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# 2012 Highlights

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Operating profit

**\$463m**

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Statutory profit

**\$408m**

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Operating earnings per security

**30.5¢**

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Distribution per security

**18¢**

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Space leased globally

**1.9m sqm**

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Occupancy

**96%**

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Weighted average lease expiry

**5.2 yrs**

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Total assets under management

**\$20.0b**

# Our people + places

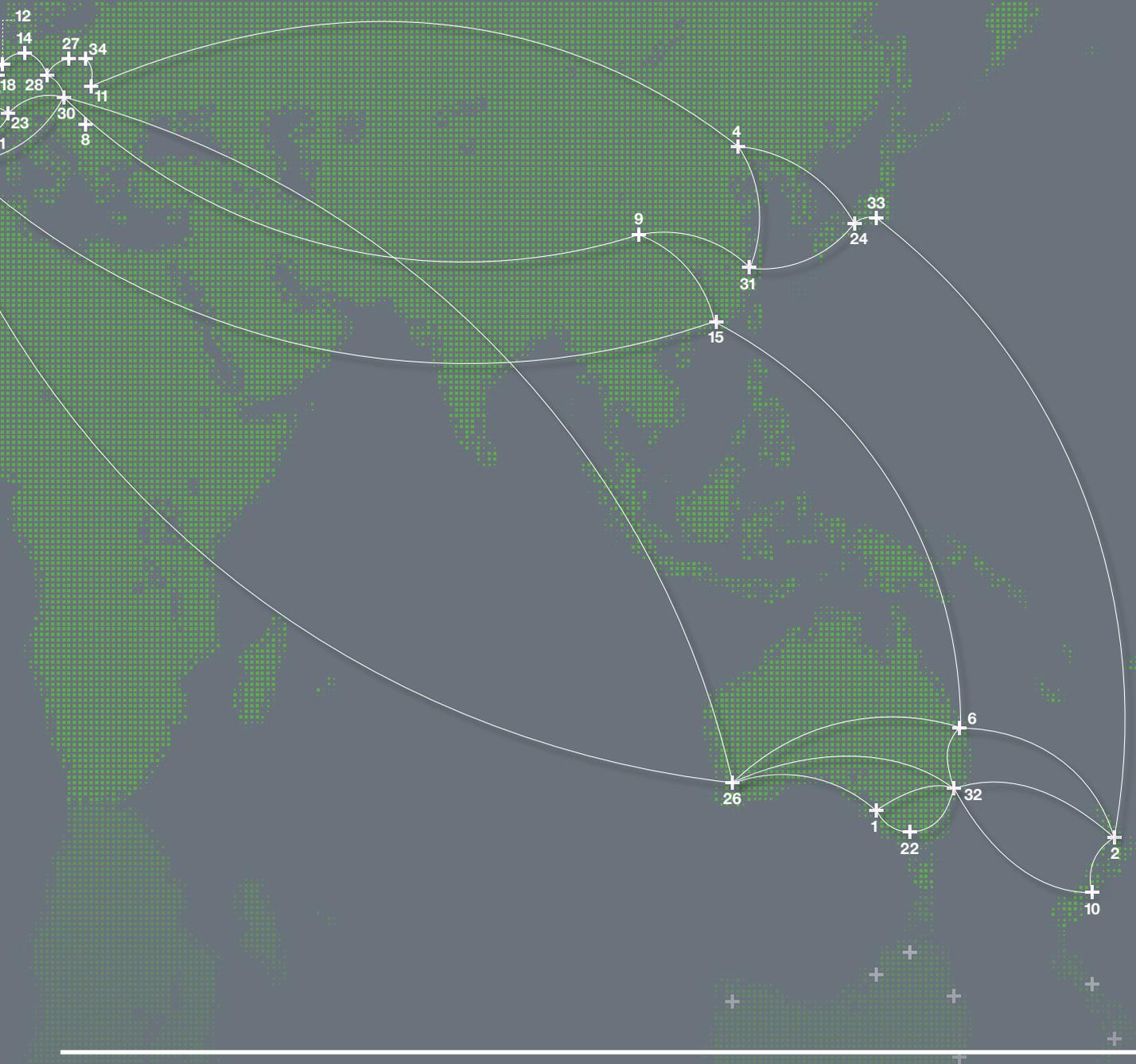
17 countries

34 cities

389 industrial + business space properties

Over 900 dedicated people

- 
- 1 Adelaide
  - 2 Auckland
  - 3 Barcelona
  - 4 Beijing
  - 5 Birmingham
  - 6 Brisbane
  - 7 Brussels
  - 8 Budapest
  - 9 Chengdu
  - 10 Christchurch
  - 11 Cracow
  - 12 Düsseldorf
  - 13 Eindhoven
  - 14 Hamburg
  - 15 Hong Kong
  - 16 London
  - 17 Los Angeles
  - 18 Luxembourg
  - 19 Lyon
  - 20 Madrid
  - 21 Marseille
  - 22 Melbourne
  - 23 Milan
  - 24 Osaka
  - 25 Paris
  - 26 Perth
  - 27 Poznan
  - 28 Prague
  - 29 Reading
  - 30 Senec
  - 31 Shanghai
  - 32 Sydney
  - 33 Tokyo
  - 34 Warsaw





# Chairman's letter

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## Mr Ian Ferrier, AM Independent Chairman

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2012 has been another successful year for Goodman with our strategic focus remaining on the prudent allocation of resources, both financial and human, to drive earnings growth and build long-term value for our stakeholders. We continue to gain market share across our operations by identifying unique opportunities, focusing on delivering high standards of service and consistently high quality product for our customers and investors.

Goodman delivered a strong financial result with the financial highlights including:

- + an operating profit after tax of \$463 million, a 21% increase on 2011;
- + a statutory profit attributable to Securityholders of \$408 million, a 4.2% increase on 2011;
- + fully diluted operating earnings per security of 30.5 cents, an 8% increase on 2011;
- + distribution per security of 18.0 cents, up 3% on 2011;
- + a strong financial position with balance sheet gearing maintained at 23.9% and interest cover increasing to 5.5 times; and
- + available liquidity of \$1.3 billion with a weighted average debt maturity of 5.9 years.

The strong competitive position we have built globally and the new relationships created combined with established relationships have allowed Goodman to expand using an optimal mix of its own resources and those of our partners. A recent example is the establishment of our new global partnership, initially in Australia, with Employees Provident Fund (EPF) of Malaysia, securing a combined initial equity commitment of \$500 million to invest in high quality, stabilised logistics assets.

Our entry into the US, the world's largest logistics market is another example, which enabled us to further extend our relationship with the Canada Pension Plan Investment Board (CPPIB) to launch a new logistics and industrial partnership called the Goodman North America Partnership. Goodman and CPPIB have targeted an initial equity amount of US\$890 million on a 55/45 basis. This capital partnership is in conjunction with the agreement between Goodman and California based Birtcher Development & Investments (Birtcher) for the development of, and investment in, prime quality logistics and industrial facilities in key locations across North America.



## Chairman's letter continued

**The strong competitive position we have built globally, combined with our new and existing relationships, have allowed Goodman to expand using an optimal mix of its own resources and those of our partners.**

A highly experienced team, combining Birtcher's local market expertise with Goodman's fund management capability, has been deployed to establish the Group's North American operations. To date, four sites have been secured; two in the Los Angeles area, one in the San Francisco Bay area and one in Philadelphia, with in excess of 900,000 sqm of gross lettable area and a completion value of more than US\$700 million.

We have also prudently increased our allocation of resources to fund our expansion into China. We entered this market in 2005 and the significant growth that we are now benefiting from comes only after a number of years of understanding and investing in the local market, developing long-term relationships with capital partners, customers and government bodies, combined with building a capable and experienced local management team.

During the year, we reached a number of significant milestones. We have grown to become one of the largest industrial developers in China and with over 4 million sqm of land available we have the development capability to commence 800,000 sqm of developments in the next 12 months. We have now completed our first development in Beijing, 100% pre-leased to customers including Nippon Express and DB Schenker, with whom we have strong relationships globally. In May, the Group also expanded into Tianjin, a strategic location being a major port city and the gateway for the Bohai Bay region, with the signing of its first built-to-suit facility at Wuqing for major online ladies fashion and accessory retailer, Moonbasa.

We have achieved these results through an efficient mix of our capital partners' resources and those of the Group. In late August, Goodman and CPPIB announced their increased equity commitment to Goodman China Logistics Holdings to US\$1 billion. This partnership was formed in 2009 on an 80/20 basis and the further commitment is a reflection of the strong development activity being driven by the demand for high quality logistics product and the strength of the relationship. Goodman now has a strong local team of 315 in Greater China to ensure that the Group's high quality product and customer service standards are met. They have also leveraged the Group's global customer relationships to add Kuehne + Nagel, DHL and CEVA Logistics to their local portfolio.



## Earnings sourced outside of Australia

# 41%

Moonbasa development,  
China

Despite the significant expansion of our global platform and growth that the Group experienced in 2012, we continue to take a long-term strategic view, consistent with our own+develop+manage business model. Our entry into the US followed a number of years of due diligence and research to find the right opportunity and time to enter the world's largest logistics market. Likewise, we recently announced that we are currently undertaking due diligence in Brazil, one of the world's largest emerging markets, to partner with a local company for its knowledge and network. Entry into new markets and realisation of profits take time and our strategy is to expand prudently, allowing the Group to capitalise on its unique opportunities.

This growth in the Group's international operations has provided not only diversity of earnings but also access to a broad range of opportunities. Despite flat market conditions globally, Goodman has selectively participated in a number of opportunities across the logistics sector. While many European markets have been weak, Goodman's operations are focused on the more stable markets where development activity has remained strong, particularly in Germany, France and Benelux. Demand for our product continues to be robust, driven largely by an undersupply of prime quality industrial space globally and a number of structural changes taking place, including the rapid growth in e-commerce.

During the year, Goodman commissioned an independent research report into the impact of the e-retailing sector on the logistics market. The report confirms the strong demand for high quality, built-to-suit warehousing solutions amid the rapid growth in the sector. This presents a range of opportunities for Goodman, which understands local market dynamics and has the specialist expertise and experience to respond to the specific property needs of individual e-retailers and the third party logistics providers who service them. The sector now represents one of the Group's largest customer groups with a number of large developments undertaken over the last few years around the world for companies including Amazon, Zalando and Moonbasa.

In March, we received Securityholder approval at an Extraordinary General Meeting to undertake an internal restructure of the Group (Restructure), by adding a new Hong Kong company, Goodman Logistics (HK) Limited (GLHK), to Goodman's existing stapled structure. With over 600 Goodman employees and around half of our assets under management being outside of Australia, the Restructure reflects the global nature of our business and the

growth of our operations internationally, with 41% of our earnings being sourced outside of Australia as at 30 June 2012. It is expected that the Restructure will improve Goodman's profile in Asia, and where appropriate, facilitate our international growth through GLHK.

