, conditional and non-binding cash offer for IIF and is currently undertaking due diligence
- + Indicative offer remains subject to the completion of due diligence, receipt of cash required consents and final approvals of the consortium members
- + Goodman contribution equivalent to 20% of equity requirement

## **Moorabbin**

93% securityholder approval received at EGM on 29 October 2010

Awaiting conditions precedent to be met, including Government approval

# Outlook – FY11

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- + On track to deliver on FY11 targets
- + Lower growth market conditions to continue
- + Leverage opportunities created from current market conditions
- + Operational momentum building
- + Stable financial position
- + Proven ability to attract third party capital
- + Maintain low gearing and liquidity position



Group CEO's  
address+

Millennium Centre, New Zealand

# Introduction

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- + Results overview for the year ending 30 June 2010
- + Update on operational activity
- + Outlook for the year ahead

# Annual results

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- + Operating income of \$310.0 million
- + Operating earnings per security of 5.25 cents
- + Distribution per security of 3.4 cents
- + Currently tracking in line with guidance for FY 2011 operating profit after tax range of \$370 - \$380 million (19% - 23% increase)

# Annual results

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## + Investments

- Total investment portfolio of \$16.2 billion
- Property fundamentals have remained stable
  - 93% occupancy rate
  - 75% customer retention
  - Weighted average lease term of 5.5 years
- Leased 2 million sqm across the Group and Managed Funds
  - Solid leasing activity continuing in FY2011
  - Rental growth strengthening

# Annual results

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## + Developments

- Development pipeline prudently reactivated
- Completed \$0.4 billion of developments
- \$1.2 billion of new projects commenced
  - Investor partnerships providing secure sources of funding, matched to new developments
- Development work in progress of \$1.3 billion
  - Increased to \$1.4 billion post 30 June 2010

# Annual results

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- + Management services
  - Third party assets under management of \$12.6 billion
  - Global investor groups introduced to managed fund platform
  - Development pipeline substantially funded by third party capital
  - Four new investment vehicles established:
    - CPPIB: US\$300m China fund and A\$400m Australian development fund
    - CBRERT: \$1.3bn relationship through two co-investment vehicles in the UK and Continental Europe
  - Managed funds platform is well positioned

# Annual results

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## + Capital management

- Gearing reduced and maintained at 25%
  - Reflects long-term aspirational target
- \$1.7 billion of liquidity currently available
- No unfunded debt expiries until first half of 2013 financial year
- Exploring range of capital sources to diversify our debt platform and lengthen debt maturities
  - Enhanced through new US\$325m bond issue and other debt raised during the year
- Completed range of debt and equity initiatives within our managed funds

