28 August 2008

The Manager
Company Notices Section
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

GOODMAN GROUP

ANNUAL FINANCIAL REPORT FOR GOODMAN INDUSTRIAL TRUST

Attached is the annual financial report for Goodman Industrial Trust as lodged with ASIC today.

We note that the results for Goodman Industrial Trust are consolidated within the accounts of Goodman International Limited that were released to the market late last week.

Please contact the undersigned in relation to any queries.

Yours faithfully

Carl Bicego
Company Secretary

Level 10, 60 Castlereagh Street Sydney NSW 2000 | GPO Box 4703, Sydney NSW 2001 Australia
Tel +61 2 9230 7400 | Fax +61 2 9230 7444 | info-au@goodman.com | www.goodman.com

Goodman International Limited ABN 69 000 123 071
Goodman Funds Management Limited ABN 48 067 796 641 AFSL Number 223621
as responsible entity for Goodman Industrial Trust ARSN 091 213 839

Goodman Industrial Trust
ARSN 091 213 839
and its Controlled Entities
Financial Report for the year ended 30 June 2008

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The directors (Directors) of Goodman Funds Management Limited (Responsible Entity), the responsible entity for Goodman Industrial Trust (GIT, Trust or Parent Entity), present their Directors' Report together with the consolidated Financial Report of GIT and the entities it controlled (Consolidated Entity) at the end of, or during, the year ended 30 June 2008 and the audit report thereon.

GIT is deemed to be a controlled entity of Goodman International Limited. GIT's units are stapled to shares in Goodman International Limited and trade on the Australian Securities Exchange (ASX) as Goodman Group stapled securities.

Directors

The Directors at any time during, or since the end of, the year were:

Director	**Appointment date**
Mr David S Clarke, AO (Chairman)	26 October 2000
Mr Gregory Goodman (Group Chief Executive Officer)	17 January 1995
Mr Ian Ferrier, AM (Independent Director)	23 February 2005
Mr Patrick Goodman (Non-Executive Director)	23 February 2005
Ms Diane Grady (Independent Director)	30 September 2007
Mr John Harkness (Independent Director)	1 September 2004
Mr James Hodgkinson (Non-Executive Director)	21 February 2003
Ms Anne Keating (Independent Director)	6 February 2004
Mr Jim Sloman, OAM (Independent Director)	1 February 2006
Dr David Teplitzky (Independent Deputy Chairman)	23 February 2005 (retired 22 November 2007)
Mr Stephen Girdis (Alternate Director for Messrs David S Clarke, AO and James Hodgkinson)	14 June 2005 (resigned 14 November 2007).

Details of the Directors' qualifications, experience and special responsibilities are set out on pages 7 and 8 of this Directors' Report.

Company Secretary

The Company Secretary at any time during, or since the end of the year was:

Company Secretary	**Appointment date**
Mr Carl Bicego	24 October 2006

Details of the Company Secretary's qualifications and experience are set out on page 9 of this Directors' Report.

Directors' Meetings

The number of Directors' meetings held (including meetings of committees of Directors) and the number of meetings attended by each of the Directors during the year were:

	Board meetings		Audit Committee meetings		Remuneration and Nomination Committee meetings		Risk and Compliance Committee meetings		Investment Committee meetings	
Director	**Held**[1]	**Attended**	**Held**[1]	**Attended**	**Held**[1]	**Attended**	**Held**[1]	**Attended**	**Held**[1]	**Attended**
Mr David Clarke	13	13			5	5			1	1
Mr Gregory Goodman	13	13			5	5			2	2
Mr Ian Ferrier	13	12	5	5	5	5			2	2
Mr Patrick Goodman	13	13					4	4		
Ms Diane Grady[2]	10	7			3	3				
Mr John Harkness	13	12	3	3			4	4		
Mr James Hodgkinson	13	12	5	5						
Ms Anne Keating	13	13			5	5				
Mr Jim Sloman	13	12					4	4	2	2
Dr David Teplitzky[3]	6	6	3	3	3	3				
Mr Stephen Girdis (Alternate)[4]										

1. Reflects the number of meetings individuals were entitled to attend.
2. Appointed 30 September 2007.
3. Retired 22 November 2007.
4. Resigned 14 November 2007.