The Goodman Foundation continued to support both the underprivileged in our community as well as providing support to communities in times of need. In the 2012 financial year, the Goodman Foundation expanded internationally to include China, New Zealand and the UK via new partnerships which include Benji's centre, Duffy Books in Homes and Wooden Spoon in these countries respectively. Opportunities in Europe are currently being finalised for implementation in the 2013 financial year.

During the year, we also continued to undertake a Board renewal process. Consistent with our strategy of having a diverse team who could bring new skills and experience to the Board, I am very pleased to welcome Mr Philip Fan and Ms Rebecca McGrath to the Goodman Board. Philip brings deep knowledge of the Chinese market and property expertise. Rebecca has worked across a broad range of disciplines including finance, operations and corporate planning in Australasia, the UK and Europe.

I am very pleased with the progress that Goodman has made in 2012 and am confident that we have adopted the right strategy to enable us to leverage unique opportunities and the Group's resources to our advantage in the coming year. We will continue to take a long-term strategic view, growing the business in a prudent manner and being patient with our investment opportunities. The dedication and hard work of our staff around the world have been significant contributors to this result and in positioning the Group well for future success. I would like to thank our Securityholders, capital partners, customers and staff for their continued commitment and valued support.

**Ian Ferrier, AM**  
Independent Chairman

# CEO's report

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**Gregory Goodman**  
Group Chief Executive Officer

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Goodman Group performed strongly in the 2012 financial year to deliver a solid financial result, reflecting the focused execution of our business strategy and successful completion of a number of significant initiatives during the year. Our teams around the world have worked hard to selectively and prudently pursue a range of opportunities to expand our operating platform and grow our business globally.

In an environment where greater emphasis is being placed on high quality assets with strong cash flows, we have leveraged our industrial sector specialisation and proven capability to position Goodman globally as a leading specialist provider of prime quality logistics and business space. By adapting our business to operate in a low growth and capital constrained environment, Goodman has built a distinct competitive advantage, benefiting from a geographically diverse platform, well established customer and capital partner relationships and sound financial position. Goodman is, in turn, well positioned to drive the future growth of its business and value of its brand globally.

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An important feature of the 2012 financial year was the performance we achieved right across our business, with good contributions made across all of Goodman's operating markets. This reinforces the quality of our global platform, provides earnings diversity and gives us the ability to service a global customer and investor base. We experienced solid property fundamentals and capitalised on the undersupply of prime quality industrial space, which has seen our development and management activities perform particularly well during the year.



## CEO's report continued

**The quality of our global platform, provides earnings diversity and gives us the ability to service a global customer and investor base.**

We continue to experience high levels of demand for our development product and are benefiting from a number of structural changes taking place around the world, including the rapid growth in e-commerce, greater supply chain efficiencies, building obsolescence, and consolidation among third party logistics providers. We further increased our development activity over the year with development demand in China exceptionally strong and now representing 9% of our overall development book, up from 2% last year. In Europe we had a record year, with over 671,931 sqm of logistics and industrial space delivered across 22 projects.

Importantly, Goodman maintained its prudent development approach, ensuring customer pre-commitments are in place and the majority of projects are pre-sold to third parties or Goodman's managed funds. We entered the key North American logistics market during the period and further strengthened our existing capital partner relationships and introduced new investors into our managed funds. We maintained high occupancy and customer retention levels, resulting from the efforts of our property teams who achieved exceptional leasing results and provided the highest standards of service to our customers.

For the full year, Goodman delivered an operating result of 30.5 cents per security and operating earnings of \$463 million, exceeding our initial targets for the full year period.

Goodman distributed a total amount of 18.0 cents per security for the full year, consisting of a 9.0 cents per security distribution in each half year period.

A key achievement for the year was Goodman's strategic and timely entry into the important North American market with the signing of an agreement with California based Birtcher Development & Investments (Birtcher) to form a new management company, Goodman Birtcher North America. The management company combines Goodman's global expertise and proven fund management capability with the strength of Birtcher's local knowledge, well established track record and reputation.

Graben Logistics Centre,  
Germany



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## European logistics and industrial space delivered

# 671,931 sqm

Matsudo Logistics Center,  
Japan



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The focus of our North American platform will be to develop and invest in prime quality logistics and industrial facilities in key North American markets. The undersupply of quality, new logistics and industrial space in key markets means that we will initially undertake a development-led approach and seek opportunities in key logistics hubs on the West Coast and East Coast. In this regard, we have already identified four development opportunities to take advantage of the positive market conditions. Three prime land sites have been secured in California, two in the Inland Empire in the Los Angeles area and a third site at Oakland in the San Francisco Bay area. A fourth site has separately been secured in the Philadelphia Lehigh Valley industrial market.

To fund the investment in the properties developed and sourced by Goodman Birtcher North America, the Group also formed a new logistics and industrial partnership with Canada Pension Plan Investment Board (CPPIB), called Goodman North America Partnership (GNAP) which was finalised post balance date and will target an initial equity amount of US\$890 million on a 55/45 basis, representing US\$490 million from Goodman and US\$400 million from CPPIB.

Significantly, GNAP highlights the strength of our capital partner relationships which we continued to build on during the year. Our China partnership with CPPIB, Goodman China Logistics Holding (GCLH), benefited from an additional equity commitment in response to the strong demand for our development product, which is driving the growth of our development activities and market share in China. A further combined US\$500 million was contributed to GCLH post balance date by CPPIB and Goodman, taking the total combined equity commitment to US\$1 billion.

We also established a new investment partnership with Malaysia's Employees Provident Fund (EPF) in the form of a global logistics relationship, focused on investing in high quality, stabilised logistics assets. The relationship was announced with an initial circa \$400 million investment in a portfolio of six Australian properties acquired from the Group and its managed funds. We will retain an interest in the investment portfolio on a 60/40 basis with EPF holding the majority share.

During the year, our operating platform in Japan was fully integrated into Goodman Group and we launched the Goodman name in that market by rebranding to Goodman Japan Limited. This has significantly strengthened our business in Japan by enabling it to leverage the financial resources and global expertise of the Group. To further build on this, we also commenced the process of privatising Goodman Japan Limited in the 2012 financial year, which we continue to work through. Separately, we announced US\$350 million of new third party equity commitments post balance date for our Japan Core and Japan Development Funds. Abu Dhabi Investment Council has committed US\$250 million to the Japan Development Fund, while the Japan Core Fund successfully closed an equity raising with three global institutional investors, increasing the Fund's external equity commitments to over US\$100 million.

On behalf of the Board and the executive management team, I would like to take this opportunity to acknowledge and thank our people for their significant efforts and commitment to driving the growth of our business over the last year and ensuring that Goodman is in a strong position for future success.

# CEO's report

## continued

Goodman's operations delivered operating earnings of \$463 million, a 21% increase compared with the 2011 financial year and diluted operating earnings per security of 30.5 cents, up 8%.

### Group operations

Operating EBIT for the year was \$527 million, with the composition of our earnings highlighting the growing contribution from the Group's development and management businesses, which contributed 38%, while our property investment activities contributed 62%. Significantly, Goodman's international operations performed strongly, with a 41% contribution to earnings and led by the growth in our Asian and European businesses. Australia capitalised on its market dominant position, contributing 59% to operating EBIT.

### Property investment

Goodman's property investment portfolio was valued at \$5.2 billion at year end, which compares with \$5.0 billion last year. The portfolio consists of the Group's direct property investments, cornerstone investments in our managed funds and other financial investments, with the increase in value predominantly reflecting the higher participation in our managed fund cornerstone investments, in China and Europe, and the establishment of our relationship with EPF.

The Group's overall investment portfolio performed well in the 2012 financial year as a result of solid property fundamentals. The size, scale and quality of Goodman's portfolio coupled with our strong customer relationships and flexible approach ensured that we continued to benefit from the strong demand experienced during the year. This saw Goodman lease over 1.9 million sqm of space, equating to \$195 million of net property income. We maintained a high 96% occupancy rate and achieved sound like for like rental growth of 2.8%.

### Capital allocation (\$b)

■ Jun 2012

■ Jun 2011

#### Property investments



#### Development land and WIP



#### Other



### Property development

Goodman's development activities continued to experience significant growth across all of its operating markets. We capitalised on the strong demand for our development product, which is being driven by the undersupply of prime quality industrial assets. We are increasing market share across Goodman's regions of operation and are currently one of the largest developers of logistics property globally. By year end, we had secured \$1.8 billion of new development commitments across 77 projects in 13 countries, with a forecast yield on cost of 8.5%. An overall leasing pre-commitment of 74% was achieved, with an average lease term of 7 years. Our focus on maintaining a low risk approach was demonstrated through 87% of our current development commitments either pre-sold to, or pre-funded by, our managed funds or third parties. Commenced developments include:

- + two facilities both for 112,597 sqm in Germany on behalf of online e-commerce provider, Amazon;
- + in Belgium, a 62,494 sqm warehouse for global provider of hand tools, power tools and related accessories, Stanley Black & Decker;
- + a 46,693 sqm facility in Kunshan, China for global third party logistics provider, DB Schenker;
- + also in China, a 42,410 sqm distribution centre for online retailer, Moonbasa;
- + outdoor furniture manufacturer, Décochine has committed to a 23,260 sqm warehouse in Nantes, France;
- + a 21,505 sqm distribution centre for leading retail supplier of fasteners and hardware products, ITW Proline in Melbourne;
- + in the United Kingdom, a 21,524 sqm distribution hub for milk and dairy producer, Arla Foods; and
- + a 17,150 sqm warehouse for Frucor Beverages in New Zealand.

The Group and managed funds also completed \$1.7 billion of developments during the 2012 financial year, representing a substantial increase over the \$773 million of development completions last year, and equating to 1.3 million sqm of new space for 38 customers. We achieved a 100% customer pre-commitment on our completed developments and 98% were undertaken on behalf of Goodman's managed funds or third parties.

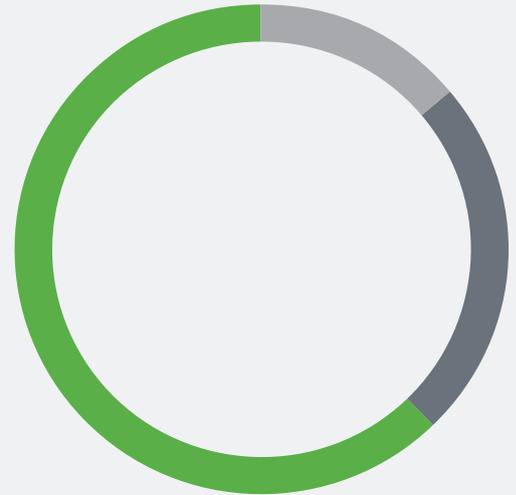
## Debt maturity profile (\$m)

- Unfunded maturity
- Funded maturity from available liquidity

Dec 2012		115.7
Jun 2013		49.1
Dec 2013		340.3
Jun 2014		
Dec 2014		
Jun 2015		448.6
Dec 2015		
Jun 2016		183.5/322.8
Dec 2016		90.0
Jun 2017		
Dec 2017		
Jun 2018		
Beyond June 2018		1,871.0

## Operating EBIT contribution

Management 14%  
Development 24%  
Investment 62%



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# CEO's report continued

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Our development work in progress increased to \$1.9 billion compared with \$1.8 billion for the same period last year. The development projects we have underway equate to 1.5 million sqm of space, with 87% being undertaken on behalf of our managed funds or third parties and 75% are currently pre-committed.

