



Keeping  
focused

Goodman Group  
Results for the half year ended 31 December 2008



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# Overview

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- + Markets are challenging and will remain that way for some time
- + We are responding through definitive and material actions
- + Addressing the key issues
- + Consolidate market position

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# Liquidity

- + Available liquidity of \$842 million
- + Significantly reduced capital commitments going forward
  - Development capital expenditure commitment of \$95 million
  - Investment commitments \$216 million
  - Cash settlements on contracted asset sales \$168 million
- + Progressing well on refinance of Tranche A Syndicated Facility \$460 million in May 2009
- + Funds are in a sound liquidity position with \$1.3 billion of available capital
  - Only refinance due this calendar year is \$124 million in November
  - Development capital commitment of \$501 million

# Gearing and ICR

- + Goodman is comfortably within its covenants
  - Gearing 41.2%<sup>1</sup>
  - ICR 3.4X<sup>2</sup>
- + Most funds comfortably within covenants
  - ABPP gearing 59% - investors and banks have shown strong support as was evident in the recent asset for equity swap executed in December 2008

1. Total interest bearing liabilities (net of cash)/total assets (net of cash)
2. Operating EBIT/Gross Interest; rolling 12 months

# Valuations

- + Thorough and consistent process
  - 7% average decline driven by cap rate shift
  - Primarily UK but all markets affected
  - Some write downs on land holdings to allow the absorption of future holding costs
  - IIF taken at market (\$15.8 million current book value)
  - Derivative mark to market effects recorded (primarily interest rate swaps)
- + Intangible assets thoroughly reviewed
  - Held at historic cost
  - Businesses have been acquired well over time
  - Significant value has been added to them through the integration and cost strategies
  - 5 year DCF shows some deterioration recently but insufficient to warrant impairment

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- + Section 2 Financial performance
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- + Section 4 Summary
- + Section 5 Appendices

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# Section 1 – Operational performance

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# Investments

- + Property investments (70% of operating EBIT)
  - 60% from directly owned (7.2% yield)
  - 40% from cornerstone (5.3% yield)
- + Australian direct property fundamentals remains strong
  - 98% portfolio occupancy
  - average WALE<sup>1</sup> 4.3 years
  - average rental increase of 3.8% on new leases
  - customer retention 72%
- + Fund properties
  - average occupancy maintained at 95%
  - average WALE<sup>1</sup> 6.9 years
  - weighted average retention 77%

1. Weighted average lease expiry.

# Fund management

- + Management services (24% of operating EBIT)
- + Third party assets under management (AUM) grew by \$0.7 billion or 5% on a constant currency basis despite valuation losses
  - FX movement of \$2.1 billion, contributing a further 15% growth
  - Total growth in third party AUM was 20% to \$17.1 billion
- + Stable fund management platform
  - \$0.5 billion third party equity raised
  - 42.8% average gearing
  - \$0.5 billion in undrawn equity available to be called
  - \$0.8 billion in debt capacity
  - Limited debt maturities in the funds for CY09 (\$124 million in GEBPF)
- + Total return impacted by cap rates and derivatives
  - 10.0% for Asia Pacific platform
  - (14.1%) for European platform
  - Minimal contribution from performance fees expected

Business space AUM growth drivers 1H09	Third party AUM \$ billion
<b>Open</b>	<b>14.3</b>
Acquisitions on market	0.6
Acquisitions from GMG	0.6
Developments	0.6
Disposals	(0.1)
Revaluation	(1.0)
FX	2.1
<b>Close</b>	<b>17.1</b>

# Developments

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## + Development (6% of operating EBIT)

- Return on capital of 9% (profit and fees)
- Implementation of capital management initiatives
  - Reviewing \$0.6 billion of previously committed projects
  - Focus on pre-let, pre-sold
- \$95 million cost to complete for GMG and \$501 million for Funds

Work in progress	\$B
<b>Opening</b>	<b>3.1</b>
FX impact	0.1
Completions	(1.5)
Projects under review	(0.6)
Commencements	0.4
<b>Closing</b>	<b>1.5</b>

	Completions	Commitments	Work in progress
Value (\$M)	1,485	359	1,510
Area (m sqm)	0.87	0.25	0.91
Yield (%)	7.35	7.89	7.55
Precommitted (%)	97	89	74
Weighted Average Lease Term (years)	12.2	7.9	7.4
Development for Third Party Funds (%)	75	89	89
Asia Pacific (%)	44	27	48
UK/Europe (%)	56	73	52

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# Key events

- + Successfully completed \$956 million equity raising
- + Disposal of 50% of Goodman's interest in Hong Kong development assets
- + Restructure and streamline of Asian business – acquisition of Macquarie's 50% interest in MGA
- + ABPP – \$764 million equity raising
- + GELF - \$452 million equity raising
- + GAIF – \$450 million debt refinanced
- + Japan – establishment of two wholesale funds with 15 assets valued at \$1,154 million
- + MGLF-HK – \$310 million equity raising, \$210 million new debt and \$210 million debt refinanced
- + Operational efficiency initiatives achieved
  - Restructure of management roles
  - 20% reduction in overheads on annualised gains

# Earnings outlook

- + Strong operating performance first half
  - 1% increase in occupancy, positive reversions and low delinquencies
  - Third party AUM up 20% (5% excluding FX) to \$17.1 billion
  - Development WIP down to \$1.5 billion (89% in Funds) in line with capital management strategy – focus on best projects and terms
- + Second half trends
  - Lower interest costs
  - Lower operating costs
  - Properties continue to perform well
  - Property / Fund Management on track albeit no performance fees
  - Reviewing and enhancing the development portfolio
- + Maintaining target EPS of 19.3c for FY2009

## Section 2 – Financial performance

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# Financial performance

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+ 1H FY09 operating profit of \$216.2<sup>1</sup> million – in line with forecast

+ Operating EPS of 11.1 cents and DPS of 9.65 cents

	Half year ended 31 Dec 2008	Half year ended 31 Dec 2007	Increase/ (decrease)
Operating earnings per security (cents) <sup>1</sup>	11.08	17.47	(36.6%)
Distribution per security (cents)	9.65	17.00	(43.2%)
Payout ratio (%)	87.1	97.3	(12.9%)
	As at 31 Dec 2008	As at 30 Jun 2008	Increase/ (decrease)
Total assets (\$M)	9,650.9	9,633.5	0.2%
Gearing (%) <sup>2</sup>	41.2	39.9	1.3%
Liquidity (\$M)	842	1,687	(50.1%)
NTA per security (\$) <sup>3</sup>	1.05	1.96	(46.1%)
Securities on issue (M) <sup>3</sup>	2,738.0	1,692.7	61.8%

1. Operating Profit and EPS excludes unrealised gains on property revaluations, AIFRS and other non-cash adjustments and calculated based on weighted average securities of 1,950.7 million (Dec '08).

2. Gearing is calculated as total interest bearing liabilities (net of cash) over total assets (net of cash).

3. Calculated on 2,738.0 million securities being closing securities on issue of 2,779.7 million less 41.7 million securities related to ESAP.

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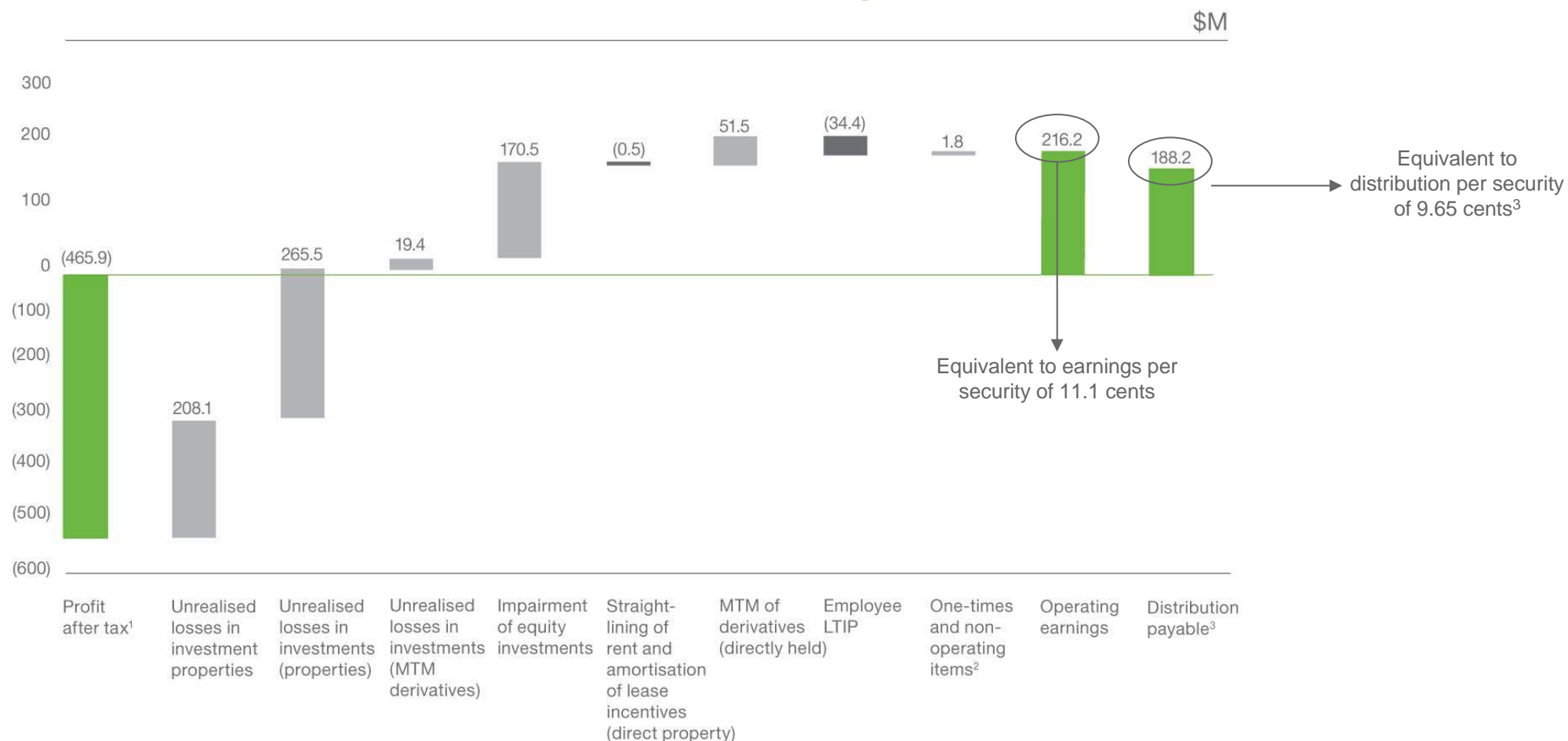
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# Reconciliation of operating profit