# Operational activity - customers



# Operational activity – capital partners

Goodman<sup>+</sup>



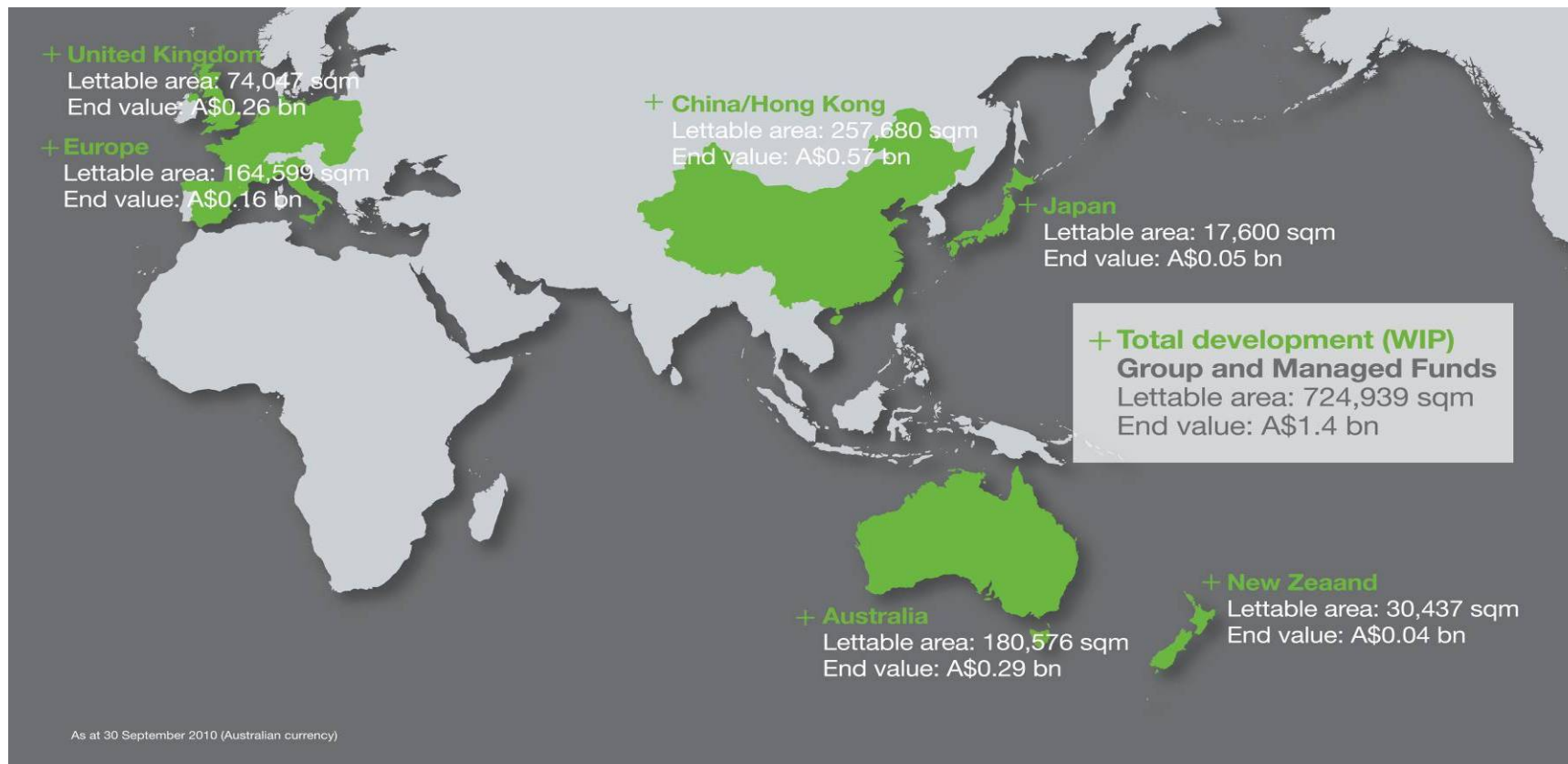
# Operational activity - developments

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- + Prudent approach to rollout of development pipeline
  - Majority of developments match funded to third party capital, with 78% pre-sold
- + Strength of customer relationships highlighted through cross border developments, e.g.:
  - Kmart in Australia and New Zealand
  - DHL in Australia and Hong Kong (Interlink)
  - DSV in France and Germany
  - Amazon in France and Germany
- + Rotation of land bank
  - A\$268 million of land sale proceeds recycled to enhance investor returns and to take advantage of further development opportunities

# Operational activity - developments

- + The reactivation of our \$10 billion development pipeline is delivering opportunities around the world
  - Development work in progress (WIP): 30 projects across 11 countries
  - total lettable area of 724,939 sqm with A\$1.4 billion completion value