To facilitate the ongoing rollout of Goodman's development pipeline and ensure we continue to effectively respond to the strong customer and investor demand in all of our operating markets, the acquisition and replenishment of our controlled land inventory, particularly in China, Japan and North America, was a focus during the year. Consequently, we have maintained our development pipeline at in excess of \$10 billion, capable of delivering a forecast gross lettable area of over 7 million sqm.

## Property services

Goodman's Property Services teams worked hard during the year to ensure that our customer service and properties were maintained to a consistently high global standard, to lengthen the life cycle and overall demand for our properties. Our teams are responsible for over 14 million sqm of total business space under management, equivalent to \$20 billion of total assets under management (AUM).

Our Property Services teams are focused on attending to the needs of, and delivering a wide range of services to, our 1,550 customers across 389 properties in 17 countries. Their success over the year can be measured by the quality leasing results achieved, consistently high occupancy and customer retention rates that have been attained and the presentation of our properties around the world.

## Fund management

Goodman's third party AUM increased to \$16.1 billion at year end, compared with \$14.4 billion for the same time last year. We achieved this growth across our managed fund platform by building on our established capital partner relationships and introducing new global investors. This has seen significant equity flows into Australia, China and Europe from new and existing sources, with \$0.9 billion of new committed third party equity raised during the year enabling our managed funds to complete a number of new initiatives. Goodman's managed funds had \$2.8 billion of undrawn debt and equity available at year end, providing substantial scope to participate in investment and development opportunities from the Group and broader market.

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Arnstadt Logistics Centre,  
Germany



We secured new equity capital from new and existing investors, including an initial \$300 million commitment in Australia from EPF; for Goodman European Logistics Fund, a combined €200 million from Dutch asset managers, APG and PGGM; and in China, the equity allocation to the Goodman partnership with CPPIB was increased to US\$500 million.

### Capital management

Goodman has maintained its commitment to a sound financial position and retained its strong balance sheet over the year with the completion of a number of initiatives. We finished the 2012 financial year with gearing at 23.9% compared with 23.0% as at 30 June 2011, and had available liquidity of \$1.3 billion at year end. This provides us with sufficient funding to meet our debt maturities to the 2016 financial year.

The Group completed the year with a weighted average debt maturity of 5.9 years, which is a further improvement on the 5.6 years reported for the 2011 financial year, and reflects the continued delivery of Goodman's stated strategy of diversifying its debt funding sources and lengthening its maturity profile. In this regard, the Group demonstrated that it has ongoing access to debt capital markets with the successful completion of its third senior unsecured note issue in the United States 144A/Reg S bond market, raising US\$500 million for a term of 10 years. Debt markets remain open to prudent operators and the Group and its managed funds secured \$3.8 billion of debt facilities with an average term of 4.8 years.

Significantly, the Group's focus on prudent capital management was acknowledged during the year with positive credit rating movements from Moody's which upgraded Goodman's issuer and senior unsecured rating to 'Baa2' from 'Baa3' with stable outlook, while Standard & Poor's adjusted its 'BBB' corporate rating from 'negative outlook' to 'stable'.

### Outlook

Goodman is well positioned as a global leader in industrial and business space investment, development and fund management. We have worked hard to adapt our business to operate in a low growth, capital constrained environment by focusing on leveraging our sector specialist expertise, global operating platform and significant customer and capital partner relationships.

This is providing Goodman with a distinct competitive advantage and the capacity to pursue a range of new opportunities, including the expansion of our global platform, to service the needs of our global customer base and the demand for high quality, income producing industrial properties from our investment partners.

We are committed to the prudent yet active delivery of our business strategy given our strong competitive position, quality portfolio, active asset management, development capability and focus on capital management. This in turn will continue to drive earnings growth and generate future value for our stakeholders.

For the 2013 financial year, Goodman's earnings guidance is for a full year operating profit after tax of \$524 million, equating to operating earnings per security of 32.3 cents, up 6% on the 2012 financial year.



**Gregory Goodman**  
Group Chief Executive Officer



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Goodman has an ownership interest in 389 high quality industrial and business space properties in 17 countries and 34 cities globally.



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Group operations

# Property investment

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Stockyards Industrial Estate,  
Perth





Tiel Logistics Centre,  
the Netherlands

## Industrial and business space properties

# 389

The Group's property investment portfolio consists of \$2.3 billion of direct property investments in Australia, Europe and the United Kingdom, and \$2.9 billion of cornerstone investments across our managed fund platform. The size and quality of our portfolio at the Group level and across our managed funds, combined with our focus on active asset management, ensure that our properties are well positioned to meet the needs of our customer base around the world and to provide consistent returns for our investors. We continually assess opportunities to reposition assets for better performance, including the adaptive reuse of older style industrial properties, and assessment of other higher and better use opportunities.

During the year, we also recycled a number of stabilised properties and development land assets in the ordinary course of business across the Group and our managed funds, with the proceeds being reinvested into new opportunities across our business. In this regard, we disposed of 22 properties, providing \$751 million of capital.



M20 Business Park,  
New Zealand

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The significant global demand for prime quality industrial space continues to drive the value of Goodman's development work in progress, which rose to \$1.9 billion over the 2012 financial year.

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## Group operations

# Property development

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We have 68 development projects underway across all of our established operating markets around the world on behalf of 58 customers and equating to 1.5 million sqm of new logistics and business space. Following our recent entry into North America, we will shortly commence the development of a new 34,800 sqm warehouse on a 19 acre (7.7 hectare) site at Oakland in the San Francisco Bay area.

During the year, Goodman delivered 1.3 million sqm of new space across 50 projects on behalf of 38 customers. Developments completed in the 2012 financial year include:

- + the 225,413 sqm Goodman Interlink warehouse and distribution development in Hong Kong;
- + two facilities of approximately 108,000 sqm each at Rheinberg and Graben in Germany on behalf of Amazon;
- + an 82,895 sqm distribution centre for leading wholesale distribution and marketing company, Metcash in Sydney;
- + a 62,951 sqm facility for DB Schenker in Leipzig, Germany;
- + in Saint-Mard, France, a 50,122 sqm logistics centre for leading food retailer, Casino Group;
- + a 45,810 sqm production facility for car manufacturer, Volkswagen in Hannover, Germany;
- + in Perth, a 41,597 sqm facility for beverage manufacturer and distributor, Coca-Cola Amatil;
- + a 20,530 sqm distribution centre for automotive parts and equipment retailer, Supercheap Auto in New Zealand; and
- + in the United Kingdom, a 9,160 sqm divisional headquarters for Greater Manchester Police.

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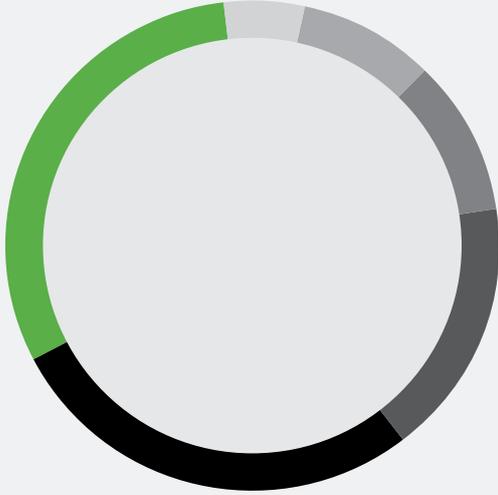
## Work in progress

# \$1.9b



## Work in progress as at 30 June 2012

- New Zealand 5%
- China 9%
- UK 10%
- Japan 17%
- Europe 28%
- Australia 31%



Amazon, Graben Logistics Centre,  
Germany

amazon.de®

Goodman Interlink,  
Hong Kong



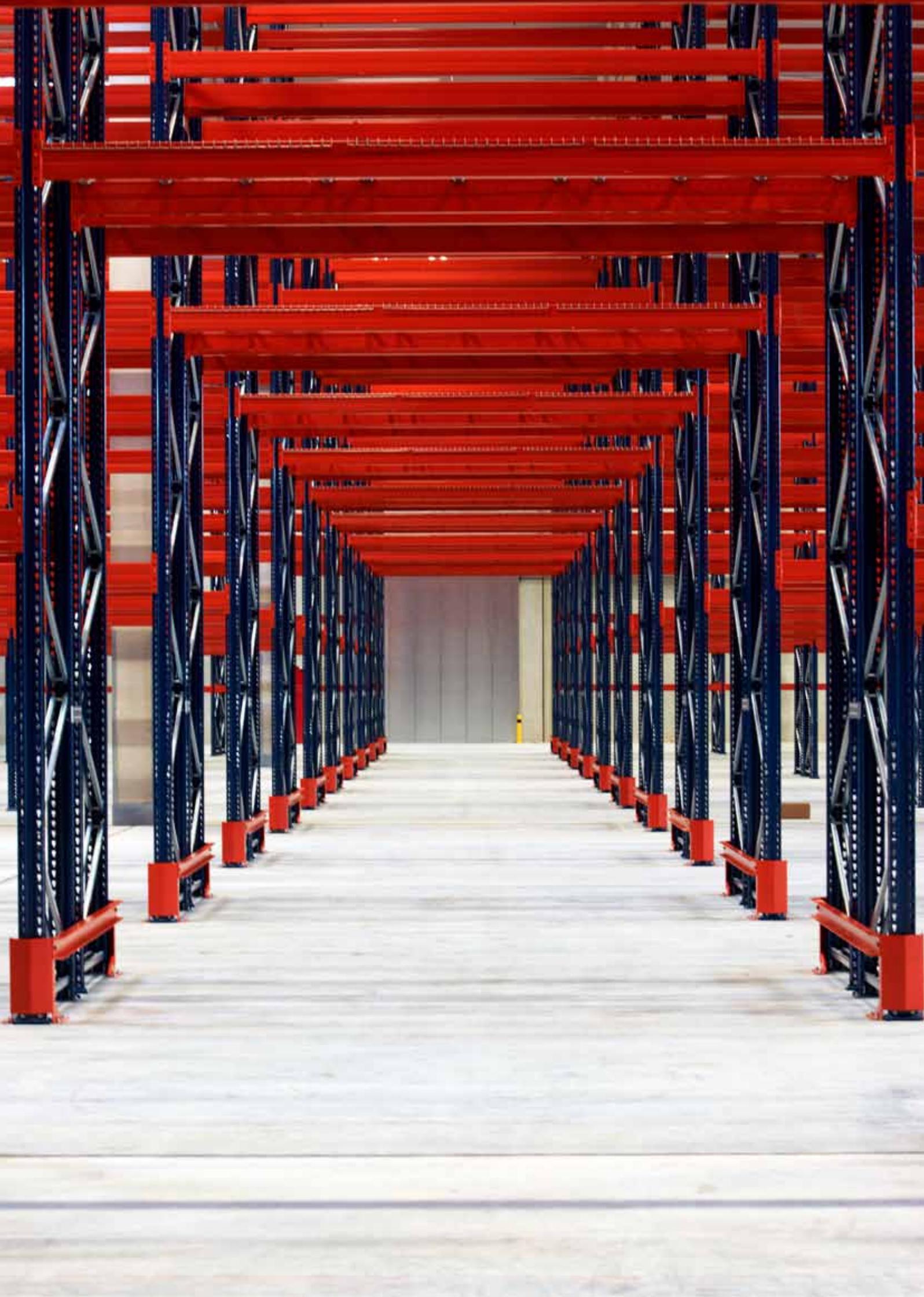
Casino Group, Saint-Mard Logistics Centre,  
France



Supercheap Auto, Westney Industry Park,  
New Zealand



**Goodman** is a truly global business. From sunrise to sunset, the following pages showcase some of the activity Goodman is undertaking around the world to grow our business and add value for our stakeholders, through our proven capability and approach, commitment and expertise of our people, and the high quality of our properties.