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1. Profit (Loss) after tax is statutory profit (loss) after tax attributable to securityholders.
2. Includes \$1 million loss on disposal of helicopter, \$3.1 million AIFRS adjustments for foreign entities and \$2.3 million capital profits not distributed
3. Excluding pari passu for new securities of \$76 million.

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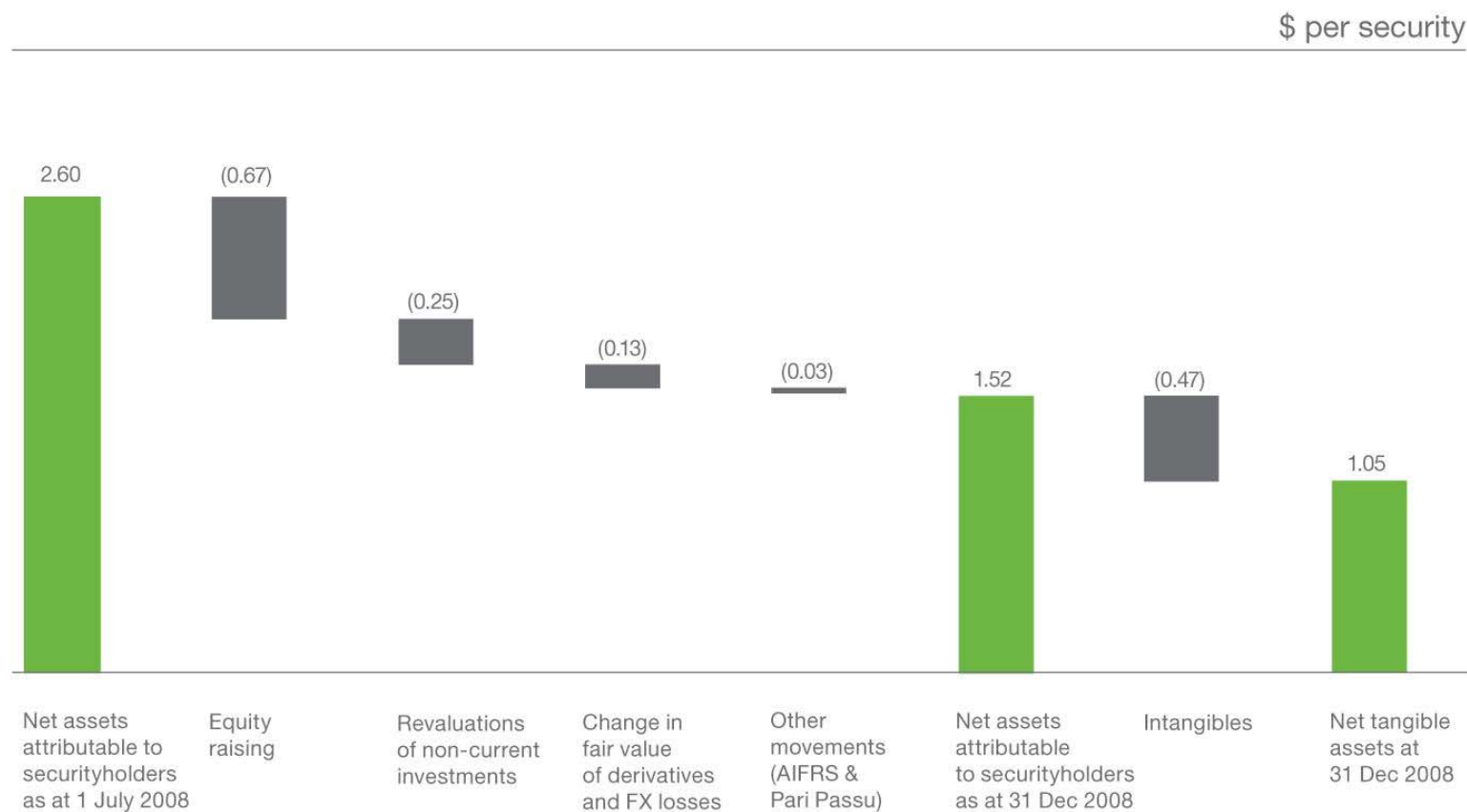
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# Net Asset bridge

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+ For year half ended 31 December 2008



1. Calculated on 2,738.0 million securities being closing securities on issue of 2,779.7 million less 41.6 million securities related to ESAP.

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# Gearing bridge

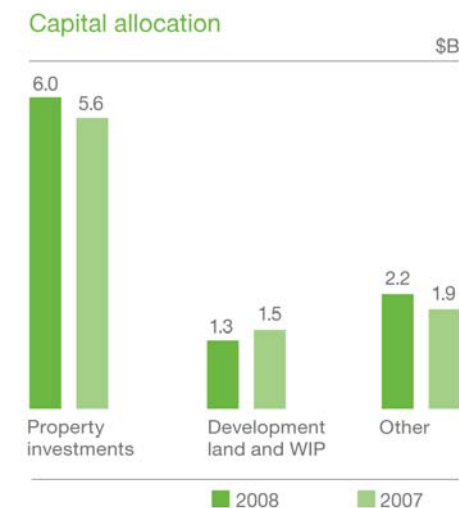
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+ 1.3% movement in gearing from 30 June to 31 December 2008



+ Headline gearing of 41.2%

+ Look through gearing 51%



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# Liquidity bridge

+ \$842 million in liquidity as at 31 December 2008

Liquidity bridge	\$M
<b>As at 30 June 2008</b>	<b>1,687</b>
Investments	(447)
Development capex	(255)
Asset sales	210
Loan prepayments and FX impact	(1,071)
Capital raising (net of purchase and costs)	719
<b>As at 31 December 2008</b>	<b>842</b>

## Major committed cash flows

Capex (commitments to completion)	(95)
Investments (discretionary to June 2009)	(216)
Sales (contracted)	168

Contracted Asset Sales \$M	Land & WIP	Stabilised Assets	Cornerstone Units	Total
Settled in half	146	64	–	210
Settled next half	121	–	47	168
<b>Total</b>	<b>267</b>	<b>64</b>	<b>47</b>	<b>378</b>
<b>UK</b>				<b>118</b>
<b>Europe</b>				<b>86</b>
<b>Rest of World</b>				<b>174</b>

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# Earnings composition

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Earnings type (Operating EBIT) <sup>1</sup>	1H09		1H08 restated <sup>1</sup>	
	\$M	%	\$M	%
Property investment <sup>2</sup>	246	70	238	53
Management services	86	24	111	25
Development	21	6	97	22

## + Operating EBIT composition in line with guidance

- Property investment increased due to higher average cornerstone interest in funds
- Management services down due to reduction in performance fees and development volume
- Developments down post capital management initiatives

Management Services EBIT (\$million)	1H FY09	1H FY08 restated <sup>1</sup>	Movement (pcp)
Services and Fund management	44	57	(23%)
Development management	42	54	(22%)
<b>Total</b>	<b>86</b>	<b>111</b>	<b>(23%)</b>

1. Excludes GPI and Singapore EBIT for 1H08.

2. On a look through basis.

# Valuations

- + Net property valuation loss of \$487.0 million for the period - equates to 7% at the property level

Investment valuation summary	GMG 1H09 movement \$M	GMG book value 31 Dec 08 \$M	WACR 31 Dec 08 %
Australia	(80.0)	3,701.9	7.2
New Zealand	(10.6)	315.2	8.3
Hong Kong	6.6	301.2	6.7
China	—	158.1	8.7
Japan	(0.2)	279.4	5.3
UK	(358.5)	1,487.6	7.7
Europe	(44.4)	850.5	6.9

- + IIF (\$161.4) million (current book value \$15.8 million)
- + Assets held for sale (\$10.2) million
- + Mark to market of derivatives movement of (\$419.6) million