Directors absented themselves from meetings where they had a personal interest in the matters being discussed.

Principal Activities

The principal activity of the Consolidated Entity during the year was property investment. There were no significant changes to the nature of the Consolidated Entity's activities during the year.

Distributions

The total distribution declared to ordinary Unitholders of GIT (Unitholders) during the year was 34.0 cents per unit (2007: 31.5 cents per unit). The total distribution declared to Goodman PLUS Trust Hybrid securityholders was $15.6 million (2007: $nil). Further details of distributions paid or declared during the year are set out in note 4 to the financial statements.

Review of Operations

The performance of the Consolidated Entity, as represented by the results of its operations for the year, was as follows:

	Consolidated	
	2008	2007
	$M	$M
Gross property income	293.0	374.4
Profit attributable to Unitholders	221.8	626.1

Value of Assets

	Consolidated	
	2008	2007
	$M	$M
Carrying value of assets	9,200.1	8,521.2

The basis for valuation of assets is disclosed in note 1 to the financial statements.

Issued Capital

The movement in units on issue in GIT during the year is set out below:

	Consolidated	
	2008	2007
	M	M
Units on issue at the beginning of the year	1,692.7	1,608.9
Units issued during the year	23.1	83.8
Units on issue at the end of the year	**1,715.8**	**1,692.7**

State of Affairs

Key changes in the Consolidated Entity's state of affairs during the year were as follows:

(a) Partial Disposal of Equity Interest in Highbrook Development Limited (HDL)

Effective 17 December 2007, GIT sold a 12.5% equity interest in HDL to Goodman Property Trust. GIT retains a 25% equity interest in HDL.

(b) New Debt Facilities

The principal new debt facilities during the year are as follows:

On 10 December 2007, the Consolidated Entity secured a new A$815 million (€500 million) unsecured debt facility in Europe for a term of five years. In January 2008 this facility was increased by A$43 million to (€525 million).

On 31 December 2007, the Consolidated Entity secured a new A$96 million (S$125 million) unsecured debt facility in Singapore for a term of two years.

On 8 February 2008, the Consolidated Entity entered into a commitment for four years A$800 million unsecured banking facility, which matures in February 2012. This facility replaced the A$603 million CMBS loan note facility that matured in May 2008 and provides additional funding for working capital purposes.

On 12 February 2008, the Consolidated Entity entered into a A$453 million (£220 million) unsecured banking facility available for up to five years. On 2 April 2008, this facility was increased by A$205 million (£100 million). This facility replaced the European facility, which expired in April 2008. Subsequent to the end of the financial year the Consolidated Entity has paid down A$329 million (£160 million) of this facility.

On 30 April 2008, the Consolidated Entity entered into a new A$100 million unsecured facility maturing in April 2009.

On 28 May 2008, the Consolidated Entity entered into a A$47 million (NZ$60 million) unsecured facility maturing in May 2010.

On 30 June 2008, the Consolidated Entity issued A$514 million (£250 million) under its Euro Medium Term Note programme. The 10 year senior unsecured notes were priced at a fixed coupon of 9.75% per annum and mature on 16 July 2018.

(c) Goodman PLUS Trust Hybrid Securities (Hybrid Securities)

On 21 December 2007, a controlled entity of GIT, Goodman PLUS Trust, raised approximately A$327 million from its issue of Hybrid Securities. Hybrid Securities are preferred, perpetual securities in the Goodman PLUS Trust, which are listed on the ASX. The Hybrid Securities are classified as minority interests in equity and may be exchanged or repurchased in certain circumstances.

(d) Transactions with Goodman Australia Industrial Fund (GAIF)

In July 2007, the Consolidated Entity disposed of A$480 million of industrial assets to GAIF. The transaction was funded by a A$500 million equity raising by GAIF.

On 1 May 2008, the unitholders in GAIF invested in a A$0.9 billion portfolio of 14 prime office and business park assets via the stapling of a controlled entity Mascot Trust, that became known as Goodman Australia Industrial Trust No. 3. The transaction was funded by a $1 billion equity raising by GAIF together with debt capital. The equity offer was structured so that the Consolidated Entity held A$600 million, increasing its unitholding in GAIF to 44.1%.