# Operational activity - developments

## Australia

Customer	Metcash
Area	82,015 sqm
Lease term (yrs)	15
Owner	50% GMG / 50% GAIF

Customer	DHL
Area	36,165 sqm
Lease term (yrs)	10
Owner	50% GAIF / 50% Brickworks



# Operational activity - developments

## Australia

Customer	Coca-Cola Amatil
Area	41,378 sqm
Lease term (yrs)	15
Owner	GAIF

Customer	Kmart
Area	76,735 sqm
Lease term (yrs)	15
Owner	GADF



# Operational activity - developments

## New Zealand

Customer	Kmart
Area	13,400 sqm
Lease term (yrs)	10
Owner	GMT

Customer	Bridgestone
Area	4,900 sqm
Lease term (yrs)	8
Owner	GMT

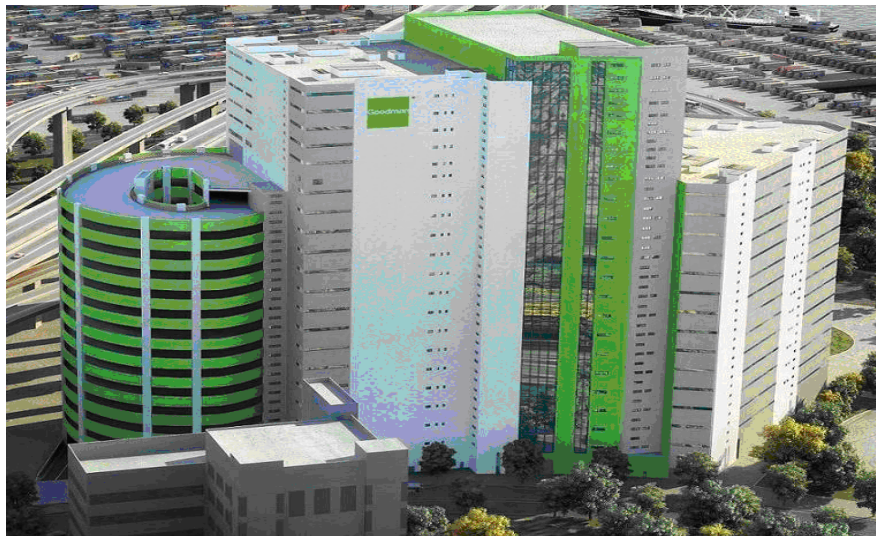


# Operational activity - developments

## Asia

City	Hong Kong
Customers (to date)	DHL, Yusen
Area	222,000 sqm
Owner	50% GMG / 50% GHKLF

City	Kunshan
Customer	Under negotiation
Area	36,415 sqm
Owner	GCLH



+ Japan – 33,000 sqm warehouse development for Nippon Express

# Operational activity - developments

## United Kingdom

Customer	The Co-Operative Group
Area	43,484 sqm
Lease term (yrs)	20
Owner	Third party



Customer	Greater Manchester Police Divisional HQ
Area	11,638 sqm
Lease term (yrs)	N/A
Owner	Third party

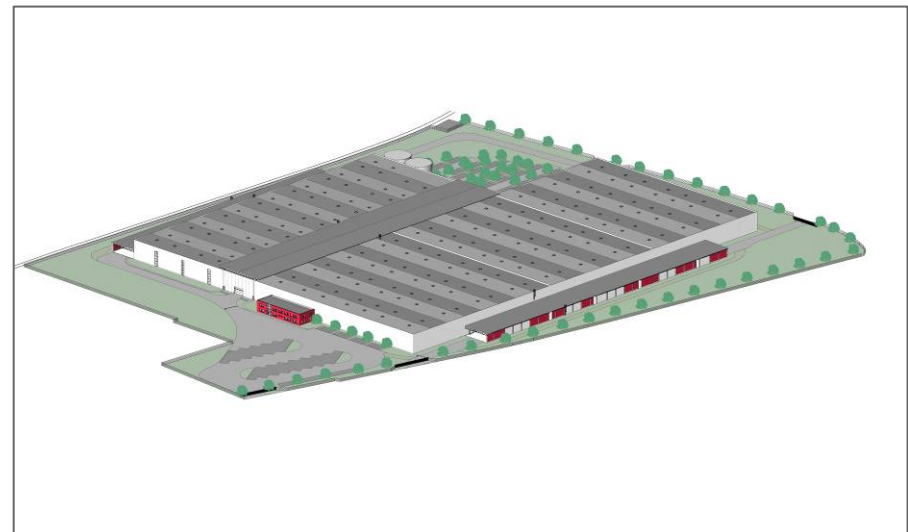


# Operational activity - developments

## Continental Europe

Country	France
Customer	LIDL
Area	39,392 sqm
Lease term (yrs)	N/A
Owner	Third party