## Section 3 – Capital management



# Capital management

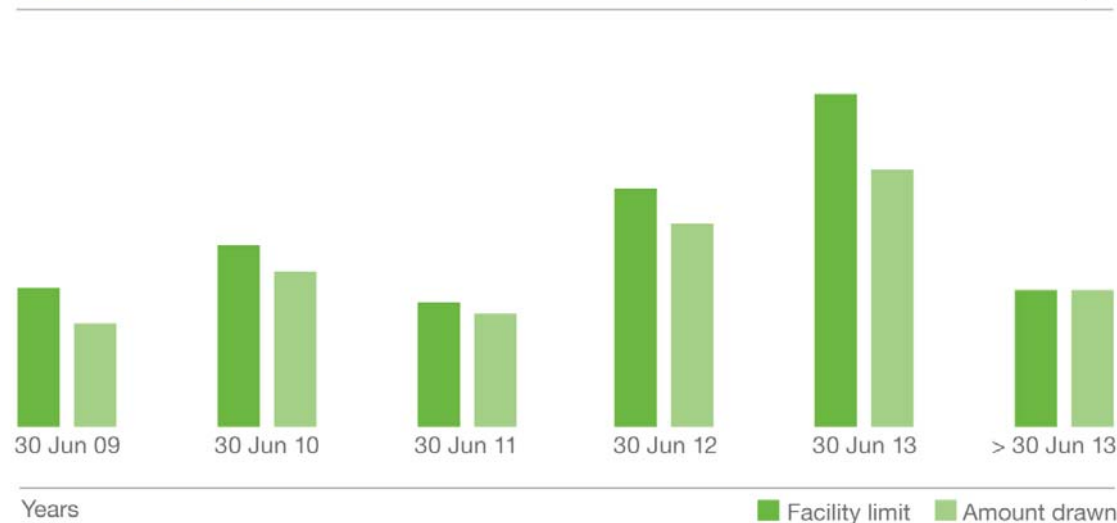
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## + Debt

- Maintained long-term investment grade ratings of BBB+ (S&P) and Baa1 (Moody's)
- \$842 million in available liquidity as at 31 December 2008
- Weighted average debt maturity profile of 3.52 years
- Total group borrowings of \$4,072.9 million as at 31 December 2008

Debt maturity profile

\$M



	Facility limit \$M	Amount drawn \$M
by 30 June 2009	580.9	437.9
by 30 June 2010	759.0	648.5
by 30 June 2011	520.0	480.1
by 30 June 2012	1,000.0	846.7
by 30 June 2013	1,400.9	1,083.6
greater than 30 June 2013	576.2	576.2

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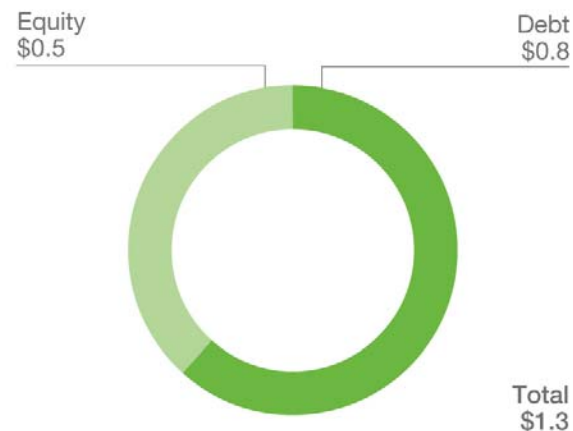
# Capital management (cont)

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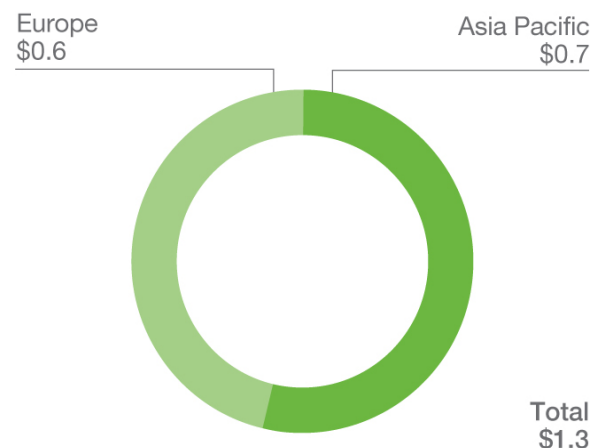
## Fund platform capital

- + Balance of undrawn capital (\$1.3 billion)
  - \$0.5 billion of undrawn equity capital within managed funds
  - \$0.8 billion of debt capacity
- + Weighted average debt maturity profile of 3.3 years

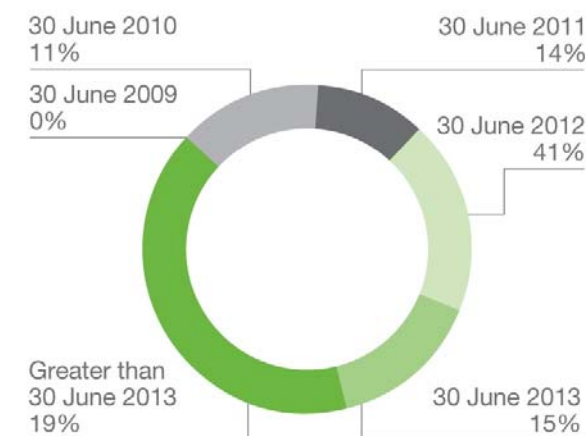
Undrawn capital by type (billion)



Undrawn capital by region (billion)



Debt maturity profile



## Section 4 – Summary

# Summary

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- + Maintain 19.3 cents operating EPS target for FY2009
- + Focus on capital management and capital allocation
- + Maintain capabilities
- + Focus on opportunities to capitalise on competitive position and operating platform

## Section 5 – Appendices

# Appendices

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# Financial performance

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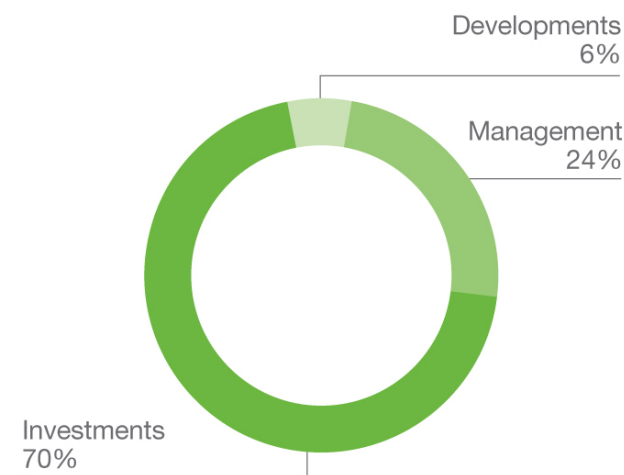
## + Operating results in line with forecast

- Operating profit<sup>1</sup> of \$216.2 million
- Operating EPS<sup>1</sup> 11.1 cents
- DPS of 9.65 cents – in line with management forecast
- Composition in line with expectations

## + Financial position

- Gearing at 41.2%<sup>2</sup> and interest cover ratio of 3.4 times<sup>3</sup>
- Available liquidity of \$842 million as at 31 December 2008
- Comfortably within debt covenants
  - Derivative mark to markets excluded from covenant calculations
- Asset valuation loss reflects -7% at the asset level
- Derivative valuation movements of -\$419.6 primarily relate to interest rate swaps

Operating EBIT Contribution



1. Operating income and operating EPS are prepared on the basis of excluding the impact of non-cash items, such as mark-to-market movements of investments, derivatives and one-time items. This is consistent with the approach in previous periods.
2. Total interest bearing liabilities (net of cash)/total assets (net of cash) of \$167 million as at 1H09 and \$639 million as at FY08.
3. Operating EBIT/Gross Interest; rolling 12 months

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# Financial performance (cont)

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GMG results	Half year ended 31 Dec 2008 \$M	Half year ended 31 Dec 2007 (restated) \$M	Increase / (decrease) \$M
Property investment	176.5	193.3	(16.8)
Management services	130.8	161.3	(30.5)
Development	21.0	96.7	(75.7)
<b>Operating revenue net of property expenses</b>	<b>328.3</b>	<b>451.3</b>	<b>(123.0)</b>
Unrealised losses on investment properties	(493.0)	(7.2)	(485.8)
Non-operating income	(0.8)	-	(0.8)
<b>Total income</b>	<b>(165.5)</b>	<b>444.1</b>	<b>(609.6)</b>
Expenses from operations	(27.3)	(86.3)	59.0
Impairment losses on equity investments	(170.5)	-	(170.5)
Net interest expense	(101.7)	(64.2)	(37.5)
Income tax credit - current	14.6	(13.5)	28.1
Minority interests	(15.5)	(1.5)	(14.0)
<b>Profit after tax attributable to Securityholders – continuing operations</b>	<b>(465.9)</b>	<b>278.6</b>	<b>(744.5)</b>
Profit from discontinued operations	-	6.3	(6.3)
<b>Profit after tax attributable to Securityholders for the Half Year</b>	<b>(465.9)</b>	<b>284.9</b>	<b>(750.7)</b>
Add unrealised losses on investment properties	493.0	(0.6)	493.6
Add Impairment losses on equity investments	170.5	-	170.5
Other AIFRS adjustments and non-operating items	18.6	6.0	12.6
<b>Operating profit after tax attributable to Securityholders</b>	<b>216.2</b>	<b>290.3</b>	<b>(74.1)</b>
Transfer from reserves	-	-	-
<b>Total distributable income</b>	<b>216.2</b>	<b>290.3</b>	<b>(74.1)</b>
<b>Operating basic earnings per security (cents)</b>	<b>11.08</b>	<b>17.47</b>	<b>(6.39)</b>
<b>Distribution per security (cents)</b>	<b>9.65</b>	<b>17.00</b>	<b>(7.35)</b>
Weighted average number of securities – EPS <sup>1</sup> (million)	1,950.7	1,661.5	289.2