Jason Ovadia, Jones Lang La Salle with Shannon Hondl, Development Director Goodman Birtcher North America



**G1**



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**07:00**

**Oakland Airport**

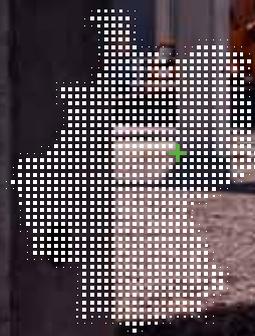
**Oakland, USA**

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In conjunction with Goodman's launch into North America, was the acquisition of 19 acres (7.7 hectares) of prime land at Oakland Airport, a key North American logistics market in close proximity to the city's air and sea ports. Scheduled for commencement in October 2012, the site will be used for development of grade A logistics facilities, in response to the significant undersupply of high quality logistics space.



David Schröder, Managing Director of Zalando with Andreas Fleischer, Goodman's Regional Director, Germany



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**10:00**

**Zalando**

**Erfurt, Germany**

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During the year, Goodman completed a 78,000 sqm logistics centre at Erfurt freight terminal in Germany for Zalando, a leading European online retailer for shoes and fashion. With Zalando's continued success and Goodman's ability to partner with customers to develop tailor made, built-to-suit facilities, a further 50,000 sqm extension is now under construction. The development will accommodate the significant growth in Zalando's business and facilitate the efficient distribution of their products throughout Germany.



Megan Chen, Senior Leasing Manager at Goodman with Moonbasa's Zhang Zhenchuan, Logistics Manager, Beijing



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**16:00**

**Moonbasa**

**Tianjin, China**

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In May, Goodman commenced the development of a new 42,410 sqm built-to-suit facility in Tianjin for Moonbasa, an online ladies fashion and accessory retailer based in China. Moonbasa has experienced rapid growth since launching in 2006 and is today ranked among the top e-commerce retailers in China. The new facility, which is comprised of two warehouses, will be the customer's first built-to-suit facility and its northern China headquarters.



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16:00

Richemont

Shanghai, China

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The development of the first phase of Goodman's Pudong International Airport Logistics Park recently reached practical completion. The Park's strategic location next to the expanding international air cargo hub and its excellent transport connections have enabled it to achieve a number of customer pre-commitments, including Richemont, which owns several of the world's leading luxury goods brands, including Cartier, Jaeger-LeCoultre and Montblanc. Richemont has leased a 9,035 sqm warehouse and is currently fitting out its new space.



Albert Ho, Chief Operating Officer for Richemont with Lawrence Li, Goodman's Leasing and Business Development Director, China



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**18:00**

**Metcash**

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**Sydney, Australia**

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Metcash is Australia's leading wholesale distribution and marketing company, specialising in grocery, fresh produce, liquor, hardware and fast moving consumer goods, and has been a Goodman customer since 2000. In February 2012, Goodman completed an 82,895 sqm, three stage warehouse and office development for Metcash. The new built-to-suit facility is Metcash's primary NSW distribution centre, and has enabled it to consolidate a number of facilities across Sydney and centralise its NSW distribution hub, to achieve greater cost and operational efficiencies.



Jason Little, Goldman's General Manager Australia with Shane Bissett, National Asset Manager for Metcash



**“Our global platform and highly experienced team of people provide us with the ability to service a global customer and investor base, and drive the future growth of our business.”**

**Gregory Goodman**

**Group Chief Executive Officer**

# Property services

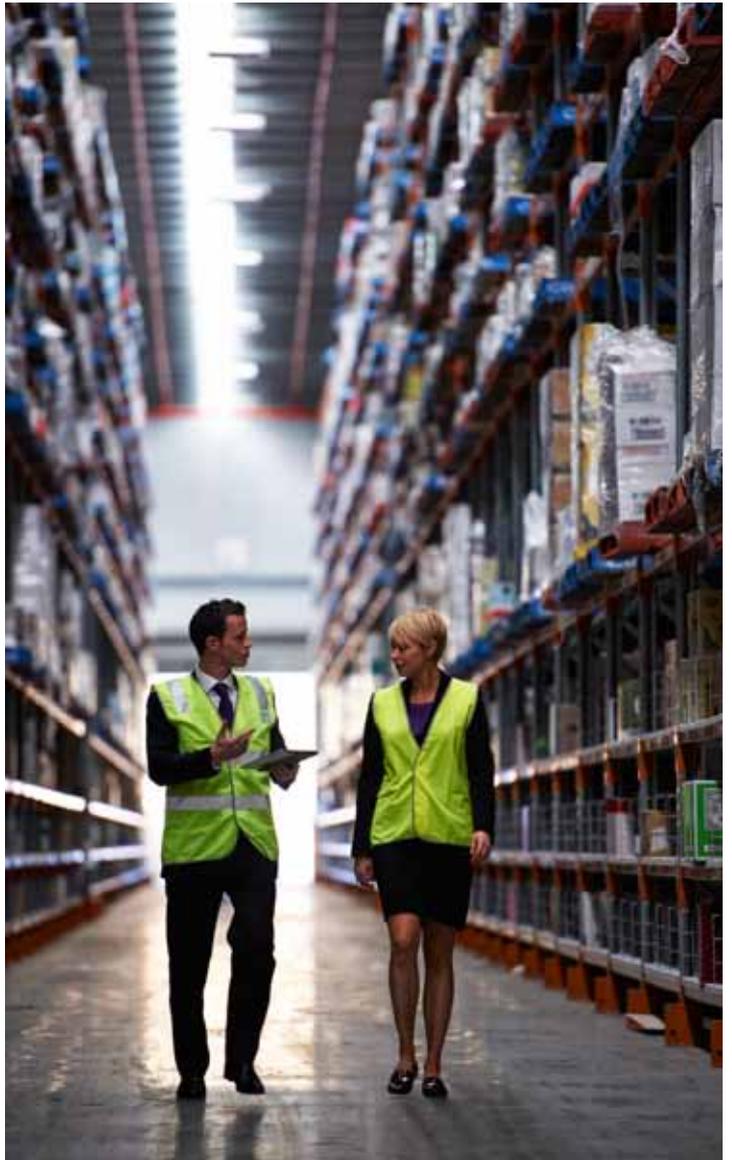
Goodman's Property Services teams around the world performed strongly in the 2012 financial year, managing the day to day relationships with customers and identifying opportunities to add value to their changing business requirements. This has enabled us to complete 1.9 million sqm of leasing transactions by year end and maintain high occupancy of 96%.

Through the effort of our teams, we welcomed a number of new customers to our property portfolios during the year and built on our relationships with existing customers, including DB Schenker, Nippon Express, Deutsche Post (DHL), Toll Group, Breville Group, LG Electronics, Ikea, Brands Exclusive, John Deere, GM Holden and BMW.

During the year, a total of 270 new leases were completed by Goodman's teams for existing and new customers in our property portfolios around the world and they also renewed a total of 322 leases for our existing customers, achieving customer retention of 80%.

## Occupancy

96%





**Top 20 global customers  
(by net income<sup>1</sup>) (%)**

Toll	4.8
Wesfarmers	3.2
Deutsche Post (DHL)	2.1
Amazon	2.1
Metcash	2.0
Linfox	1.7
Kuehne + Nagel	1.6
Brambles	1.5
Coca-Cola Amatil	1.3
Everything Everywhere	1.0
Ceva Logistics	1.0
Wincanton Holdings	0.9
Tesco	0.8
Unilever	0.8
ACI Packaging	0.7
Grays	0.7
Schenker	0.7
Woolworths	0.7
Singtel Group	0.6
Fuji Xerox	0.6

The efficient operation and performance of Goodman's 389 property assets is a core part of the property services we provide globally. Our lifecycle approach to asset management assesses performance across a property's development, commissioning, operational and redevelopment phases.



1. Includes the Group's share of net property income from its cornerstone investments across its managed fund platform.

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Global capital partners are attracted to Goodman's leading global fund management platform which is underpinned by our specialist industrial sector expertise, the strength and quality of our operating platform and our proven capability.

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Group operations

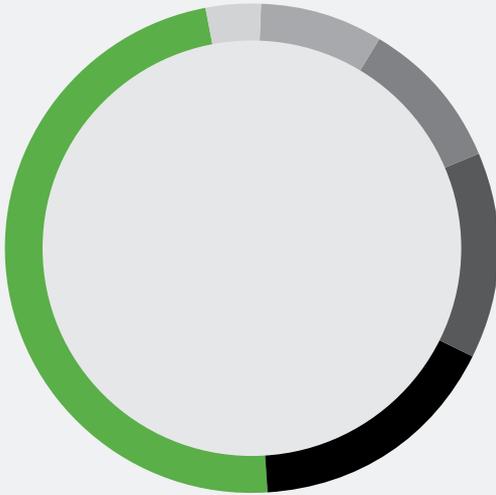
# Fund management

Recall building, part of Greystanes Park, one of the properties acquired by KWASA – Goodman Industrial Trust



## Third party AUM by region

- Japan 4%
- New Zealand 8%
- UK 10%
- Greater China 13%
- Continental Europe 17%
- Australia 48%



We continued to build on our capital partner relationships during the year, raising \$0.9 billion of new third party equity across our managed funds. Our funds also completed a number of initiatives to further diversify debt funding sources and lengthen their debt maturity profiles.

We secured an initial \$300 million equity commitment from EPF, with the establishment of a new global logistics relationship. This was made through an initial investment in an Australian industrial portfolio, consisting of six of Goodman's properties, and the establishment of a new investment vehicle, KWASA-Goodman Industrial Trust. Separately, in China Goodman and CPPIB increased their equity commitment in Goodman China Logistics Holding to US\$500 million.