(e) Goodman Group Disposal of Goodman Property Investors Limited (GPI)

On 31 May 2008, Goodman Group announced the disposal of GPI to Aberdeen Property Investors. As part of this transaction the Consolidated Entity agreed to sell certain of its equity investments to Aberdeen Property Investors by 28 February 2009. The sales price for these assets will be based on the fair value at the date the transaction is completed. (refer to note 6 to the Financial Report).

In the opinion of the Directors, there were no other significant changes in the state of affairs of GIT that occurred during the year.

Strategy and Outlook

Looking forward, the Consolidated Entity will seek to strengthen its presence in Asia Pacific and Europe. The focus for these regions is to pursue yield-accretive properties that are well located and provide stability through the diversification of the Consolidated Entity's customer base and asset and geographic mix.

Likely developments in the near future include establishing logistics funds in China, Japan and the United Kingdom.

Further information as to other likely developments in the operations of the Consolidated Entity and the expected results of those operations in future years have not been included in the Financial Report because disclosure of the information would be likely to result in unreasonable prejudice to the Consolidated Entity.

Environmental Regulations

The Consolidated Entity has policies and procedures in place that are designed to ensure that, where operations are subject to any significant environmental regulation under a law of Australia, those obligations are identified and appropriately addressed.

The Directors have determined that there has not been any material breach of those obligations during the financial year.

Interests of the Responsible Entity

The Responsible Entity did not hold any units either directly or indirectly in the Consolidated Entity at any time during the year and up to the date of signature of the Financial Report.

Indemnification and Insurance of Officers and Auditors

The Responsible Entity has insured current and former Directors and officers in respect of Directors' and officers' liability and legal expenses. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of those contracts. The auditors of the Consolidated Entity are not indemnified in any way by this insurance cover.

Fees Paid to and Interests Held by Related Entities and Directors

Fees were paid or are payable to Goodman Group and its associated entities for services provided during the year. Details of these fees and the interests of the Responsible Entity and other related party information are set out in note 21 to the financial statements.

The relevant interest of each Director in the stapled securities of Goodman Group as notified by the Directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001 at the date of the Financial Report is as follows:

	Direct securities	Indirect securities	Total
Non-Executive			
Mr David Clarke	117,857	89,044	206,901
Mr Ian Ferrier	10,188	–	10,188
Mr Patrick Goodman	–	74,398,414	74,398,414
Ms Diane Grady	–	30,000	30,000
Mr John Harkness	21,931	–	21,931
Mr James Hodgkinson	113,513	313,119	426,632
Ms Anne Keating	29,505	24,078	53,583
Mr Jim Sloman	7,736	–	7,736
Executive			
Mr Gregory Goodman	5,955,992	68,442,422	74,398,414

None of the Non-Executive Directors held any options over unissued securities at 30 June 2008. Mr Gregory Goodman held 2,700,000 options over securities of Goodman Group (including units in GIT) at 30 June 2008. Mr Patrick Goodman has an indirect interest in respect of those options.

None of the Directors hold any interests in the Hybrid Securities which are listed on the ASX.

Qualifications, Experience and Special Responsibilities of Directors and Company Secretary