1. Excludes weighted average number of treasury securities on issue.

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# Financial performance (cont)

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+ Total income by business segment for year half ended 31 December 2008

Category	Total	Property investment	Management	Realised gains / (Losses)	Unallocated	Unrealised profit / (loss) / Non-operating items
	\$M	\$M	\$M	\$M	\$M	\$M
Property income	131.5	131.5				
Net unrealised gain/(loss) from fair value adjustment on investment property	(208.1)					(208.1)
Net gain on disposal of investment properties	(2.6)		(4.4)	1.8		
Net gain on disposal of controlled entities	28.1		22.1	3.7		2.3
Share of net results from equity accounted investments	(220.3)	62.9	4.8			(288.0)
Net gain/(loss) on disposal of equity investments	15.5			15.5		
Funds management	47.4		47.4			
Property services	32.1		32.1			
Development management	203.0		203.0			
Distributions from investments	7.1	7.1				
<b>Total income</b>	<b>33.7</b>	<b>201.5</b>	<b>305.0</b>	<b>21.0</b>	<b>-</b>	<b>(493.8)</b>
Development and property expenses	(188.7)	(25.0)	(163.7)			
Operating expenses	(37.8)		(55.3)		(15.9)	33.4
Impairment losses on equity investments	(170.5)					(170.5)
<b>EBIT</b>	<b>(363.3)</b>	<b>176.5</b>	<b>86.0</b>	<b>21.0</b>	<b>(15.9)</b>	<b>(630.9)</b>
Straightlining of rent and amortisation of lease incentives		(0.5)				
NPI look through adjustment		69.8				
<b>Look through operating EBIT</b>		<b>245.8</b>	<b>86.0</b>	<b>21.0</b>		

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# Reconciliation of distribution

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Category	Total	Property investment	Management	Realised gains / (losses)	Unallocated	Unrealised profit / (loss) / Non-operating items
	\$M	\$M	\$M	\$M	\$M	\$M
<b>EBIT</b>	<b>(363.3)</b>	<b>176.5</b>	<b>86.0</b>	<b>21.0</b>	<b>(15.9)</b>	<b>(630.9)</b>
Unrealised gains/losses on investment property revaluations	208.1					208.1
Unrealised gains/losses included in associate share of profits	284.9					284.9
Impairment loss on investments	170.5					170.5
Employee LTIP	(34.4)					(34.4)
Straightling of rent and amortisation of lease incentives	(0.5)	(0.5)				
Non-operating items <sup>1</sup>	1.8					1.8
<b>Operating EBIT</b>	<b>267.1</b>	<b>176.0</b>	<b>86.0</b>	<b>21.0</b>	<b>(15.9)</b>	<b>-</b>
Net interest expense	(101.7)					
Unrealised losses/gains on fair value of derivatives	51.7					
Income tax credit – current	14.6					
Minorities	(15.5)					
<b>Operating profit available for distribution</b>	<b>216.2</b>					
<b>Total distribution</b>	<b>188.2</b>					
Pari passu	76.0					
<b>Total distribution payable</b>	<b>264.0</b>					

1. Non-operating items includes \$1.0 million loss on disposal of helicopter, \$3.1 million AIFRS adjustments for foreign entities and \$2.3 million capital profits not distributed.

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# Financial position

## Movement in assets

+ For year half ended 31 December 2008

Net tangible asset reconciliation	\$M	\$M	Per security <sup>1</sup>
Net assets at 1 July 2008		4,669.1	2.79
Less: Minority interests		(320.6)	(0.19)
<b>Net assets attributable to security holders</b>		<b>4,348.5</b>	<b>2.60</b>
Revaluation of non-current investments during the year			
Revaluation of investments properties	(208.1)		
Revaluation of investments properties in associates	(284.9)		
Revaluation of investments (includes IIF)	(185.1)	(678.1)	(0.25)
Movements in equity			
Equity issues (net of issue costs and effect of ESAP and additional securities)		928.1	(0.67)
Other			
Movement in reserves (and other AIFRS adjustments)		20.5	0.01
Pari Passu		(76.0)	(0.03)
Change in fair value of derivatives and foreign exchange losses		(348.5)	(0.13)
Attributable to minority interests (includes Goodman PLUS)		(15.5)	(0.01)
<b>Net assets attributable to securityholders at 31 December 2008</b>		<b>4,179.0</b>	<b>1.53</b>
Less Intangibles		(1,293.6)	(0.47)
<b>Net tangible assets at 31 December 2008</b>		<b>2,885.4</b>	<b>1.05</b>
<b>Net tangible assets excluding derivative MTM position as at 31 December 2008</b>		<b>3,169.0</b>	<b>1.16</b>

1. Calculated on 2,738.0 million securities being closing securities on issue of 2,779.6 million less 41.6 million securities related to ESAP.

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# Financial position (cont)

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## + Headline gearing of 41.2%

As at 31 December 2008	Asia Pacific \$M	Europe \$M	Total \$M
Investment properties	2,574.5	1,359.8	3,934.3
Investments in funds	2,197.2	978.3	3,175.5
Other segment assets <sup>1</sup>	654.6	1,427.9	2,082.5
Cash			166.7
Other assets			291.9
<b>Total assets</b>			<b>9,650.9</b>
Interest bearing liabilities			4,072.9
Other liabilities			1,069.2
<b>Total liabilities</b>			<b>5,142.1</b>
<b>Net assets/(liabilities)</b>			<b>4,508.8</b>
<b>Gearing<sup>2</sup></b>			<b>41.2%</b>
<b>NTA<sup>3</sup></b>			<b>\$1.05</b>

1. Other segment assets include intangibles of \$1,293.6 million.

2. Gearing calculation based on debt (net of cash) over assets (net of cash).

3.. Calculated based on securities on issue less Treasury securities.

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Results for the half year ended 31 December 2008



# Financial position (cont)

## Capital allocation

- + Total property investment portfolio up \$0.4 billion to \$6.0 billion
  - reduction in directly owned assets \$0.1 billion
  - increase of \$0.5 billion cornerstone<sup>1</sup>, predominately from ABPP asset-for-equity swap
  
- + Group owned development assets down \$0.2 billion to \$1.3 billion
  - impact of the capital management initiatives to reduce capital allocation to development

	Direct assets \$M	Cornerstone investments \$M	Total investments \$M	Development WIP (on GMG B/S) \$M
Asia Pacific	2,316.1	2,197.1 <sup>1</sup>	4,513.2	468.1
Europe	544.1	978.4	1,522.5	868.6
<b>Total</b>	<b>2,860.2</b>	<b>3,175.5</b>	<b>6,035.7</b>	<b>1,336.7</b>

1. Includes IIF investment.

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Results for the half year ended 31 December 2008

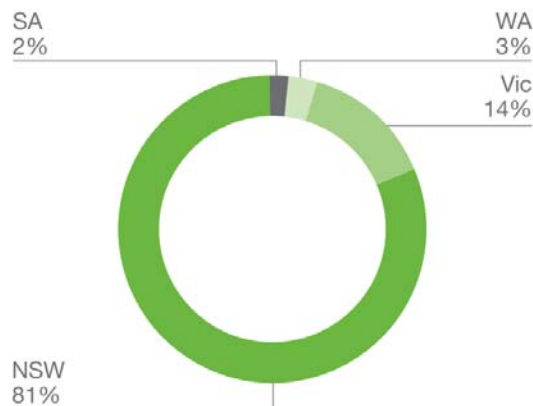


# Investments

## Australian core property

- + 34 properties with a total value of \$2.4 billion<sup>1</sup> located across key Australian markets
- + Leasing deals remain strong across the portfolio
  - 96,294 sqm (\$10.2 million net annual rental) of existing space leased
  - customer retention 72% (rolling 12 months), 78% excluding relocations within the portfolio
  - average increases of 3.8% on passing rentals
  - average portfolio valuation cap rate of 7.2%
- + 98% occupancy and a weighted average lease expiry of 4.3 years
- + Manageable lease expiry (16.3% of portfolio) over next 12 months

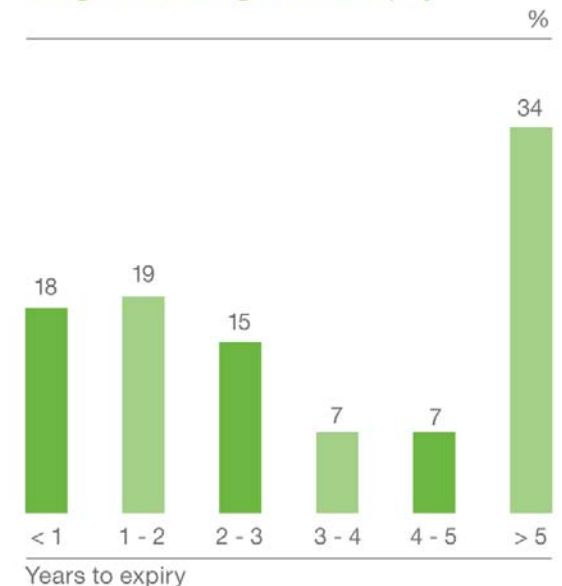
Geographical diversification by value



Asset type diversification by value



Weighted average lease expiry



1. Includes developments.

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Results for the half year ended 31 December 2008





