Goodman Group

Annual General Meeting

24 November 2011 Westin Hotel, Sydney



building the future+



Directors and Executives



Mr Ian Ferrier

Independent Chairman

Mr Gregory Goodman

Group Chief Executive Officer

Mr John Harkness

Independent Director

Ms Anne Keating

Independent Director

Mr Jim Sloman

Independent Director

Mr Phil Pryke

Independent Director

Mr Carl Bicego

Company Secretary

Agenda



- + Chairman's Address
- + Group CEO's Address
- + Formal Business



Overview



- + Achieved strong financial result and remained committed to our strategy
- + Now operating in a "sweet spot"
 - Rapid growth in online retail trading
 - Access to third party capital
 - Extensive global platform

Overview



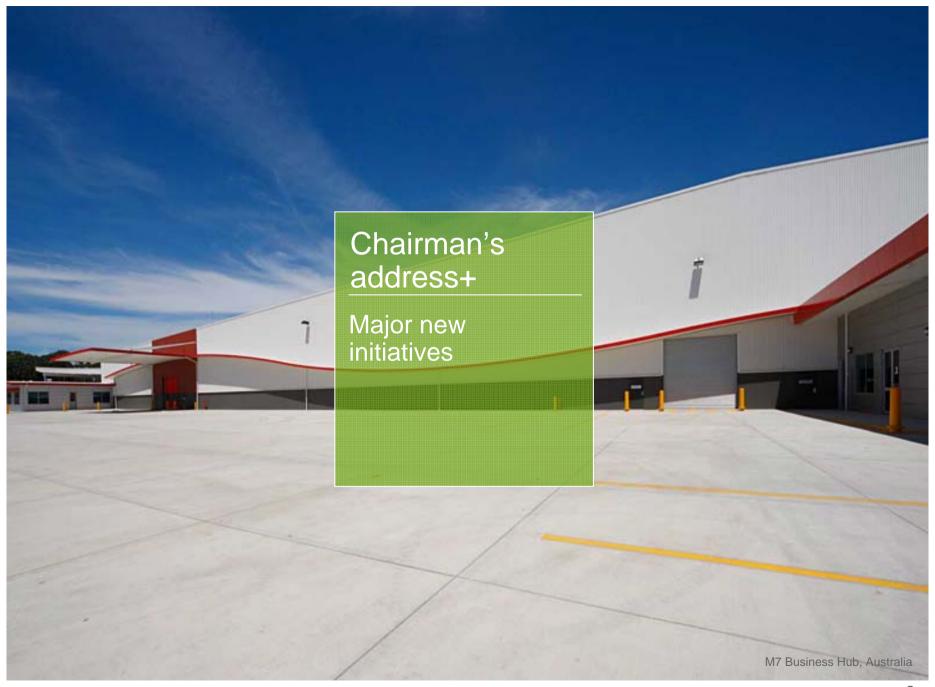
+ Achieved strong financial result and remained committed to our strategy

- Operating profit of \$384 million
- Statutory profit of \$392 million
- Debt maturities are fully covered to FY2015 with significant liquidity
- Average debt maturity of 5.6 years
- Successfully completed inaugural US bond issues of US\$825 million with 10 year maturities and \$720 million of new bank facilities maturing over 5 years
- Fully diluted EPS of 5.66 cents, an 8% increase on FY2010
- Distribution per security of 3.5 cents, being 60% of EPS

Overview



- + Goodman has emerged as a global leader with a strong competitive advantage
 - Strong capital partners
 - Diverse international platform
 - Size and scale



Major new initiatives



- + IIF: Goodman led a Consortium of global investors to acquire and privatise ING's Industrial Fund.
- + Added \$2.5 billion in AUM across Australia and Europe.
- + Expansion of the Group's relationship with CIC, CPPIB and APG.
- + **Moorabbin:** Created opportunities greater than envisaged.
- + Successfully integrated the people and property into the portfolio.



Major new initiatives



- + Sale of 50% of Interlink, Hong Kong 224,000 sqm facility to CPPIB for \$274 million.
- + Almost all of the space has now been pre committed to major global customers including DHL and Yusen.
- + Capital used to re invest and explore new opportunities in Greater China and Japan.
- + This transaction supports our prudent approach to development which relies on pre commitments to significantly de risk development activities and maintain our strong balance sheet.