Board of Directors

Mr David S Clarke, AO – Chairman
Appointed 26 October 2000

David has been Chairman of Macquarie Group Limited (the successor parent entity of Macquarie Bank Limited) since 1 April 2007. He was previously Executive Chairman of Macquarie Bank from its formation in 1985 until 31 March 2007. From 1971 to 1977, he was Joint Managing Director of Hill Samuel Australia Limited (predecessor to Macquarie Bank), from 1977 to 1984 Managing Director and from 1984 Executive Chairman. David is also Chairman of Australian Vintage Ltd (formerly McGuigan Simeon Wines Limited, since 27 November 1991), Poole's Rock Wines Pty Limited (since 1 May 1970), the Wine Committee of the Royal Agricultural Society of NSW, the Opera Australia Capital Fund, the Sydney University Football Club Foundation and the George Gregan Foundation. He is a member of the Investment Advisory Committee of the Australian Olympic Foundation, a member of the Harvard Business School Asia Advisory Board, a member of the Seoul International Business Advisory Council and a member of the Bloomberg Asia Pacific Advisory Committee. David is also a member of Council of the Royal Agricultural Society of NSW and an honorary life member of the Financial Markets Foundation for Children. He is a member of the Corporate Governance Committee of the Australian Institute of Company Directors and Vice President of the Sydney University Cricket Club. David was previously Chairman of Macquarie ProLogis Management Limited (from 26 June 2002 until 31 March 2007), Macquarie Office Management Limited (from 30 June 1987 until 31 March 2007) and Macquarie CountryWide Management Limited (from 22 June 1995 until 31 March 2007), the management companies of Macquarie ProLogis Trust, Macquarie Office Trust and Macquarie CountryWide Trust respectively. Additionally, he was Chairman of the Sydney and Territorial Advisory Board of the Salvation Army (from 1999 until 2006), the Australian Rugby Union (from 1998 until 2001) and a member of the International Rugby Board (from 1998 until 2001).

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 26 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, J-REP Co., Ltd and the management companies of Goodman Group's unlisted funds.

Mr Ian Ferrier, AM – Independent Director
Appointed 23 February 2005

Ian is a co-founder of Ferrier Hodgson. He is a Fellow of The Institute of Chartered Accountants in Australia and has 43 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 (since 8 March 2001), Australian Oil Limited (since 2 May 2005) and EnergyOne Limited (since 15 January 2007) and a director of Australian Vintage Ltd (formerly McGuigan Simeon Wines Limited, since 20 November 1991) and Reckon Limited (since 17 August 2004). 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 Patrick Goodman – Non-Executive Director
Appointed 23 February 2005

Patrick is the Managing Director of Goodman Holdings Group, which is a major investor in Goodman. The diversified interests of Goodman Holdings Group initially focused on direct and indirect property development and have expanded to include the management of a diverse portfolio across sectors covering aviation, food, rural, private and listed equity, infrastructure and financial services globally.
Patrick is also a director of companies involved in information technology, property investment and management both in Australasia and the United States. During his 28 year career, he has had considerable public and private company experience both domestically and internationally.

Qualifications, Experience and Special Responsibilities of Directors and Company Secretary (cont)

Ms Diane Grady – Independent Director
Appointed 30 September 2007

Diane was appointed as an Independent Director on 30 September 2007. She has been a full-time Non-Executive Director on various companies since 1994 and is currently a Director of Woolworths Limited and Bluescope Steel Limited. Diane is also a senior adviser to McKinsey & Co and a member of the ASIC Business Consultative Panel. Prior to becoming an independent director, she was a partner with McKinsey & Co where she spent 15 years consulting to clients in a broad range of industries on strategic and organisational issues.

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 retiring from KPMG in June 2000, John has held a number of non-executive director roles. He is currently Chairman of ICA Property Development Funds and Sydney Foundation for Medical Research. John is a director of Macquarie CountryWide Management Limited (since 18 August 2003), the management company of Macquarie CountryWide Trust and Crane Group Limited (since 1 September 2000). He was formerly the Chairman of Lipa Pharmaceuticals Limited (from 17 June 2004 to 6 November 2007). John is President of Northern Suburbs Rugby Football Club Limited and a member of the Territorial Headquarters and Sydney Advisory Board of the Salvation Army.

Mr James Hodgkinson – Non-Executive Director
Appointed 21 February 2003

James is an Executive Director (non-voting) of Macquarie Group Limited and Co-Head of Macquarie Group's Real Estate Capital (REC) Division. His responsibilities include Macquarie Group's interest in the MGA Joint Venture. James was also Chief Executive Officer of Macquarie Industrial Trust for six years prior to that trust's merger with GIT. He is a director of J-Rep Co., Limited, Goodman (NZ) Limited, the manager of the New Zealand Exchange listed Goodman Property Trust, and the manager of Macquarie Goodman Hong Kong Logistics Fund. James has previously been an alternate director of Macquarie ProLogis Management Limited (from 24 May 2002 to 9 June 2006) the management company of Macquarie ProLogis Trust. With over 20 years of experience in property funds management, investment banking and chartered accounting, he oversees REC's businesses and REIT development in Asia and core real estate investments for Macquarie Group. Since taking a senior position across REC's businesses in 2000, James has jointly led growth in assets under management from A$3 billion to over A$32 billion as at 31 March 2008. During this time, he has played an instrumental role in the establishment of a number of REC's funds management platforms around the world. James has a Bachelor of Economics, is a Certified Practicing Accountant and is a Fellow of the Australian Property Institute.