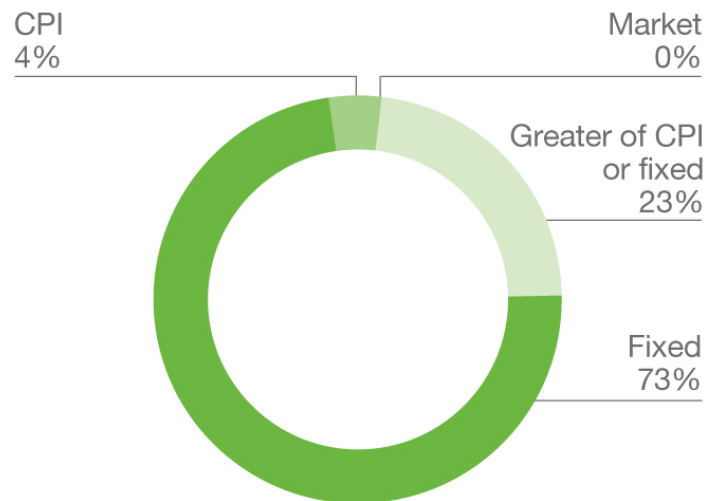
# Investments (cont)

37

## Property rental increase profile

- + Average rental increase of 3.8% for 1H09
- + High level of fixed and CPI reviews provide certainty in income growth
- + Market reviews to occur in 2H09

### Rent review profile



# Investments (cont)

## Cornerstone investment performance

- + \$3.2 billion invested, up \$0.5 billion since June 2008
- + Average total return since inception (annualised) (1.1%)<sup>1</sup>
  - Asia Pacific 10.0%
  - Europe (14.1%)

## Largest cornerstone investments

Fund	Region	Performance since inception <sup>2</sup> %	Relative to performance benchmark <sup>3</sup>	Occupancy %	WALE years	Retention %
GMT	Asia Pacific	8.6	Outperform	97	5.7	83
GAIF	Asia Pacific	8.5	Underperform	99	6.6	70
MGLF-HK	Asia Pacific	15.2	Outperform	98	2.8	77
ABPP	Europe	(21.1)	Underperform	88	11.5	70
GELF	Europe	(10.1)	Underperform	97	6.1	90
GEBPF	Europe	(1.3)	Underperform	84	4.7	93

1. Weighted by value of GMG cornerstone interest.

2. Annualised to 31 December 2008.

3. Performance relative to annualised benchmark since inception: GMT (NZX Property ex GMT), GAIF (10 Yr CGS + 350bps), MGLF-HK (10 year HIBOR +450bps), ABPP (IPD +100bps), GELF (EURIBOR+ 450bps), GEBPF (EURIBOR +450-650bps investments/developments).

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Results for the half year ended 31 December 2008



# Developments

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Work in progress by region	On balance sheet end value \$M	Third party funds end value \$M	Total end value \$M	Third party funds % of total
Asia Pacific	62	659	721	91
Europe	106	683	789	87
<b>Total</b>	<b>168</b>	<b>1,342</b>	<b>1,510</b>	<b>89</b>

- + Future GMG development cash commitments (WIP) to be funded from current banking facilities

	\$M
GMG developments	205
Less pre-sold <sup>1</sup>	(110)
GMG cash commitments	95
GMG managed funds	501

1. Presold projects are reimbursed to the Group for third parties by instalments throughout the project or at practical completion of the project.

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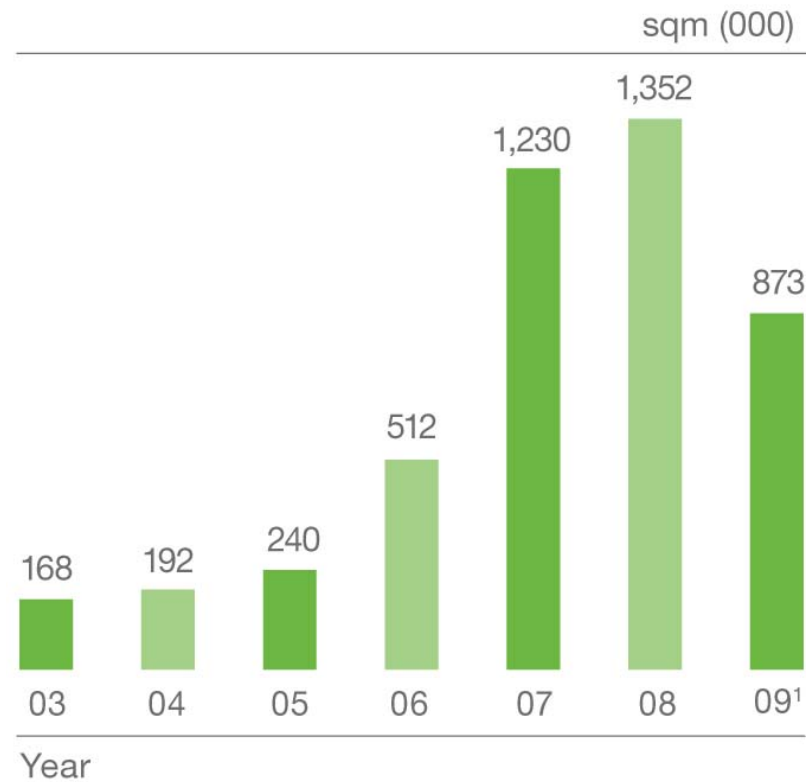
Results for the half year ended 31 December 2008



# Developments (cont)

40

## Completed developments



1. Six months to December 2008

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Results for the half year ended 31 December 2008



# Fund management

41

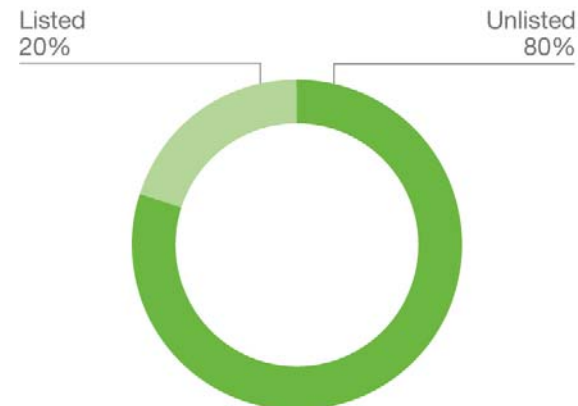
## Assets under management

- + Total assets under management of \$17.1 billion (excluding direct assets)<sup>1</sup>
- + Diversified across markets in Australia, New Zealand, Hong Kong, Japan, UK and Europe

Third party AUM by region (billion)