Operating Model – Case Study, Interlink



+ Interlink as a demonstration of Goodman's own + develop + manage model

- + Jan '08 -Interlink site acquired
- +Jan 08 sold 50% to GHKLF
- +Jun '11- Sold 50% to CPPIB for \$274 million



- + Recurring income stream
- investment returns via GMG'sinterest in GHKLF



- +and investment returns Over 2.3 millions sqft pre leased to customers; DHL Yusen, BEL and Zuelling Pharma, Chanel, Hankyu and Net A Porter
- +Managing property to almost \$550 million



Generates funds from management fees

- + Late 2009 Development of a 224 000sqm industrial facility commenced on a 50/50 JV basis between GHKLF and Goodman
- + Obtained customer pre commitments from for over 1.2 million sqft, (over 50%) from DHL and Yusen at the time of commencement
- +With development due for completion in Jan 2012, the development has now been almost fully pre leased.
- +Exclusively awarded Gold Standard from HK BEAM and a certification from LEED
- +Valued at approx \$550 million



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

Capital management initiatives



- + A critical component of success and strong financial result has been supported by the Group's ability to diversify its sources of capital away from traditional lenders and debt capital markets, thereby expanding the profile from lender to investor.
- + November 2010 raised US\$325 million through the successful completion of the Group's first senior unsecured note issue in the US bond market.
- + March 2011 completed a further US\$500 million issue.
- + Both the notes were obtained on a ten year term.
- + Private placement of ¥12.5 billion (A\$154 million) with Japanese Insurance Group on a twelve year term to maturity.
- + As a result, long term debt now accounts for 69% of the Group's debt.
- + Sufficient liquidity to repay all outstanding maturities to FY2015.

Operating platform expansion



- + Japanese logistics market provides growth opportunities for Goodman to leverage its industry experience and global customer and capital partner relationships.
- + September re branded J REP to Goodman Japan.
- In October 2011 settled on the acquisition of 60 000 sqm of prime development land in the Osaka Bay area
 - Estimated value on completion in excess of A\$300 million
- + Japanese expansion driven by organic development growth rather than via acquisition to generate best returns.
- + We will explore opportunities to expand our global footprint in markets where the integrated service offering can be deployed in scale.
- + Further expansion of the international platform will be driven by our customers and investors to leverage the Group's capabilities and strong competitive position.





Sustainability



- + Creating long term value for our stakeholders, respecting the environment and working with the communities in which we operate
 - Development philosophy is based around delivering an efficient design suitable to meet regulatory and customer's operational needs
 - Published Sustainability Progress Review 2011, available on www.goodman.com



- + Includes: Increased ceiling and wall insulation
- + Efficient T5 lighting
- + Extensive smart metering



- + Includes: Energy efficient lighting
- + Natural ventilation
- + Rainwater harvesting



+ Gold Standard from HKBEAM and certification from LEED

Sustainability cont.



+ Goodman Foundation Philosophy

Facilitate social change and improve the standard of living and health in our Communities

+ Established a Diversity Policy



Good Beginnings - The Goodman Foundation supplied 5 vehicles for use by their support workers to help deliver their services



NCIE - The Goodman Foundation is providing funding to assist in the establishment of the NCIE Homework Centre



Board renewal



- + James Hodgkinson resigned on 30 September 2011.
- + Given our international focus now taking the opportunity to diversify the skill set of the Board by introducing a member with Asian experience.
- + Board announces the appointment of Mr Philip Fan effective 1 December 2011.
- + Has vast experience in Asia, particularly in Hong Kong and China along with extensive property experience.
- + Non Executive Director of China Everbright International.
- + Independent Non Executive Director of Hysan Development.
- + Independent Non Executive Director of HKC Holdings.