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 on the boards of Macquarie Leisure Management Limited (since 30 March 1998) and Macquarie Leisure Operations Limited (since 28 April 2003) being the management companies of Macquarie Leisure Trust Group and STW Communications Group Limited (since 17 May 1995). Anne was previously on the Board of Spencer Street Station Redevelopment Holdings Limited (from 31 December 2003 to 14 May 2008) and prior to that was a director of Insurance Australia Group Limited for seven years. She is also a member of the Advisory Council of ABN AMRO Australia and New Zealand and Governor of the Cerebral Palsy Foundation and 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.

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

Jim has over 30 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 currently the Chief Executive Officer and a director of MI Associates Pty Limited, a company established by him and comprising some of the leading members of the former SOCOG senior management team. MI Associates is working as an advisor to the organisers of the London Olympic Games following its work on London's winning bid for the 2012 Olympic Games. With his range of experience, Jim brings significant expertise to Goodman.

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Qualifications, Experience and Special Responsibilities of Directors and Company Secretary (cont)

Company Secretary

Mr Carl Bicego – Company Secretary

Carl is the Company Secretary of Goodman Group and its Australian subsidiaries as well as Legal Counsel – Head of Corporate in Australia. He has over 10 years of legal experience in corporate law and joined Goodman Group from law firm Allens Arthur Robinson in 2006. Carl holds a Masters of Laws and Bachelor of Economics/Bachelor of Laws (Hons). He is an affiliate of Chartered Secretaries Australia.

Options over Stapled Securities of Goodman Group

Details of the options over stapled securities of Goodman Group held by Mr Gregory Goodman are set out below. None of the other Directors held any options over stapled securities.

	Year	Number of options granted	Grant date	Fair value per option at grant date $	Exercise price per option $	Expiry date	Number of options vested
Executive Director							
Mr Gregory Goodman	**2008**	**2,700,000**	**26 Nov 2007**	**0.77**	**6.36**	**30 Jun 2013**	**–**
	2007	–	–	–	–	–	–

No options have been granted since the end of the financial year.

The total number of options over stapled securities of Goodman Group outstanding at the beginning and end of the year was as follows:

	Number of options 2008	2007
Outstanding at the beginning of the year	**65,917,114**	25,753,947
Granted during the year	**40,788,000**	46,282,500
Exercised during the year	**(1,648,334)**	(593,333)
Forfeited during the year	**(2,244,501)**	(5,526,000)
Outstanding at the end of the year	**102,812,279**	65,917,114
Exercisable at the end of the year	**1,367,816**	166,667

Events Subsequent to Balance Date

In the opinion of the Directors, there were no events subsequent to balance date and up to the date of signature of this report which would require adjustment or disclosure in the Financial Report.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is attached to this Directors' Report.

Rounding

The Consolidated Entity is an entity of a kind referred to in Australian Securities & Investments Commission Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in this Directors' Report and the Financial Report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

The Directors' Report is made in accordance with a resolution of the Directors.

Ian Ferrier, AM
Director

Gregory Goodman
Director

Sydney, 26 August 2008

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Goodman Funds Management Limited, as responsible entity for Goodman Industrial Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2008, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

John Teer
Partner

Sydney, 26 August 2008

Goodman Industrial Trust and its Controlled Entities
Income Statements
for the year ended 30 June 2008