Goodman European Logistics Fund (GELF) raised €351 million of new equity by way of a pro-rata rights issue, with €200 million underwritten by Dutch asset managers, APG (€150 million) and PGGM (€50 million) and a further €145 million by Goodman. GELF separately agreed credit approved terms for an €800 million debt package, consisting of €400 million of secured facilities and a €400 million unsecured facility. The unsecured facility was structured to allow GELF to transition to the debt capital markets over time and diversify its long-term funding sources. This strategy was progressed in the second half of the year, with GELF attaining first time issuer ratings from Moody's ('Baa3') and Standard & Poor's ('BBB-'), both with stable outlook.

Investors in the £1.1 billion Arlington Business Parks Partnership (ABPP) agreed to extend the fund for a further five years. ABPP also successfully negotiated a new £350 million banking facility with a syndicate of three European banks.

Goodman Property Trust (GMT) in New Zealand raised NZ\$63.4 million of new equity through the underwrite of its Distribution Reinvestment Plan. GMT also undertook a number of refinancing initiatives, extending and renewing NZ\$132 million of bank facilities at competitive margins, with its average term to maturity across all facilities at 3.1 years.

In Australia, Goodman Australia Industrial Fund successfully completed its inaugural US\$300 million US private placement issue of unsecured notes, which were issued in two tranches with 10 and 12 year terms respectively.

## New third party equity raised across our managed funds

# \$0.9b



**Goodman's sustainability programme is strategically aligned with our business activities and reflects our focus on creating long-term sustainable value for our key stakeholders, including customers and investors.**

# Sustainability

Sustainability is shaping the way Goodman conducts its business. Changing business dynamics including energy and carbon regulation, rising energy costs, disclosure obligations and investor demand are influencing the way we develop and manage properties, and engage with our stakeholders. These changes are also presenting real opportunities for Goodman to improve its business.

Sustainability highlights for the 2012 financial year include:

- + certified green development projects in Australia, Hong Kong, Continental Europe and the United Kingdom (UK);
- + energy upgrade projects completed in Australia, New Zealand, Hong Kong and the UK;
- + development of the Goodman Logistics Sustainability Benchmark;
- + 0.5 star increase in our National Australian Built Environment Rating System (NABERS) energy rating average across the Australian commercial portfolio; and
- + submissions to the Carbon Disclosure Project and Global Real Estate Sustainability Benchmark.

## Our approach

During the year, we continued to embed our sustainability strategy across Goodman's global operations, implementing new initiatives in some regions, while improving performance in others.

Our strategy encompasses six programme areas, comprising:

- + Sustainable Development;
- + Asset Management;
- + Engagement and Reporting;
- + Compliance;
- + Corporate Performance; and
- + Social.

## Australian greenhouse gas emissions

Goodman's greenhouse gas emissions (GHG) for 2012 have been calculated as 48,536.04 kgCO<sub>2</sub>-e across our Australian operations. This represents a 35% increase of our absolute emissions from 2011, which is largely attributable to the inclusion of Goodman Trust Australia in the 2012 calculation.

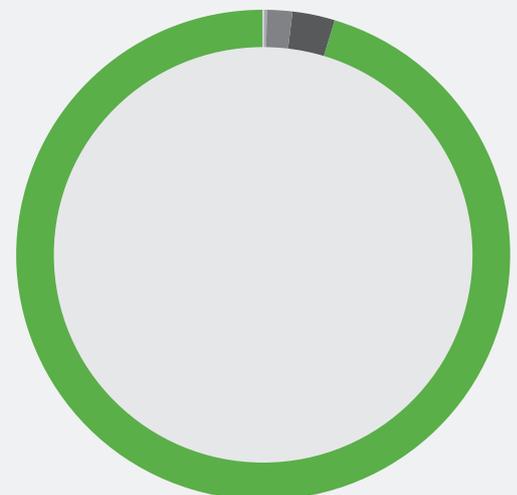
Our GHG calculation includes scope 1 (refrigerants, petrol, diesel and gas) and scope 2 (purchased electricity) emissions generated from Goodman's Australian property and building management services, comprising assets owned directly by Goodman and those within our Australian managed funds. It does not include the GHG emissions of our customers.

## Improving performance

Goodman manages \$20 billion of property assets globally, with the efficient operation of our assets key to the overall performance of the Group. Improving the performance of Goodman's assets remains a core part of the property services we provide globally.

## Goodman's Australian carbon emissions

- Refrigerants 0.2%
- Petrol 0.3%
- Diesel 1.5%
- Gas 3%
- Electricity 95%





## Star increase in our NABERS energy average

# 0.5

We take a lifecycle approach to asset management, assessing performance across a building's development, commissioning, operational and redevelopment phases.

During 2012, we completed a number of initiatives to improve asset performance in our operations around the world.

In Australia, the management of, and capital investment in, our assets during the year contributed to a 0.5 star increase in our NABERS energy average across the commercial portfolio. We are nearing completion of the second stage of our smart metering rollout to improve monitoring. Three major energy improvement projects were completed under the Federal Government's Green Building Fund, and five separate lighting upgrade projects were also completed, with further projects budgeted for in 2013.

In Hong Kong, our Property Services team completed several LED and T5 fluorescent lighting upgrades during the year, further improving energy efficiency across the portfolio. Several water saving initiatives were also implemented, mainly during recent tenancy and building upgrade projects.

Our Property Services team in New Zealand was able to reduce energy consumption by approximately 15% at 20 Viaduct Harbour Avenue, Auckland as a result of a major upgrade of the building management system. The team is also implementing a new portfolio energy and carbon reporting system to streamline its monitoring, reporting and energy billing procedures.

In the UK, a range of energy upgrade projects have been completed including the installation of smart meters across the portfolio. A major energy upgrade to the Unilever building at Colworth Science Park was also completed, including a new building management system, controls upgrade and mechanical upgrades. Other projects across the UK portfolio included building management system upgrades, the installation of new efficient chillers and several lighting upgrades.

In Continental Europe, sustainability benchmarking was completed on 99% of the logistics portfolio. The aim of the benchmark is to identify performance trends and improvement opportunities, such as the LED lighting solution being trialled at one of our assets in the Netherlands. We have also increased the number of leases which include specific clauses to facilitate closer collaboration with our customers to improve the sustainability performance of their tenancies.

### Goodman Logistics Sustainability Benchmark

Defining an appropriate benchmark for logistics assets remains a priority for Goodman. Distinguishing between the performance of an asset and the activities of the customer is important to produce a comparable benchmark between assets.

During the year, Goodman developed the Goodman Logistics Sustainability Benchmark to address this complex issue and has commenced the assessment of our European assets against this benchmark. The outcomes of the assessment allow our Property Services teams to identify performance trends and improvement opportunities focusing on the physical attributes of the relevant asset. The primary focus areas of our benchmark include lighting, heating, cooling, ventilation, insulation and monitoring.



# Sustainability continued

## Sustainable development

Goodman's development teams globally continue to seek opportunities to incorporate sustainable design initiatives and innovations into our developments. Our approach is to work closely with our customers during the design phase to evaluate options, taking into consideration operational performance and financial benefits over the long term.

In the UK, the base building specification for our UK Business Parks team is designed to achieve a minimum BREEAM "Very Good" standard. Two developments that achieved this certification during the period were the new Greater Manchester Police divisional headquarters, Manchester and the Innovation and Discovery Centre, Colworth Science Park.

Across Continental Europe, Goodman has nine developments targeting a design rating under the DGNB (German Sustainable Building Council) system. These are in addition to four certified ratings previously achieved under the DGNB, BREEAM system and the HQE (High Environmental Quality) system in France.

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### Amazon Distribution Centre, Rheinberg, Germany



#### 107,507 sqm logistics facility

- + Targeting DGNB Silver;
  - + Energy efficient T5 fluorescent lighting;
  - + Natural lighting through additional skylights and vertical windows;
  - + Additional insulation in walls;
  - + Insulated dark tube radiator heating system;
  - + Building management system;
  - + Extensive electrical metering; and
  - + Bicycle facilities.
- 





**Greater Manchester Police Divisional Headquarters, UK**  
**9,160 sqm office and custody facility**



- + Achieved BREEAM Excellent rating and won the British Council of Offices North award for 'Best Corporate Workplace';
- + Combined heat and power plant and geothermal heat pump system;
- + Photovoltaic system;
- + Smart metering system;
- + Rainwater harvesting;
- + Energy efficient T5 fluorescent lighting; and
- + Bicycle facilities and green travel plan.

Our recently completed Goodman Interlink development in Hong Kong set a new standard for green logistics development in the region, achieving a gold rating under the HK BEAM scheme and certification under the US LEED programme. Recent developments in China, such as Goodman's 42,809 sqm Pudong International Airport Logistics Park in Shanghai, incorporate a number of comparable features, including efficient lighting, increased natural lighting, natural ventilation and extensive energy metering.

In Australia, Goodman has received official certification for three developments under the Green Star Industrial v1 rating tool. This includes the 82,895 sqm Metcash NSW Distribution Centre which is the largest project certified under this tool. We currently have a further three developments targeting a Green Star Office v3 rating.

**Sydney head office**

Goodman moved into its new Sydney head office in September 2011. Energy efficiency was a key focus in the fit out design, which included efficient LED and T5 lighting, movement sensors and daylight harvesting, whilst shifting towards a paperless office.

**Since moving into our new office, we have reduced power consumption by approximately 46% and paper consumption by approximately 53%.**

**Goodman's development teams globally continue to seek opportunities to incorporate sustainable design initiatives and innovations into our developments.**

# Sustainability

## continued

**The Goodman Foundation supports the underprivileged in our community as well as providing support to our communities in times of need.**



## Diversity

In 2011, Goodman established a Diversity Policy which aims to provide a work environment that values diversity and inclusion in all locations around the world.

Goodman has made considerable progress on many of the diversity initiatives outlined in 2011, which have related principally to gender diversity as this element has been identified as a key focus area for the Group.

The two programmes launched in 2011 with a gender diversity focus were successfully continued in 2012:

- + The Future+Women programme is currently open to all female employees in Australia and designed to provide insight and development specifically on career development, career negotiations, increasing visibility and increasing effectiveness at work. In 2012, 15 women from all levels of the Group have been regular attendees in the Future+Women programme. It is anticipated that the Future+Women programme will continue through 2013 and will be exported to overseas locations.
- + The Group's middle management leadership development programme, known as Good+Future, continued in 2012 with four programmes conducted, consisting of 32 participants in total of which 37% were female. The programme is aimed at high potential mid-level managers who would benefit from specific leadership development in team management, effective communication, strategic thinking, conflict resolution and presentation skills.