Introduction



- + Opening remarks
- + Results overview for the year ending 30 June 2011
- Outlook for the year ahead





- + Building on our capital partner relationships
- + Meeting the needs of our customers through our:
 - International operating platform
 - Size and scale
 - Proven expertise
- + Capitalising on strong demand despite volatile markets
 - Development work in progress currently at \$2 billion
 - Total assets under management increased to over \$19 billion
- Competitive advantage is providing opportunities to build our brand and drive earnings growth





- + Operating income of \$384 million
- + Operating earnings per security of 5.66 cents
- + Distribution per security of 3.5 cents

Operating results



- Management Services and Investments
 - Total investment portfolio of \$18 billion
 - Raised \$1.8 billion of new third party equity
 - Strong investor relationships
 - Completed \$2.5 billion acquisition of IIF and established Goodman Trust Australia
 - €300 million rights issue for Goodman European Logistics Fund
 - Sold 50% of Interlink development to Canada Pension Plan Investment Board





- Management Services and Investments
 - Property fundamentals have been robust
 - 96% occupancy rate
 - 76% customer retention
 - Weighted average lease term of 5.3 years
 - Rental growth of 3%
 - Leased 1.9 million sqm across the Group and Managed Funds
 - Solid leasing activity continuing in FY2012

Operational activity - leasing



Australia - Smithfield Distribution Centre

Customer	Ozsale
Lettable area	17,105 sqm
Lease term	5 years
Contracted owner	GAIF



Australia - PortAir Industrial Estate

Customer	Breville Group
Lettable area	26,915 sqm
Lease term	2 years
Contracted owner	GAIF



Australia – Centenary Distribution Centre

Customer	Mainfreight
Lettable area	10,242 sqm
Lease term	5 years
Contracted owner	GAIF



New Zealand – Highbrook Business Park

Customer	National Aluminium
Lettable area	3,467 sqm
Lease term	10 years
Contracted owner	GMT







Hong Kong – Global Gateway

Customer	Equinix
Lettable area	1,210 sqm
Lease term	8 years
Contracted owner	GHKLF



Germany – Bedburg II

Customer	Nippon Express
Lettable area	18,172 sqm
Lease term	1 year
Contracted owner	GELF



The Netherlands - Helmond

Customer	Kuehne & Nagel
Lettable area	25,093 sqm
Lease term	3 years (annual break options)
Contracted owner	GELF



United Kingdom – Farnborough

Customer	Autodesk
Lettable area	1,985 sqm
Lease term	10 years
Contracted owner	ABPP







- + Developments
 - Prudent growth in development activity
 - 91% of all developments pre-sold
 - Completed \$0.8 billion of developments
 - \$1.4 billion of new projects commenced
 - Investor partnerships continue to provide secure sources of funding, matched to new developments
 - Development work in progress of \$1.8 billion
 - Increased to \$2.0 billion post 30 June 2011



Operational activity - developments

- + Maintained our \$10 billion development pipeline which is delivering opportunities around the world
 - Development work in progress (WIP): 47 projects across 13 countries
 - Total lettable area of 1.6 million sqm with \$2 billion completion value





Operational activity - developments

- Europe and China driving the growth of our development business
 - China land bank in excess of 2 million sqm, providing opportunities to capitalise on shortage of prime logistics space
 - Increasing market shares in key European markets, given Goodman's access to third party capital







Europe: Stanley Black & Decker, Belgium





- + Capital management
 - Gearing maintained in mid to low 20% target range
 - \$1.1 billion of liquidity currently available
 - Enhanced through two US bond issues, totalling US\$825 million and other debt raised during the year
 - Debt capital markets now account for 69% of Goodman's debt
 - No unfunded debt expiries until 2015 financial year
 - Delivering on strategy of diversifying debt capital sources and lengthening debt maturities
 - Completed range of debt and equity initiatives within our managed funds



Outlook



- Our competitive advantage ensures we are well positioned, despite an uncertain market
 - Access to third party capital and support from major investment partners
 - Size and scale
 - Extensive international operating platform
 - Long-term customer relationships
- Continue to strengthen our brand and reputation and prudently drive earnings growth
 - Assess new markets to add value to brand and business
- + Reaffirm previous guidance for 2012
 - Estimated operating profit of \$460 million
 - Estimated operating earnings per security of 6.0 cents (fully diluted basis)



thank+you