		Consolidated		Parent Entity	
		2008	2007	**2008**	2007
	Note	**$M**	$M	**$M**	$M
Revenue and Other Income					
Gross property income		293.0	374.4	-	-
Net (loss)/gain from fair value adjustments on investment properties		(117.1)	66.3	-	-
Net gain on disposal of investment properties	3	58.4	52.3	-	-
Net gain on disposal of controlled entities	3	152.5	114.0	62.4	-
Net gain on disposal of equity investments	3	12.1	4.9	0.3	7.3
Share of net results of equity accounted investments	9	(1.2)	97.3	-	-
Distributions from investments		20.8	4.6	5.0	21.7
Distributions from controlled entities		-	-	752.7	511.6
Total revenue and other income		**418.5**	**713.8**	**820.4**	**540.6**
Property and Other Expenses					
Property expenses		(72.6)	(77.3)	-	-
Trust expenses		(2.9)	(0.6)	(0.5)	(3.2)
Management fee		(0.6)	(1.4)	(0.6)	(1.3)
Impairment loss	3	(108.2)	-	(608.6)	-
Other expenses		(7.1)	(4.6)	(10.3)	-
Total property and other expenses		(191.4)	(83.9)	(620.0)	(4.5)
Financing Income/Costs					
Financial income	3	192.6	107.9	63.5	136.6
Financial expenses	3	(181.7)	(111.7)	(21.0)	(98.3)
Net financing income/(costs)		10.9	(3.8)	42.5	38.3
Profit for the year		**238.0**	**626.1**	**242.9**	**574.4**
Profit attributable to Unitholders		221.8	626.1	242.9	574.4
Profit attributable to minority interests		16.2	-	-	-
Profit for the year		**238.0**	**626.1**	**242.9**	**574.4**

The Income Statements are to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its Controlled Entities
Balance Sheets
As at 30 June 2008

		Consolidated		Parent Entity	
		2008	2007	**2008**	2007
	Note	**$M**	$M	**$M**	$M
Current Assets					
Cash		628.7	41.5	613.0	8.3
Receivables	5	2,586.6	470.7	3,034.2	35.6
Assets classified as held for sale	6	31.3	-	22.8	-
Other assets	7	72.6	32.9	-	2.1
Total current assets		**3,319.2**	**545.1**	**3,670.0**	**46.0**
Non-current Assets					
Receivables	5	187.3	2,470.7	67.5	3,913.6
Investment properties	8	3,446.0	4,531.6	-	-
Investments accounted for using the equity method	9	2,057.2	864.3	-	-
Other financial assets	10	190.4	109.5	2,975.2	2,634.3
Total non-current assets		**5,880.9**	**7,976.1**	**3,042.7**	**6,547.9**
Total assets		**9,200.1**	**8,521.2**	**6,712.7**	**6,593.9**
Current Liabilities					
Deferred income		2.4	2.4	2.4	2.4
Payables	11	172.1	107.5	2,240.7	6.7
Provisions for distributions	4	145.9	133.3	145.9	133.3
Interest bearing liabilities	12	491.2	2,194.8	-	599.3
Total current liabilities		**811.6**	**2,438.0**	**2,389.0**	**741.7**
Non-current Liabilities					
Deferred income		3.0	4.2	3.0	4.2
Payables	11	1.8	12.2	-	1,290.5
Interest bearing liabilities	12	3,716.9	1,535.4	-	-
Total non-current liabilities		**3,721.7**	**1,551.8**	**3.0**	**1,294.7**
Total liabilities		**4,533.3**	**3,989.8**	**2,392.0**	**2,036.4**
Net assets		**4,666.8**	**4,531.4**	**4,320.7**	**4,557.5**
Equity					
Issued capital	13	4,349.2	4,211.0	4,349.2	4,211.0
Reserves	14	(2.4)	252.5	(284.8)	256.9
(Accumulated losses)/retained earnings	15	(0.6)	67.9	256.3	89.6
Total equity attributable to Unitholders		**4,346.2**	**4,531.4**	**4,320.7**	**4,557.5**
Minority interests	16	320.6	-	-	-
Total equity		**4,666.8**	**4,531.4**	**4,320.7**	**4,557.5**

The Balance Sheets are to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its Controlled Entities
Statements of Changes in Equity
for the year ended 30 June 2008