Country	Germany
Customer	Seifert Logistik
Area	46,032 sqm
Lease term (yrs)	7
Owner	GELF <sup>1</sup>



<sup>1</sup> Subject to final legal documentation and due diligence

# Operational activity - developments

## Continental Europe

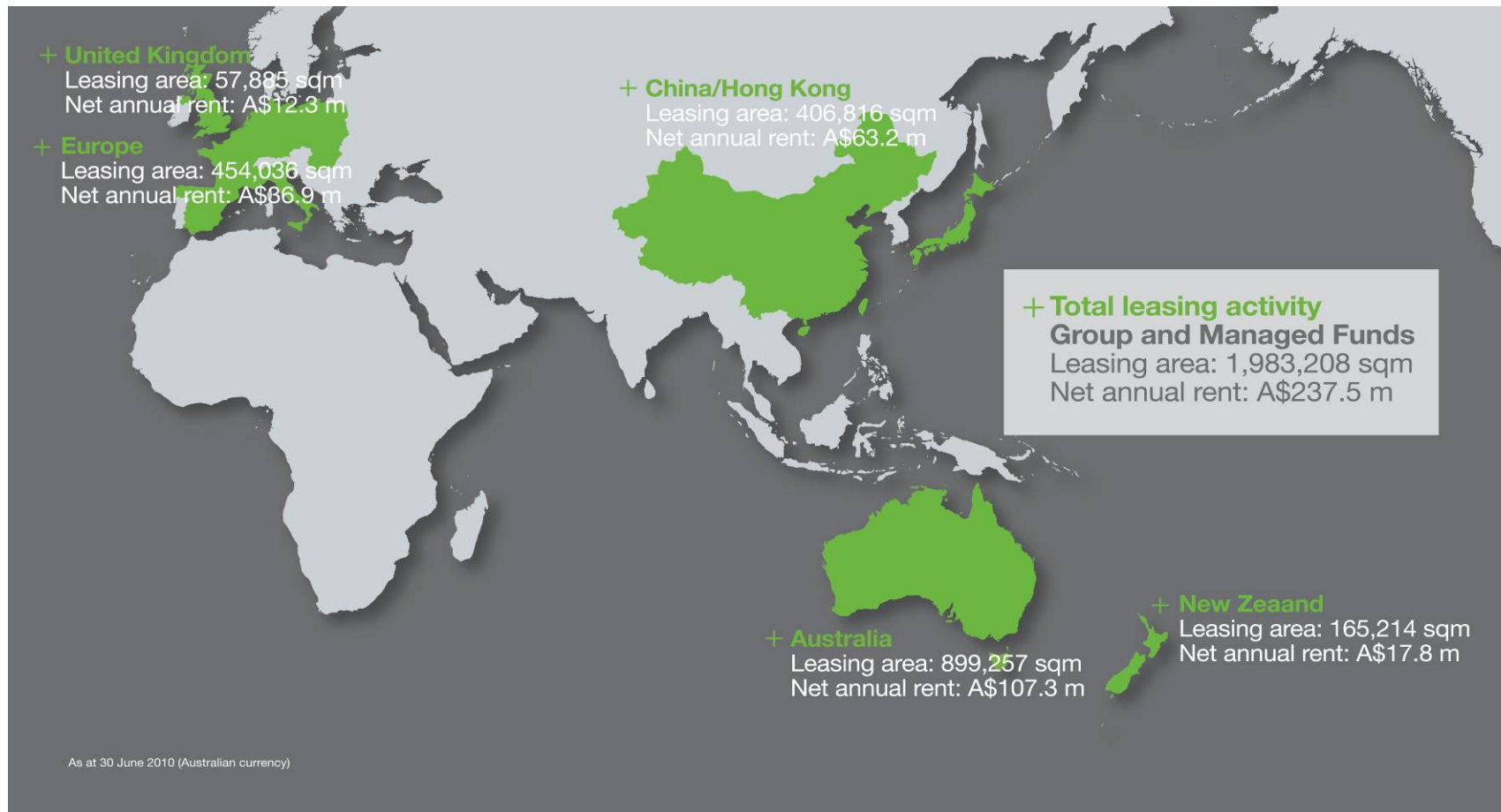
Country	Sweden
Customer	Staples
Area	21,581 sqm
Lease term (yrs)	N/A
Owner	Third party