Third party AUM by market segment

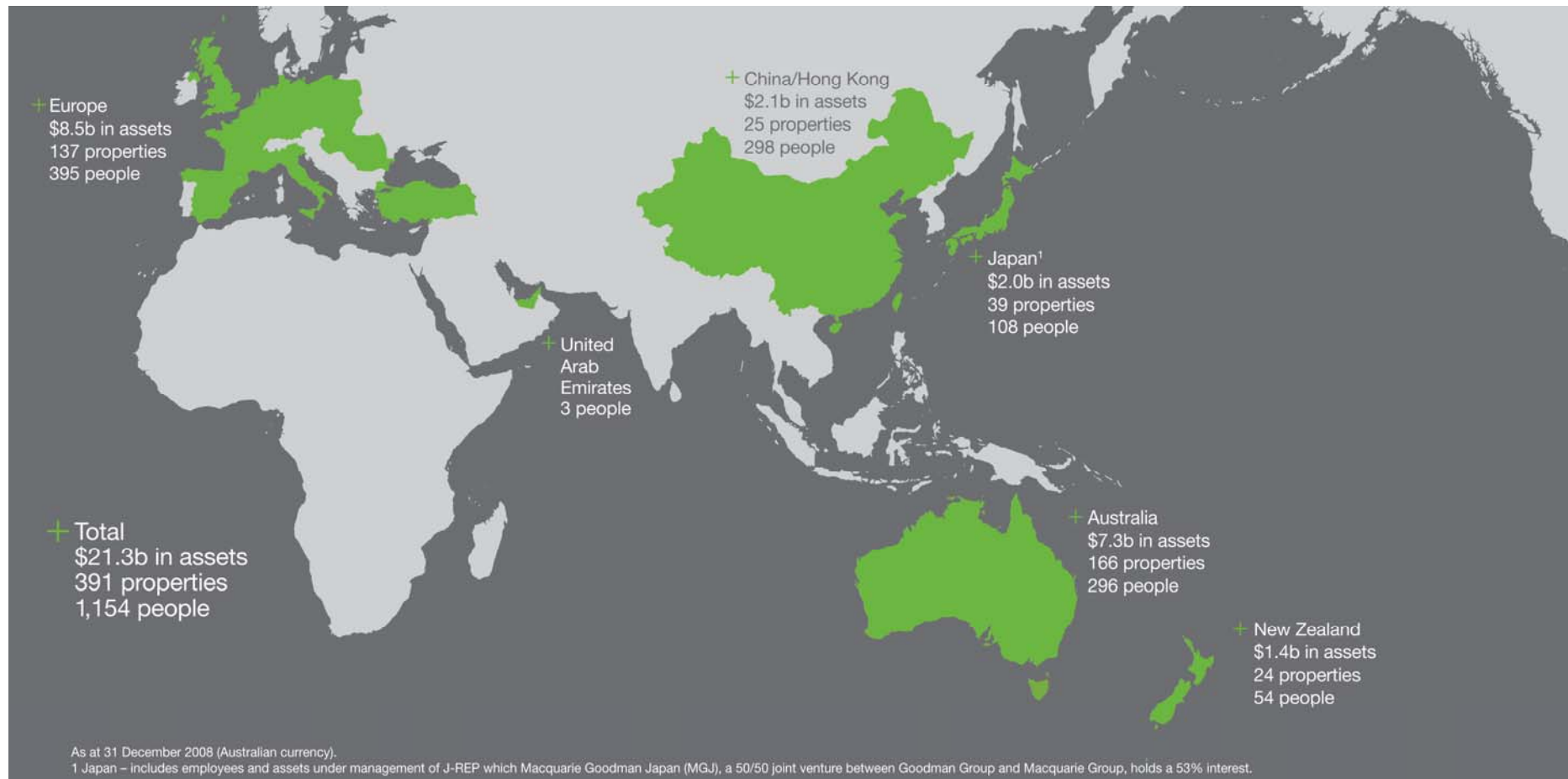


1. GMG holds a further \$4.2 billion of assets under management on balance sheet.

# Fund management (cont)

42

+ 39 offices in 19 countries



Note: Number of people is position as at 31 December 2008 and excludes restructure as announced on 22 January 2009.

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Results for the half year ended 31 December 2008



# Fund management (cont)

43

Fund	31 Dec 2008 \$B	30 Jun 2008 \$B	Variance \$B	Variance %
GMG	4.2	4.3	(0.1)	(2%)
GMT	1.3	1.3	-	-
GAIF	4.9	4.6	0.3	7%
MGLF-HK	1.8	1.2	0.6	50%
J-REP	2.0	1.1	0.9	82%
GELF	3.1	2.2	0.9	41%
ABPP	3.1	3.1	-	-
GEPBF	0.8	0.7	0.1	14%
Other wholesale	0.1	0.1	-	-
<b>Asia Pacific</b>	<b>12.8</b>	<b>10.8</b>	<b>2.0</b>	<b>19%</b>
<b>Europe</b>	<b>8.5</b>	<b>7.8</b>	<b>0.7</b>	<b>9%</b>
<b>Total</b>	<b>21.3</b>	<b>18.6</b>	<b>2.7</b>	<b>15%</b>

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Results for the half year ended 31 December 2008



# Fund management (cont)

44

	Europe				Asia Pacific						Total
	UK	EUR	UK	EUR	AUS	AUS	NZ	HK	China	Japan	
	Business Parks		Logistics								
Fund Name	ABPP <sup>1</sup>	GEBPF	GMG	GELF	GMG	GAIF	GMT	MGLF-HK	GMG	J-REP	
Third Party AUM (\$bn)	\$3.2	\$0.8		\$3.1		\$4.9	\$1.3	\$1.8		\$2.0	\$17.1
GMG on B/S AUM (\$bn)	\$0.0	\$0.1	\$1.1	\$0.2	\$2.4		\$0.0		\$0.3		\$4.2
TR since inception % <sup>3</sup>	(21.1%)	(1.3%)		(10.1%)		8.5%	8.6%	15.2%			(1.1%)
Occupancy (%)	88%	84%	90%	97%	98%	99%	97%	98%	98%	87%	
WALE (years)	11.5	4.7	9.1	6.1	4.3	6.6	5.7	2.8	5.2	9.0	
Cornerstone (%)	36%	16%		32%		45%	28%	24%		27%	
Gearing (%)	59%	61%		46%		38%	32%	32%			

1. Includes Colworth

2. Assets under management position as at 31 December 2008

3. Total return since inception (or GMG management) to 31 December 2008 annualised

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Results for the half year ended 31 December 2008





# Fund management (cont)

45

## Drivers of third party AUM growth

- + \$17.1 billion of third party assets under management
  - \$2.8 billion net increase for the half
  - 20% growth for the half year
- + \$3.9 billion of gross asset value increase over the period
  - \$1.2 billion of acquisitions from Group and on-market
  - \$0.6 billion of developments
  - FX impact a further \$2.1 billion
- + \$1.1 billion of gross asset value decrease over the period
  - \$0.1 billion of asset sales
  - \$1.0 billion of negative valuation movements

Business space AUM growth drivers 1H09	Third party AUM
	\$bn
<b>Open</b>	<b>14.3</b>
Acquisitions on market	0.6
Acquisitions from GMG	0.6
Developments	0.6
Disposals	(0.1)
Revaluation	(1.0)
FX	2.1
<b>Close</b>	<b>17.1</b>

# Fund management (cont)

46

## Fund platform capital

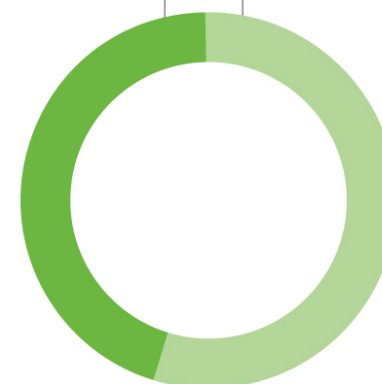
### + Capital partners<sup>1</sup>

- 56 investors in two or more Goodman funds (+14% from FY08)
  - new investors in funds post capital raisings
  - strong investor relationships
  - confidence in management and long term focus
- 45% (by value) of investors are international
- predominately institutional investors

#### Investor location

International  
45%

Domestic  
55%



1. Including holdings in GMG.

# Fund management (cont)

47

## Key fund highlights – Asia Pacific

### + Australia – GAIF

- Revaluations resulted in a 1.5% reduction in the Fund's total portfolio value, average capitalisation rate 7.2%
- Rent reviews of 456,723 sqm, providing an annualised increase of 3.9%
- Portfolio occupancy maintained at 99%, WALE 6.6 years
- \$450 million in debt successfully refinanced, completed drawdown of \$300 million Tranche 2 equity
- Gearing of 38.4%

### + New Zealand – GMT<sup>1</sup>

- Distributable profit up 36.9% to NZ\$42.7 million
- Sound balance sheet position with 32.0% gearing (33.9% on a committed basis)
- Half year cash distribution per unit 5.11 NZ cents, 3.7% increase on pcg
- NZ \$900 million in debt successfully refinanced
- Portfolio occupancy of 98%, WALE of 5.9 years
- Average rental growth of 4%, including 5.15% from market and CPI linked reviews

1. Represents GMT results for the financial half year ended 30 September 2008.

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Results for the half year ended 31 December 2008



# Fund management (cont)

48

## Key fund highlights – Asia Pacific

### + Hong Kong – MGLF-HK

- Fund YTD total return of 13.5% (nine months)<sup>1</sup>
  - Total return since inception 45.7% (average 15.2% pa)
  - Average stabilised portfolio cap rate of 6.9%
- Average portfolio occupancy of 98% and WALE 2.8 years
- Strong leasing activity over the six months with approximately 2.0 million sq ft of leasing transactions completed
- Successfully raised HK\$2.7 billion of capital
- Acquired 50% share in the Interlink and Seaview development projects which is forecast to provide 3.6 million sq ft of premium logistics space

1. Fund YTD total return pre performance fee was 13.9%.

# Fund management (cont)

49

## Key fund highlights – Europe

### + Continental European Logistics – GELF

- Total portfolio value of \$3.1 billion
- Portfolio occupancy stable at 97% and WALE of 6.1 years
- Over 130,000 sqm leased during the half year with average lease term of five years
- Gearing of 46.0% well within target limits
- Portfolio now diversified across 11 countries

### + Continental European Business Parks – GEBPF

- Operational activity remains strong
  - High lease retention rate of 93%
  - Portfolio occupancy 84%
- Completed acquisition of Marseille and Düsseldorf