Other diversity initiatives undertaken during the year include the introduction of the Group's Flexible Work Policy; the launch of the Goodman Values campaign, which embodies elements of inclusiveness, respectful behaviour and mutual tolerance; and a new mentoring scheme to provide all employees with the opportunity to gain insight from senior management on work related matters.

**“The five vehicles Goodman has funded for Good Beginnings have had an amazing impact over the past 12 months and we thank Goodman for making a major difference to children and families across Australia.”**

**Jayne Meyer Tucker**  
CEO, Good Beginnings Australia



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## Goodman Foundation

The Goodman Foundation's focus is on social change and improving the standard of living or the health of our community by providing practical assistance through the distribution of cash, volunteering, workplace giving and in-kind programmes, with long-term partnerships developed and being delivered.

The successful implementation of the Goodman Foundation's strategy in 2012 has resulted in the expansion of its activities into Greater China, New Zealand and the UK through the development of new partnerships including Benji's Centre, Duffy Books in Homes and Wooden Spoon in these countries respectively. Partnerships across Continental Europe are being finalised for implementation in 2013.

During 2012, new partnerships were created and existing ones further developed to help make a significant difference to the communities in which Goodman operates. A number of selected charities were supported by Goodman during 2012 including:

- + OzHarvest
- + Good Beginnings Australia
- + Yalari
- + TNC Inc
- + MS Australia
- + NCIE (National Centre of Indigenous Excellence)
- + Property Industry Foundation (PIF)
- + Black Dog Institute
- + Cancer Council Australia
- + Clown Doctors
- + Education Development Association (EDA)
- + Kids Under Cover
- + Duffy Books in Homes (New Zealand)
- + Benji's Centre (Hong Kong)
- + Wooden Spoon (UK)
- + Chinese Red Cross Foundation (China)
- + Fu Hong Society (Hong Kong)

The Goodman Foundation also conducts two employee focused programmes called Good+Deeds and Good+Heart, which allow Goodman employees to contribute through a range of volunteering and fundraising activities to several charitable organisations.

More information on Sustainability, our Diversity Policy and initiatives and the Goodman Foundation is available in the Corporate Social Responsibility section in Goodman's 2012 Annual Report or the Goodman website at [www.goodman.com](http://www.goodman.com).



Duffy Books in Homes

# Five year financial summary

	2008 \$M	2009 \$M	2010 \$M	2011 \$M	2012 \$M
<b>Income statement</b>					
Gross property income	310.5	264.3	237.4	225.1	235.7
Fund management income	86.9	84.4	76.2	64.0	76.5
Property services income	75.1	65.5	55.8	56.9	62.7
Development management income	351.1	305.4	147.2	210.5	216.7
Income from sales of inventories	–	–	51.3	112.8	79.1
Distributions from investments	28.9	19.6	26.7	27.1	22.2
Net gain/(loss) on disposals of assets	399.6	54.3	(0.1)	85.3	78.5
Net gain/(loss) from fair value adjustments on investment properties	(144.3)	(527.0)	(210.0)	(26.4)	6.5
Share of net results of equity accounted investments	(25.0)	(508.7)	(211.2)	174.5	166.6
<b>Total income</b>	<b>1,082.8</b>	<b>(242.2)</b>	<b>173.3</b>	<b>929.8</b>	<b>944.5</b>
Property expenses	(64.4)	(53.2)	(59.8)	(58.6)	(61.7)
Development expenses	(296.5)	(243.4)	(107.9)	(159.3)	(146.8)
Inventory cost of sales	–	–	(39.8)	(103.6)	(69.2)
Employee expenses	(144.7)	(30.3)	(84.0)	(95.8)	(87.3)
Administrative and other expenses	(77.1)	(81.2)	(66.0)	(53.9)	(88.4)
Impairment losses	(108.2)	(229.7)	(145.4)	(47.2)	(89.5)
Restructuring costs	–	(85.7)	–	–	–
Net finance (costs)/income	(110.5)	(153.6)	(154.1)	49.1	58.6
<b>Total expenses</b>	<b>(801.4)</b>	<b>(877.1)</b>	<b>(657.0)</b>	<b>(469.3)</b>	<b>(484.3)</b>
<b>Profit/(loss) before income tax</b>	<b>281.4</b>	<b>(1,119.3)</b>	<b>(483.7)</b>	<b>460.5</b>	<b>460.2</b>
Income tax (expense)/benefit	(5.2)	23.3	(1.0)	(7.5)	(9.7)
<b>Profit/(loss) for the year from continuing operations</b>	<b>276.2</b>	<b>(1,096.0)</b>	<b>(484.7)</b>	<b>453.0</b>	<b>450.5</b>
Profit/(loss) from discontinued operation (net of income tax)	(7.8)	–	–	–	–
<b>Profit/loss for the year</b>	<b>268.4</b>	<b>(1,096.0)</b>	<b>(484.7)</b>	<b>453.0</b>	<b>450.5</b>
Profit attributable to other non-controlling interests	(17.7)	(24.0)	(52.3)	(61.0)	(42.2)
<b>Profit/(loss) attributable to Securityholders</b>	<b>250.7</b>	<b>(1,120.0)</b>	<b>(537.0)</b>	<b>392.0</b>	<b>408.3</b>
<b>Operating profit summary</b>					
<b>Operating profit available for distribution<sup>1</sup></b>	<b>564.7</b>	<b>408.1</b>	<b>310.0</b>	<b>383.9</b>	<b>463.4</b>
Operating profit per stapled security (cents per security) <sup>2,3</sup>	170.0	87.2	26.3	28.3	30.5
Distributions (cents per security) <sup>3</sup>	170.0	48.3	17.0	17.5	18.0

	2008 \$M	2009 \$M	2010 \$M	2011 \$M	2012 \$M
<b>Balance sheet</b>					
Cash and receivables	1,300.4	830.8	1,008.6	548.5	470.2
Property assets	4,306.7	3,579.5	3,223.6	3,409.6	3,469.8
Equity accounted investments	2,399.5	2,662.3	2,304.1	2,597.4	2,893.4
Intangible assets	1,073.2	1,125.4	929.4	827.9	783.2
Other (including derivative financial instruments)	553.8	385.0	157.4	181.5	603.3
<b>Total assets</b>	<b>9,633.6</b>	<b>8,583.0</b>	<b>7,623.1</b>	<b>7,564.9</b>	<b>8,219.9</b>
Payables and provisions	630.8	299.7	387.1	467.0	434.1
Interest bearing liabilities	4,229.1	4,239.8	2,276.6	1,913.8	2,347.5
Other (including derivative financial instruments)	104.6	265.9	212.8	170.2	263.7
<b>Total liabilities</b>	<b>4,964.5</b>	<b>4,805.4</b>	<b>2,876.5</b>	<b>2,551.0</b>	<b>3,045.3</b>
Net assets	4,669.1	3,777.6	4,746.6	5,013.9	5,174.6
Non-controlling interests	(320.6)	(318.8)	(798.1)	(573.1)	(318.8)
<b>Net assets (after non-controlling interests)</b>	<b>4,348.5</b>	<b>3,458.8</b>	<b>3,948.5</b>	<b>4,440.8</b>	<b>4,855.8</b>
NTA per security (\$)³	9.78	4.26	2.38	2.45	2.54
Gearing ratio (%)	39.9	47.9	24.9	23.0	23.9
<b>Statement of changes in equity</b>					
Total equity at the beginning of the year	4,578.2	4,669.1	3,776.9	4,746.6	5,013.9
Total comprehensive income for the year	190.4	(1,491.8)	(593.4)	325.7	429.9
	<b>4,768.6</b>	<b>3,177.3</b>	<b>3,183.5</b>	<b>5,072.3</b>	<b>5,443.8</b>
Contributions of equity, net of transaction costs	145.1	927.6	1,343.6	241.7	33.3
Distributions provided or paid	(568.2)	(264.1)	(212.9)	(250.0)	(283.1)
Other transactions with equity holders	26.7	(38.1)	5.4	10.9	22.8
Movements in non-controlling interests during the year	296.9	(25.8)	427.0	(61.0)	(42.2)
<b>Total equity at the end of the year</b>	<b>4,669.1</b>	<b>3,776.9</b>	<b>4,746.6</b>	<b>5,013.9</b>	<b>5,174.6</b>
<b>Cash flow statement</b>					
Net cash provided by operating activities	345.2	320.8	195.2	333.8	266.8
Net cash (used in)/provided by investing activities	(328.1)	(1,049.6)	17.1	(394.9)	(220.8)
Net cash provided by financing activities	540.3	332.1	60.3	(226.2)	37.0
Net increase/(decrease) in cash held	557.4	(396.7)	272.6	(287.3)	83.0
Cash at the beginning of the year	81.8	639.2	242.5	515.1	227.8
<b>Cash at the end of the year</b>	<b>639.2</b>	<b>242.5</b>	<b>515.1</b>	<b>227.8</b>	<b>310.8</b>

1. Excludes unrealised property valuation movements, derivative and foreign currency mark to market and certain other non-cash items

2. Fully diluted for CIC hybrid securities and options

3. Restated to adjust for the consolidation of every five stapled securities into one stapled security during the year ended 30 June 2012.



**Gregory Goodman**  
Group Chief  
Executive Officer

Gregory is responsible for Goodman Group's overall operations and the implementation of its strategic plan. He has 30 years of experience in the property industry with significant expertise in the industrial property arena. Gregory was a co-founder of Goodman Group, playing an integral role in establishing its specialist global position in the property market through various corporate transactions, including takeovers, mergers and acquisitions. He is a director of Goodman (NZ) Limited (the manager of the New Zealand Exchange listed Goodman Property Trust), the Tokyo Stock Exchange listed Goodman Japan Limited, and the management companies of Goodman Group's unlisted funds and many of its subsidiaries.



**Anthony Rozic**  
Deputy Chief  
Executive Officer

Anthony's responsibilities for the Group include assisting in setting and managing strategy, business performance, corporate transactions and related operational projects with direct line management of Marketing, Information Technology (IT), Human Resources, Legal and Compliance. Anthony joined Goodman in 2004 and until February 2009, was Group Chief Financial Officer where his responsibilities also included financial reporting, management reporting, forecasting and budgeting, tax, and capital and financial risk management. Anthony is a qualified Chartered Accountant and has held a number of senior roles in the property funds management industry and chartered accountancy profession.



**Nick Kurtis**  
Group Head of Equities

Nick is responsible for the co-ordination and performance of the Group's corporate activities and funds management platform. He joined Goodman in 2000 and has held a number of senior positions within funds management and corporate services. Nick has 16 years of experience in the property funds management industry and holds an undergraduate degree in Real Estate and a Masters in Finance from the University of Technology, Sydney.



**Nick Vrondas**  
Group Chief  
Financial Officer

Nick is responsible for the Group's corporate finance functions, which include accounting and finance, treasury, tax and the analytics function. He also plays a key role in the Group's strategic planning and capital management. Nick has 17 years of experience in the property industry and prior to joining Goodman was head of the securities research team at Goldman Sachs JBWere. He has also worked in public and private real estate markets in roles at Jones Lang LaSalle and BBY.