Country	Poland
Customer	Nissin
Area	10,392 sqm
Lease term (yrs)	7
Owner	GELF



# Operational activity - leasing

- + Leasing success continuing into FY2011
  - 400,000 sqm leased to 30 September



# Operational activity - leasing

Australia – GreystanesPark West

Customer	<b>Linfox</b>
Lettable area	15,767 sqm
Lease term	5 years
Owner	GMG



Australia – CityWest Office Park

Customer	<b>Network Ten</b>
Lettable area	11,472 sqm
Lease term	12 years
Owner	GAIF



Australia – Chifley Business Park

Customer	<b>Coca-Cola Amatil</b>
Lettable area	12,235 sqm
Lease term	5 years
Owner	GAIF



Hong Kong – Dynamic Cargo

Customer	<b>Fuji Xerox (HK)</b>
Lettable area	10,819 sqm
Lease term	5 years
Owner	GHKLF



# Operational activity - leasing

## Greater China – Shanghai

Customer	<b>Sinotrans</b>
Lettable area	57,417 sqm
Lease term	5 years
Owner	GCLH



## Germany – Straubing

Customer	<b>Ingram Micro</b>
Lettable area	42,989 sqm
Lease term	10 years
Owner	GELF



## France – Montelimar

Customer	<b>Amazon</b>
Lettable area	36,075 sqm
Lease term	9 years
Owner	GELF



## United Kingdom – Hoddesdon

Customer	<b>Wincanton</b>
Lettable area	10,132 sqm
Lease term	15 years
Owner	GMG / third party

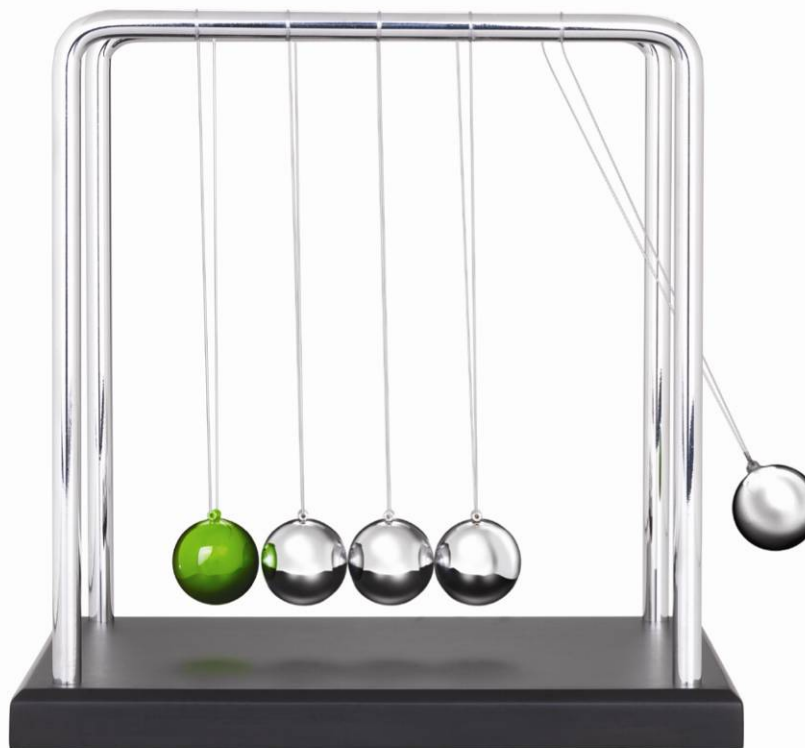


# Outlook

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- + We have achieved a sound platform for growth, with operating momentum building
- + Strength of the Goodman business positions us well for the future
- + Reaffirm previous guidance for 2011:
  - Estimated operating profit range of \$370 - \$380 million

thank+you



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