# Fund management (cont)

50

## Key fund highlights – Europe

### + UK Business Parks – ABPP

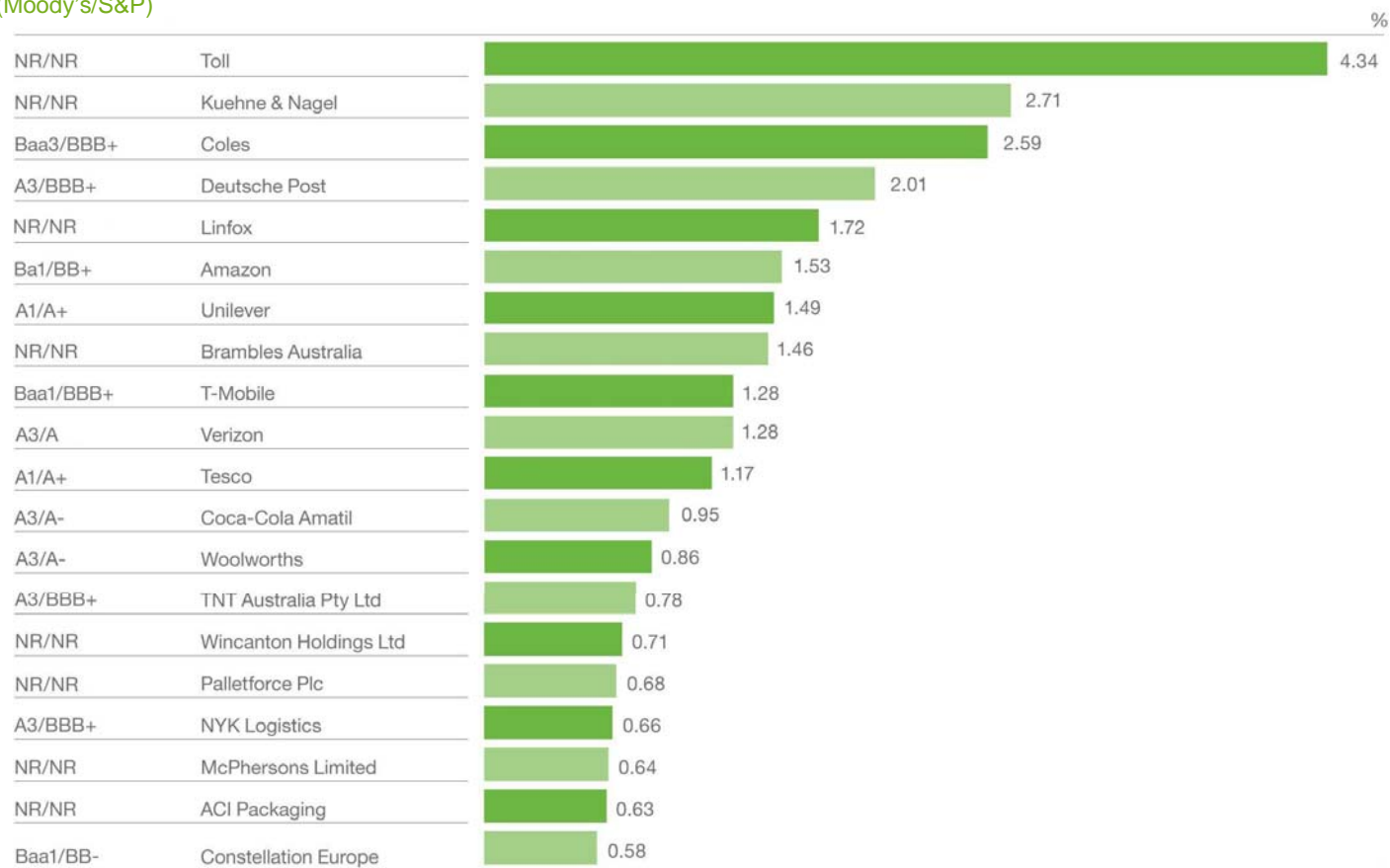
- £390 million of equity raised from existing investors
- Revised debt covenant from 60% to 65%
- 59% gearing (post devaluation and asset-for-equity swap)
- Portfolio occupancy remains constant at 88%

# Fund management (cont)

51

## Top 20 global customer base (by net rental income)<sup>1</sup>

(Moody's/S&P)



1. Includes customers of GMG and its managed funds.

2. Parent company rating adopted for Coles, NYK Logistics and T-Mobile.

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Results for the half year ended 31 December 2008



# Capital management

52

## Debt management of Goodman managed funds

- + Goodman successfully arranged the following major debt raisings within its managed funds
  - successfully refinanced HK\$1.1 billion in Macquarie Goodman Hong Kong Logistics Fund (MGLF-HK) in October 2008 and increased the existing bank facility by HK\$1.1 billion maturing over four years
  - Goodman Australia Industrial Fund (GAIF) successfully refinanced \$450 million over three years in December 2008
  - Successfully refinanced NZ\$900 million of existing bank facilities for Goodman Property Trust (GMT) to increase the term of the debt maturity profile over three years
  - Arranged additional €25 million bank facility for Goodman Logistics European Fund (GELF)
- + \$0.8 billion in available debt capacity across all funds as at 31 December 2008
- + There are no significant debt maturities within the managed funds for CY09



# Capital management (cont)

53

- + Financial risk management in line with Group board policy
  - interest risk management is conservative with:
    - 79% hedged in the first 12 months and to the upper end of policy for eight years
    - Weighted average hedge maturity of 4.92 years
    - Weighted average hedge rate of 5.31%<sup>1</sup> vs spot<sup>2</sup> 2.94%
  - FX rates 100% hedged on known cash flows for 3 years at rates of:
    - EUR (hedge 0.5383, spot 0.5046)
    - HKD (hedge 5.0730, spot 4.9672)
    - NZD (hedge 1.1614, spot 1.2627)

1. Includes the 10 year EMTN £250 million at 9.75% fixed rate.

2. Spot refers to market rate as at 24 February 2009.

# Capital management (cont)

54

## Equity

- + \$956.0 million in new equity capital raisings in October 2008
- + Closing number of securities on issue 2,779.7 million<sup>1</sup>
- + Market capitalisation of \$2,057.0 million at a \$0.74 security price as at 31 December 2008

	Securities issued	\$M
Capital raising	1,062,207,693	956.0
Other	1,639,018	5.2
Less issue costs	—	(29.9)
Sub total	1,063,846,711	931.1
Effect of ESAP securities	(1,066,669)	(3.2)
Total	1,062,780,042	928.0

1. Includes 41.7 million of ESAP securities.

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Results for the half year ended 31 December 2008



# Capital management (cont)

55

## Credit metrics

- + Group gearing and interest cover ratio are within corporate investment grade credit ratings
- + Facilities are mainly unsecured (only 1.2% secured) on common terms for all financiers
- + Goodman is within its covenants under its bank facilities and EMTN<sup>1</sup> Programme
- + No “look through” covenants

	Headline	Look through
Gearing	41.2%	51.0%
Interest cover ratio	3.4 times	2.8 times

1. Euro Medium Term Notes

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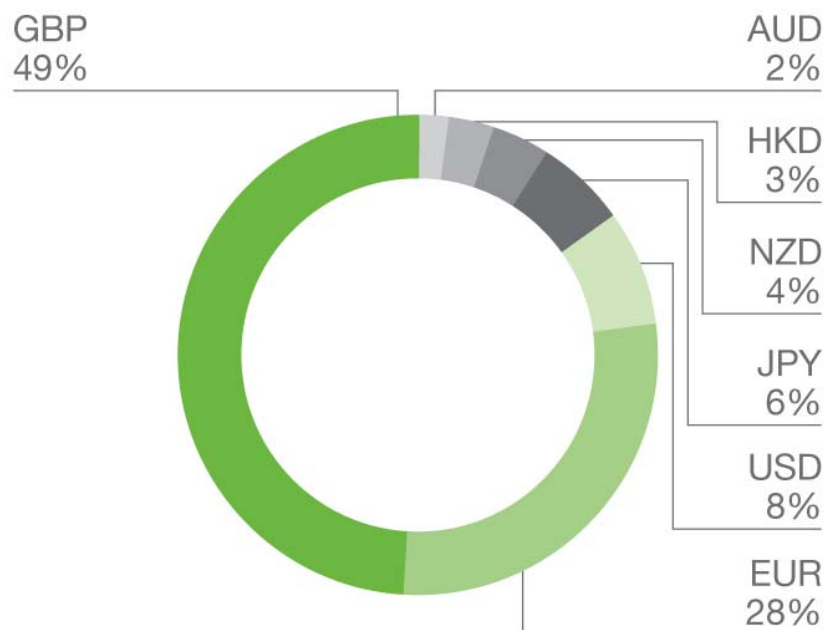
Results for the half year ended 31 December 2008



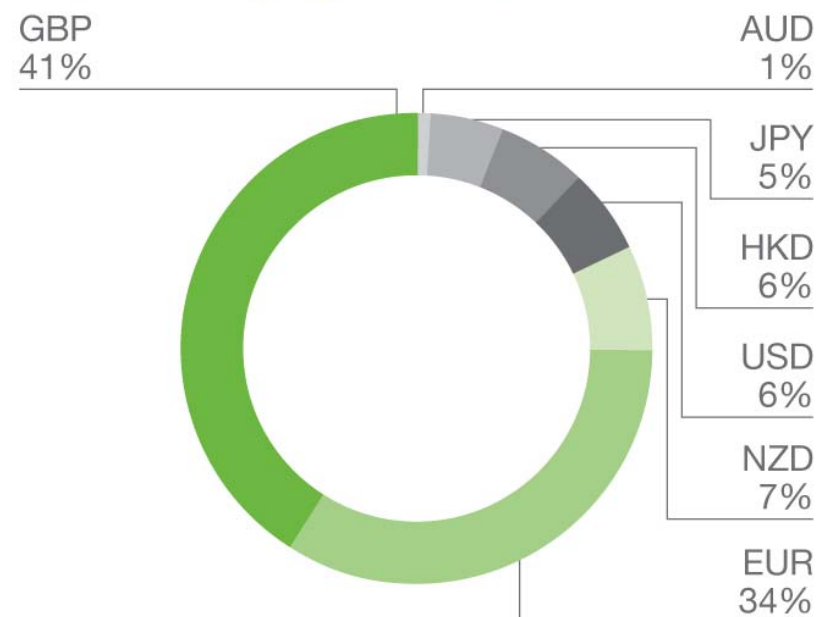
# Capital management (cont)

56

Currency mix – outstanding debt



Currency mix – including the impact of capital hedging FX swaps



# Capital management (cont)

57

## Financial risk management

### + Capital hedging

- The Group, where practical, funds its international commitments and investments in local foreign currency
- Cross currency swaps are used on a case by case basis as required