**James Inwood**  
Group Head of  
Funds Management

James has been with the Group for six years and is responsible for the coordination, strategy and performance of the Group's funds management platform. He has significant expertise gained over 17 years in property finance and structuring in both listed and unlisted environments. James spent 10 years as a real estate investment trust analyst, including eight years at J P Morgan, which involved equity raisings for listed and unlisted funds.

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# Group executives



**Michael O'Sullivan**  
Group Corporate and  
Investor Relations  
Executive

Michael is responsible for managing Goodman's relationship with institutional investors, retail investors and governance groups. He is responsible for managing the Risk function and is also involved in significant corporate transactions undertaken by the Group. Prior to this role, Michael was Chief Executive Officer, Europe, based in London and responsible for the performance of the Group's business in Europe. He joined Goodman in 2002 and has managed complex financial and corporate transactions as well as played a leading role in the corporate strategy and development of the business. Michael has had extensive experience in property and financial services having worked previously at KPMG.



**Carolyn Scobie**  
Group General Counsel

Carolyn is directly responsible for the legal activities of Goodman including corporate, property, sustainability, knowledge management, insurance and compliance matters. Carolyn has 21 years of legal experience in corporate and commercial property areas including three years within the legal profession and six years as in-house Counsel with Kumagai Australia Group. She holds a Masters of Arts from Sydney University, a Bachelor of Arts/Bachelor of Laws from the Australian National University and a Graduate Diploma in Company Secretarial Practice. She is a member of Chartered Secretaries Australia.



**John Taylor**  
Group General  
Manager,  
Human Resources

John joined Goodman in August 2010, and is responsible for the Group's HR strategy and HR operations globally. He has 21 years' experience in HR, in both international and domestic organisations. John joined the Group from Thomson Reuters, where he had almost five years' senior HR experience (including time in Asia) and prior to that he worked in Australia for J P Morgan, Colonial Group and Australia Post. John has a Bachelor of Business from the University of South Australia, and a Masters in Commerce (Industrial Relations) from Sydney University.



**Alison Brink**  
Group General  
Manager, Marketing

Alison is responsible for marketing and communications across the Group including branding, advertising and corporate communications. Prior to joining Goodman, she held various marketing positions at DHL in Asia, Europe and the United States, including regional brand director for Asia Pacific and Europe, US marketing vice-president and head of global advertising. Alison has 21 years of experience in international marketing and holds a Bachelor of Business from the University of Technology, Sydney and a diploma in logistics.



**Luc LaFontan**  
Group Chief  
Information Officer

Luc is responsible for information technology across the Group which encompasses IT Strategy, Infrastructure, Applications, and Project Services. Luc joined Goodman in 2008 as the European IT Director and was appointed to his current role based in Sydney in December 2009. Prior to joining Goodman, he held various technology leadership positions around the world including IT Director at Expedia, Senior Enterprise Architect at Sony, Vice President, Technology at About.com/Primedia and Director, Technology at BBC Worldwide. Luc has over 20 years of technology management experience, and holds a Bachelor of Arts degree from Tulane University, Executive Technology Management certificate from Columbia University and an MBA from University of Connecticut.



**Jason Little**  
General Manager,  
Australia

Jason is responsible for the overall operations of the Australian business including financial, strategic growth, resourcing and leadership. Jason joined Goodman in June 2003 as Manager of Capital Transactions, which included all acquisitions, disposals, strata and land subdivisions. Prior to joining Goodman, Jason was an Executive with Grant Samuel where he worked on a number of Grant Samuel's Property Development Funds.



**John Dakin**  
Chief Executive Officer,  
New Zealand

John joined Goodman in 2003 and is responsible for the overall management and operations of Goodman in New Zealand. John has almost 25 years of experience in the property industry, including experience in valuation, research, asset management, funds management and acquisitions and has held senior roles in the United Kingdom, Australia and New Zealand. He is a former National Director of the Property Council of New Zealand and prior to joining Goodman he was with Colonial First State Property.



**Philip Pearce**  
Managing Director,  
Greater China

Philip is responsible for the strategic development and continued expansion of the Group's industrial investment business in the Greater China region. He joined the Group in 2002 and has over 16 years of experience in real estate investment trusts in the Asia Pacific region, including four years in Singapore with Ascendas Real Estate Investment Trust. Prior to joining Goodman, he was at AMP Henderson Global Investors in Sydney where he worked in various roles within the AMP Henderson Property Group including valuation, asset management and fund management.



**Paul McGarry**  
Chief Executive Officer,  
Japan

Paul is responsible for Goodman's Japan platform, which is a 50/50 joint venture between Goodman and Macquarie focused on land acquisition, development, construction management and fund management in the Japanese logistics real estate sector. Paul is a Division Director with Macquarie Capital Advisors. Over the last 16 years Paul has gained experience in investment banking, acquisition, finance, development and fund management, including the last five years living in Japan. Paul commenced his professional career in Perth, Western Australia in chartered accounting before joining the Bank of Scotland in Sydney where he specialised in real estate and private equity prior to joining Macquarie Bank in Sydney in 2004.



**Danny Peeters**  
Chief Executive Officer,  
Continental Europe

Danny heads up Goodman's European Logistics and Business Park operations and is responsible for the management, strategy and development of Goodman's property business in continental Europe. Danny has been with the Group since 2000 and has 17 years of experience in the property and logistics sectors. During his career Danny has built up extensive experience in the design, implementation and outsourcing of pan-European supply chain and real estate strategies for various multinationals. Prior to joining Goodman Danny was Chief Executive Officer of Eurinpro, developer of tailor made logistic property solutions. Eurinpro was acquired by Macquarie Goodman in May 2006.

# Regional executives



**Jim Johnston**  
Managing Director,  
UK Business Parks

Jim has overall responsibility for UK Business Parks including Arlington Business Parks Partnership. He also leads Goodman's science park joint ventures with Unilever and the UK Atomic Energy Authority at Colworth and Harwell. Jim was part of the senior management team at Arlington Securities Plc which the Group acquired in 2005, and has undertaken a variety of roles including Development Director, Sales and Leasing Director and Regional Development Director. Prior to this, Jim ran his own development business.



**Charles Crossland**  
Managing Director,  
UK Logistics

Charles heads up Goodman's Logistics operations in the United Kingdom and is responsible for the management, strategy and development of the Group's UK Logistics business. He also leads the Group's joint ventures with Chambers Street Properties (formerly CBRE RT) and Europa Capital. Charles has been with the Group since 2005 and has over 19 years in the logistics property sector. Charles was a Development Director at Rosemound Developments which was acquired by the Group in 2007. Prior to joining Goodman Charles was a partner in the Industrial Department at Strutt and Parker in London and has also worked at BNP Paribas and Carillion Developments.



**Brandon Birtcher**  
Chief Executive Officer,  
North America

Prior to becoming CEO of Goodman Birtcher North America in 2012, Brandon was president and sole owner of Birtcher Development & Investments, a five generation leading West Coast development and investment firm founded by his grandfather in 1939. The company has developed and constructed a total of nearly 60 million square feet of industrial, office and specialty retail projects throughout the United States. Brandon holds a Bachelor of Arts in Business/Economics from Claremont Men's College in California and served six years in the US Coast Guard Reserves.



**Mr Ian Ferrier, AM**  
Independent Chairman  
Appointed  
23 February 2005

Ian was appointed Chairman on 28 July 2009 (having been Acting Chairman from 28 November 2008). Ian is a Fellow of The Institute of Chartered Accountants in Australia and has 47 years of experience in company corporate recovery and turnaround practice. Ian is also a director of a number of private and public companies. He is currently Chairman of InvoCare Limited and Australian Vintage Ltd and a director of EnergyOne Limited and Reckon Limited. His experience is essentially concerned with understanding the financial and other issues confronting companies which require turnaround management, analysing those issues and implementing policies and strategies which lead to a successful rehabilitation. Ian has significant experience in property and development, tourism, manufacturing, retail, hospitality and hotels, infrastructure and aviation and service industries.



**Mr Gregory Goodman**  
Group Chief  
Executive Officer  
Appointed  
17 January 1995

Gregory is responsible for Goodman Group's overall operations and the implementation of its strategic plan. He has 30 years of experience in the property industry with significant expertise in the industrial property arena. Gregory was a co-founder of Goodman Group, playing an integral role in establishing its specialist global position in the property market through various corporate transactions, including takeovers, mergers and acquisitions. He is a director of Goodman (NZ) Limited (the manager of the New Zealand Exchange listed Goodman Property Trust), the Tokyo Stock Exchange listed Goodman Japan Limited, and the management companies of Goodman Group's unlisted funds and many of its subsidiaries.



**Mr Philip Fan**  
Independent Director  
Appointed  
1 December 2011

Philip was formerly an executive director and is now a non-executive director of Hong Kong Stock Exchange listed China Everbright International Ltd, a company which focuses on the business of environmental protection and develops and manages numerous waste-to-energy and waste water treatments plants in China. Earlier in his career, he was an executive director of CITIC Pacific Ltd in charge of industrial projects in China. Included among his other directorships, he is an independent director of the Hong Kong Stock Exchange listed Hysan Development Co Ltd and HKC Holdings Limited, and the Shenzhen listed Zhuhai Zhongfu Enterprise Co., Ltd. He is also a member of the Asian Advisory Committee of AustralianSuper. Philip holds a Bachelors Degree in Industrial Engineering and a Masters Degree in Operations Research from Stanford University, as well as a Masters Degree in Management Science from Massachusetts Institute of Technology.



**Mr John Harkness**  
Independent Director  
Appointed  
1 September 2004

John is a Fellow of The Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors. He was a partner of KPMG for 24 years and National Executive Chairman for five years. Since leaving KPMG in June 2000, John has held a number of non-executive director roles. He is currently the Chairman of Charter Hall Retail Management Limited, the management company of Charter Hall Retail REIT. He is also Chairman of the Reliance Rail group and a director of Sinclair Knight Merz Management Pty Limited. John is Vice President of Northern Suburbs Rugby Football Club Limited, a member of the Territorial Headquarters and Sydney Advisory Board of the Salvation Army and the Chairman of the Sydney Foundation for Medical Research.



**Ms Anne Keating**  
Independent Director  
Appointed  
6 February 2004

Anne is a non-executive director with board positions in a range of industries. She is a director of the management companies of the Ardent Leisure Group, REVA Medical, Inc., ClearView Wealth Limited and GI Dynamics, Inc. Anne was formerly a director of STW Communications Group Limited as well as Spencer Street Station Redevelopment Holdings Limited and Insurance Australia Group Limited. Anne is also a director of the Garvan Institute of Medical Research, a member of the Advisory Council of RBS Group (Australia) Pty Ltd and a Governor of the Cerebral Palsy Alliance Research Foundation and was until May 2012 a trustee for the Centennial Park and Moore Park Trust. Her last executive position was as General Manager, Australia for United Airlines for nine years until 2001.