### + Foreign sourced income

- Foreign currency exposures in GBP, EUR, NZD, HKD, JPY and USD for the Group's investments in direct property, cornerstone investments and management companies
- The Group's risk management policy allows for foreign currency hedging to a minimum of 95% of known foreign cash flows for a minimum of three years

### + Interest rate

- Board approved strategy adopting maximum and minimum ranges as outlined in the table below:

	< 1 Yr	1 – 2 Yrs	2 – 3 Yrs	3 – 4 Yrs	4 – 5 Yrs	5 – 6 Yrs	6 – 7 Yrs	7 – 8 Yrs	8 – 9 Yrs	9 – 10 Yrs
MAX %	100	90	90	80	70	50	50	20	20	20
MIN %	60	50	50	40	20	0	0	0	0	0

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Results for the half year ended 31 December 2008



# Capital management (cont)

58

## Financial risk management

### + Interest rate

- Interest rates are hedged to 79% over next 12 months
- Weighted average hedge rate of 5.31%<sup>1</sup> vs spot<sup>2</sup> 2.84%
  - NZD – (hedge 6.43%, spot 4.10%)
  - JPY – (hedge 1.55%, spot 0.85%)
  - HKD – (hedge 4.27%, spot 2.13%)
  - GBP – (hedge 6.97%, spot 3.04%)
  - Euro – (hedge 4.07%, spot 2.81%)
- Weighted average maturity of 4.92 years

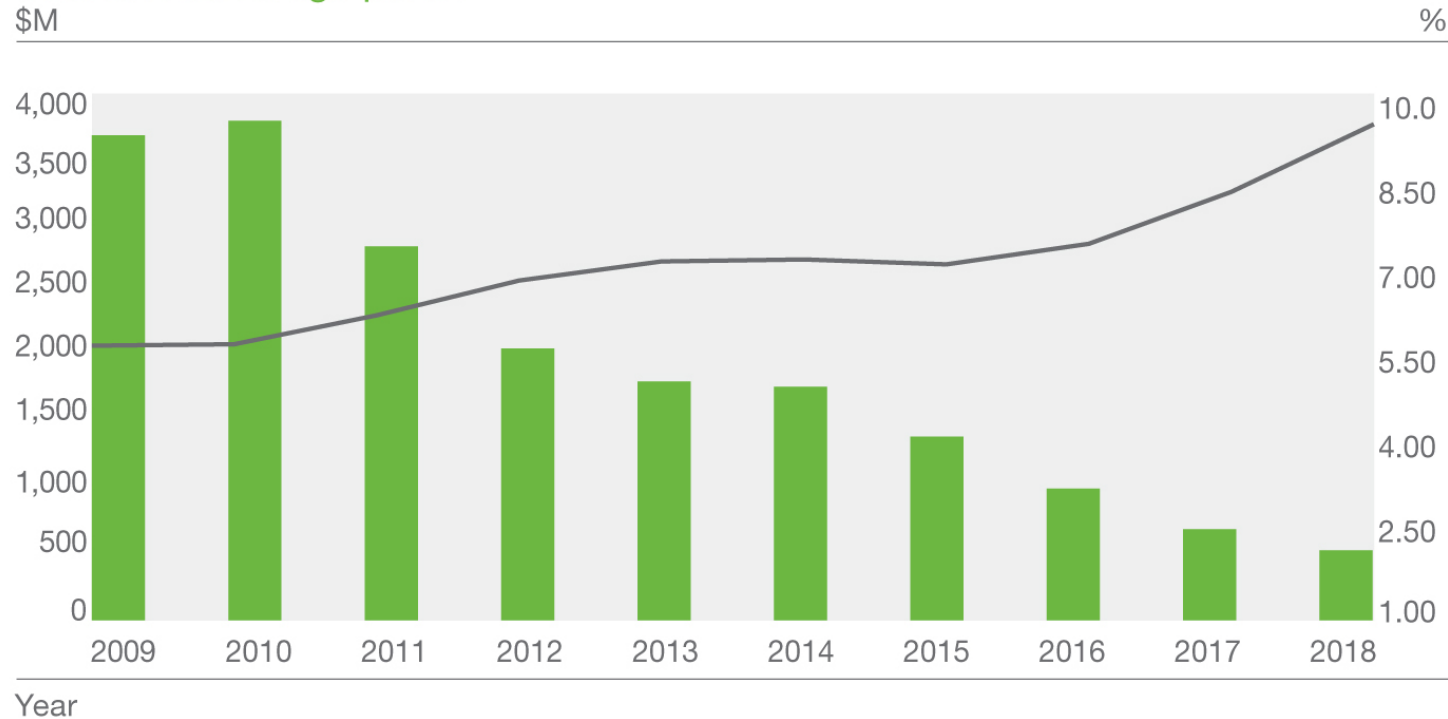
1. Includes the 10 year EMTN £250 million at 9.75% fixed rate.

2. Spot refers to market rate as at 09 February 2009.

# Capital management (cont)

59

## Interest rate hedge profile



1. Includes the 10 year EMTN £250 million at 9.75% fixed rate.

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Results for the half year ended 31 December 2008



# Capital management (cont)

60

## Interest rate hedging profile

As at June	Euro payable		GBP payable		HKD payable		NZD payable		JPY payable	
	€M	Fixed rate %	£M	Fixed rate %	HK\$M	Fixed rate %	NZ\$M	Fixed rate %	¥M	Fixed rate %
2009	(694.9)	3.88%	(781.4)	5.74%	(1,600.0)	4.28%	(315.2)	6.10%	(15,750.0)	1.51%
2010	(760.0)	3.92%	(785.0)	5.85%	(1,530.4)	4.28%	(303.0)	6.10%	(15,750.0)	1.51%
2011	(428.0)	4.04%	(714.1)	6.55%	(871.2)	4.25%	(252.7)	6.45%	(14,911.6)	1.53%
2012	(173.2)	4.37%	(635.0)	7.00%	(345.5)	4.30%	(240.0)	6.75%	(13,633.9)	1.55%
2013	(140.0)	4.35%	(635.0)	7.00%	(124.7)	4.25%	(240.0)	6.75%	(4,000.0)	1.69%
2014	(132.4)	4.36%	(635.0)	7.00%	-	-	(240.0)	6.75%	(3,758.9)	1.69%
2015	(50.0)	4.50%	(591.8)	7.14%	-	-	(145.1)	6.28%	-	-
2016	(50.0)	4.50%	(420.5)	7.98%	-	-	(78.6)	5.75%	-	-
2017	(33.3)	4.50%	(307.2)	9.03%	-	-	(16.2)	5.75%	-	-
2018	-	-	(266.0)	9.50%	-	-	-	-	-	-

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Results for the half year ended 31 December 2008





# Capital management (cont)

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## Currency hedging profile

Maturing in year ending June	Hedge rate	Amount payable €M	Hedge rate	Amount payable HK\$M	Hedge rate	Amount payable NZ\$M
2009	0.5788	(12.0)	5.3831	(15.8)	1.1223	(4.3)
2010	0.5663	(24.0)	5.2922	(68.55)	1.1491	(5.6)
2011	0.5250	(17.0)	5.0557	(62.60)	1.1630	(5.3)
2012	0.5189	(15.5)	4.9743	(62.6)	1.1768	(5.3)
2013	0.4834	(9.0)	4.8940	(62.6)	1.1932	(5.0)

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Results for the half year ended 31 December 2008



# Capital management (cont)

62

## Foreign currency denominated balance sheet hedging maturity profile

Currency	Maturity	Weighted average exchange rate	Amount receivable <sup>1</sup>	Amount payable <sup>1</sup>
€M	2009	0.5845	A\$513.2M	€300M
NZ\$M	2012	1.1328	A\$176.6M	NZ\$200M
HK\$M	2012	6.7145	A\$148.9M	HK\$1000M
¥M	2012	97.4500	A\$44.5M	¥4,340M

1. Floating rates apply for the payable and receivable legs for the cross currency swaps except for the Euro cross currency where the receivable is at a weighted average rate of 6.95%.

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Results for the half year ended 31 December 2008



# Capital management (cont)

63

## Exchange rates

### + Statement of financial performance – average exchange rates for the six months to 31 Dec 2008

– AUDGBP – 0.4488	(31 December 2007 : 0.4269)
– AUDEUR – 0.5502	(31 December 2007 : 0.6164)
– AUDHKD – 6.0725	(31 December 2007 : 6.7640)
– AUDNZD – 1.2057	(31 December 2007 : 1.1543)
– AUDUSD – 0.7819	(31 December 2007 : 0.8686)
– AUDJPY – 80.261	(31 December 2007 : 100.351)
– AUDSGD – 1.1195	(31 December 2007 : 1.2899)

### + Statement of financial position – exchange rates as at 31 Dec 2008

– AUDGBP – 0.4796	(31 December 2007 : 0.4381)
– AUDEUR – 0.4919	(31 December 2007 : 0.6041)
– AUDHKD – 5.4615	(31 December 2007 : 6.7988)
– AUDNZD – 1.1955	(31 December 2007 : 1.1380)
– AUDUSD – 0.6928	(31 December 2007 : 0.8690)
– AUDJPY – 62.570	(31 December 2007 : 99.120)
– AUDSGD – 1.0113	(31 December 2007 : 1.2641)

Keeping  
focused