# Board of Directors



**Ms Rebecca McGrath**  
Independent Director  
Appointed  
3 April 2012

Rebecca is currently a non-executive director of CSR Limited, Incitec Pivot Limited and OZ Minerals Limited. Her most recent executive experience was as Chief Financial Officer of BP Australasia from which she resigned this year. As an executive at BP plc, she held numerous senior roles in finance, operations, corporate planning, project management and marketing in Australasia, the UK and Europe. Rebecca holds a Bachelors Degree of Town Planning and a Masters of Applied Science (Project Management) and is a graduate of the Cambridge University Business and Environment Program. She is a Fellow of the Australian Institute of Company Directors.



**Mr Phillip Pryke**  
Independent Director  
Appointed  
13 October 2010

Phillip is a director of Co-Investor Group and Tru-Test Corporation Limited and the Deputy Chairman and Lead Independent Director of New Zealand Exchange listed Contact Energy Limited. He is also a director of Goodman (NZ) Limited, the manager of the New Zealand Exchange listed Goodman Property Trust. Phillip has wide experience in the fishing, energy, financial services, and health and technology industries and holds a Bachelor of Economics Degree.



**Mr Jim Sloman, OAM**  
Independent Director  
Appointed  
1 February 2006

Jim has over 40 years of experience in the building and construction industries in Australia and overseas, including experience with Sir Robert McAlpine & Sons in London and Lend Lease Corporation in Australia and as Deputy Chief Executive and Chief Operating Officer of the Sydney Organising Committee for the Olympic Games (SOCOG) from 1997 to 2001. He is a Principal of MI Associates Pty Limited, a company established by him and comprising some of the leading members of the former SOCOG senior management team, that is working as an adviser to both the London 2012 and the Rio de Janeiro 2016 Olympic Games. In addition, Jim is Chairman of Laing O'Rourke Australia Pty Limited and several of its associated companies and a director of ISIS Holdings Pty Limited and several of its associated companies. With his range of experience, Jim brings significant property, construction and major projects expertise to Goodman Group.



**Mr Carl Bicego**  
Company Secretary  
Appointed  
24 October 2006

Carl is the Company Secretary of the Company and its Australian subsidiaries, as well as Legal Counsel – Head of Corporate in Australia. He has over 14 years of legal experience in corporate law and joined Goodman Group from law firm Allens in 2006. Carl holds a Masters of Laws and Bachelor of Economics/ Bachelor of Laws (Hons).

# Securities information

Top 20 Securityholders As at 31 August 2012	Number of securities	Percentage of total issued securities
1. HSBC Custody Nominees (Australia) Limited	383,159,695	23.87
2. J P Morgan Nominees Australia Limited	368,093,029	22.93
3. National Nominees Limited	230,732,666	14.37
4. J P Morgan Nominees Australia Limited	210,399,240	13.11
5. Citicorp Nominees Pty Limited	70,101,156	4.37
6. Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	45,882,952	2.86
7. AMP Life Limited	31,741,208	1.98
8. J P Morgan Nominees Australia Limited <Cash Income A/C>	26,501,958	1.65
9. BNP Paribas Noms Pty Ltd <Master Cust DRP>	22,028,477	1.37
10. Beeside Pty Limited	16,923,077	1.05
11. BNP Paribas Noms Pty Ltd <DRP>	16,522,721	1.03
12. Cambio Investments Pty Limited	15,025,641	0.94
13. BNP Paribas Noms Pty Ltd <SMP Accounts DRP>	13,347,097	0.83
14. Cambio Investments Pty Limited	13,128,205	0.82
15. Bond Street Custodians Limited <ENH Property Securities A/C>	6,079,146	0.38
16. HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	4,313,849	0.27
17. UBS Nominees Pty Ltd	4,156,250	0.26
18. Bond Street Custodians Limited <Macquarie Alpha Opport A/C>	3,662,212	0.23
19. Questor Financial Services Limited <TPS RF A/C>	3,416,112	0.21
20. QIC Limited	2,917,346	0.18
Securities held by top 20 Securityholders	1,488,132,037	92.71
Balance of securities held	116,975,438	7.29
<b>Total issued securities</b>	<b>1,605,107,475</b>	<b>100.00</b>

Range of securities	Number of Securityholders	Number of securities	Percentage of total issued securities
1 – 1,000	5,560	2,861,958	0.18
1,001 – 5,000	7,851	19,594,766	1.22
5,001 – 10,000	2,291	16,184,161	1.01
10,001 – 100,000	1,430	31,384,122	1.96
100,001 – over	118	1,535,082,468	95.63
<b>Total</b>	<b>17,250</b>	<b>1,605,107,475</b>	<b>100.00</b>

There were 446 Securityholders with less than a marketable parcel in relation to 8,879 securities as at 31 August 2012.

Substantial Securityholders <sup>1</sup>	Number of securities
Leader Investment Corporation; China Investment Corporation	285,742,961
FMR LLC and FIL	96,575,375
Vanguard Investments Australia Ltd	83,236,550
BlackRock Investment Management (Australia) Limited	74,059,708

1. In accordance with latest Substantial Securityholder Notices as at 31 August 2012.

## Stapling

ASX reserves the right (but without limiting its absolute discretion) to remove Goodman Logistics (HK) Limited, Goodman Limited and Goodman Industrial Trust from the official list of the ASX if a CHESSE Depository Interest (CDI) referencing an ordinary share in Goodman Logistics (HK) Limited, a share in Goodman Limited or a unit in Goodman Industrial Trust cease to be stapled, or any new securities are issued by Goodman Logistics (HK) Limited, Goodman Limited or Goodman Industrial Trust and are not (or CDIs in respect of them are not) stapled to equivalent securities in the Goodman Group.

## Voting rights

On a show of hands at a general meeting of Goodman Limited or Goodman Industrial Trust, every person present who is an eligible Securityholder shall have one vote and on a poll, every person present who is an eligible Securityholder shall have one vote for each Goodman Limited share and one vote for each dollar value of Goodman Industrial Trust units that the eligible Securityholder holds or represents (as the case may be). At a general meeting of Goodman Logistics (HK) Limited, all resolutions will be determined by poll, and eligible Securityholders will be able to direct Chess Depository Nominees Pty Limited to cast one vote for each Chess Depository Instrument (referencing a Goodman Logistics (HK) Limited share) that the eligible Securityholder holds or represents (as the case may be).

## On-market buy-back

There is no current on-market buy-back.

# Corporate directory

## Goodman Group

**Goodman Limited**  
ABN 69 000 123 071

**Goodman Industrial Trust**  
ARSN 091 213 839

**Responsible Entity**  
Goodman Funds Management Limited  
ABN 48 067 796 641; AFSL Number 223621

**Goodman Logistics (HK) Limited**  
Company No. 1700359; ARBN 155 911 149

## Offices

### Registered office

Level 17  
60 Castlereagh Street  
Sydney NSW 2000  
Australia  
GPO Box 4703  
Sydney NSW 2001

Telephone 1300 791 100 (within Australia)  
+61 2 9230 7400 (outside Australia)

Facsimile +61 2 9230 7444  
Email [info@goodman.com](mailto:info@goodman.com)  
Website [www.goodman.com](http://www.goodman.com)

### Other offices

Adelaide	Eindhoven	Paris
Auckland	Hamburg	Perth
Barcelona	Hong Kong	Poznan
Beijing	London	Prague
Birmingham	Los Angeles	Reading
Brisbane	Luxembourg	Senec
Brussels	Lyon	Shanghai
Budapest	Madrid	Sydney
Chengdu	Marseille	Tokyo
Christchurch	Melbourne	Warsaw
Cracow	Milan	
Düsseldorf	Osaka	

### Directors

Mr Ian Ferrier, AM	(Independent Chairman)
Mr Gregory Goodman	(Group Chief Executive Officer)
Mr Philip Fan	(Independent Director)
Mr John Harkness	(Independent Director)
Ms Anne Keating	(Independent Director)
Ms Rebecca McGrath	(Independent Director)
Mr Phillip Pryke	(Independent Director)
Mr James Sloman, OAM	(Independent Director)

### Company Secretary

Mr Carl Bicego

## Security Registrar

**Computershare Investor Services Pty Limited**  
Level 5  
115 Grenfell Street  
Adelaide SA 5000  
GPO Box 1903  
Adelaide SA 5001

Telephone 1300 723 040 (within Australia)  
+61 3 9415 4043 (outside Australia)  
Facsimile +61 8 8236 2305  
Email [www.investorcentre.com/contact](http://www.investorcentre.com/contact)  
Website [www.computershare.com](http://www.computershare.com)

## Custodians

**The Trust Company Limited**  
20 Bond Street  
Sydney NSW 2000

**Perpetual Trustee Company Limited**  
123 Pitt Street  
Sydney NSW 2000

## Auditor

**KPMG**  
10 Shelley Street  
Sydney NSW 2000

## ASX code

GMG

## US Notice

Goodman Group gives notice that:

- (i) each Securityholder that is in the United States or a U.S. Person is required to be a Qualified Institutional Buyer as defined under the U.S. Securities Act and a Qualified Purchaser under the U.S. Investment Company Act ("QIB/QP") at the time of the acquisition of any Stapled Securities of Goodman Group, and is required to make the representations in the Subscription Agreement as of the time it acquired the applicable Stapled Securities;
- (ii) the Stapled Securities can only be resold or transferred in a regular brokered transaction on the ASX in accordance with Rule 903 or 904 of Regulation S, where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, in the United States or a U.S. Person (e.g., no prearranged trades ("special crossing") with U.S. Persons or other off-market transactions); and
- (iii) to the maximum extent permitted by law, Goodman Group reserves the right to (i) request any person that they deem to be in the United States or a U.S. Person, who was not at the time of acquisition of the Stapled Securities a QIB/QP, to sell its Stapled Securities, (ii) refuse to record any subsequent sale or transfer of Stapled Securities to a person in the United States or a U.S. Person that Goodman Group reasonably believes is not a QIB/QP, and (iii) take such other action as they deem necessary or appropriate to enable the GL and GIT to maintain the exception from registration under Section 3(c)(7) of the Investment Company Act.

## Disclaimer

This Securityholder Review has been prepared by Goodman Group (Goodman Limited (ABN 69 000 123 071), Goodman Funds Management Limited (ABN 48 067 796 641; AFSL Number 223621) as the Responsible Entity for Goodman Industrial Trust (ARSN 091 213 839) and Goodman Logistics (HK) Limited (Company No. 1700359; ARBN 155 911 149). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate. This Annual Report is not an offer or invitation for subscription or purchase of securities or other financial products. It does not constitute an offer of securities in the United States. Securities may not be offered or sold in the United States unless they are registered under the US Securities Act of 1933 or an exemption from registration is available. This Annual Report contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention have been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Goodman Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. All values are expressed in Australian currency unless otherwise stated. September 2012.