		Consolidated		Parent Entity	
		2008	2007	**2008**	2007
	Note	**$M**	$M	**$M**	$M
Total equity at the beginning of the year		**4,531.4**	**3,909.6**	**4,557.5**	**3,909.6**
Movements in Reserves	14				
Cash flow hedges:					
- Movements in fair value taken directly to equity		24.1	43.5	-	(7.4)
- (Gain)/loss transferred to Income Statement		(6.2)	1.0	-	-
Revaluation of controlled entities		-	-	-	123.3
Revaluation of other financial assets		4.3	(7.2)	(35.6)	-
Foreign currency translation differences for foreign operations		14.9	0.8	-	-
Net gain recognised directly in equity		**37.1**	**38.1**	**(35.6)**	**115.9**
Profit for the year					
Profit attributable to Unitholders		221.8	626.1	242.9	574.4
Profit attributable to minority interests		16.2	-	-	-
Total recognised income and expense		**275.1**	**664.2**	**207.3**	**690.3**
Issued Capital					
Increase due to Distribution Reinvestment Plan	13	118.9	259.1	118.9	259.1
Increase due to ordinary units issued to Unitholders	13	19.3	223.1	19.3	223.1
Issue costs due to ordinary units	13	-	(0.2)	-	(0.2)
Increase due to Hybrid Securities issued	16	327.0	-	-	-
Issue costs due to Hybrid Securities	16	(6.4)	-	-	-
Total issued capital		**458.8**	**482.0**	**138.2**	**482.0**
Distributions provided for or paid to ordinary Unitholders	4	(582.3)	(524.4)	(582.3)	(524.4)
Distributions provided for or paid to holders of Hybrid Securities		(16.2)	-	-	-
Total equity at the end of the year		**4,666.8**	**4,531.4**	**4,320.7**	**4,557.5**

The Statements of Changes in Equity are to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its Controlled Entities
Cash Flow Statements
for the year ended 30 June 2008

		Consolidated		Parent Entity	
	Note	**2008 $M**	2007 $M	**2008 $M**	2007 $M
Cash Flows from Operating Activities					
Property income received		322.1	410.6	-	-
Property expenses paid		(40.4)	(66.1)	-	-
Trust expenses paid (including GST paid)		(4.6)	(46.9)	(4.1)	(9.3)
Management fee paid		(0.6)	(1.4)	-	(1.3)
Distributions received from associates and other equity investments		87.7	42.2	-	14.5
Interest and other finance costs paid		(157.8)	(71.7)	(35.5)	(52.7)
Interest received		183.3	108.0	7.8	55.1
Distributions received from controlled entities		-	-	752.7	511.6
Net cash provided by operating activities	19(b)	**389.7**	**374.7**	**720.9**	**517.9**
Cash Flows from Investing Activities					
Payments for investment properties		(1,042.1)	(1,031.0)	-	-
Payments for investments in controlled entities (net of cash acquired)		-	(247.6)	(516.7)	-
Payments for equity investments		(1,609.4)	(677.9)	(879.1)	(199.7)
Proceeds from sale of investments in controlled entities (net of cash held)		926.4	279.1	510.0	39.5
Proceeds from sale of equity investments		226.6	54.3	60.0	-
Proceeds from sale of investment properties		846.3	516.5	-	-
Loans to related parties		(44.0)	(1,619.6)	803.2	(561.4)
Loans from/(to) controlled entities		-	-	937.1	(208.3)
Net cash used in investing activities		**(696.2)**	**(2,726.2)**	**914.5**	**(929.9)**
Cash Flows from Financing Activities					
Proceeds from issue of units to ordinary Unitholders		19.3	189.7	19.3	189.7
Issue costs paid on ordinary units		-	(0.2)	-	(0.2)
Proceeds from issue of Hybrid Securities		327.0	-	-	-
Issue costs paid on Hybrid Securities		(6.4)	-	-	-
Proceeds from borrowings		7,064.0	5,815.7	39.3	2,301.4
Repayment of borrowings		(6,043.8)	(3,383.7)	(638.5)	(1,837.6)
Distributions paid to ordinary Unitholders		(450.8)	(242.6)	(450.8)	(242.6)
Distributions paid to holders of Hybrid Securities		(15.6)	-	-	-
Net cash provided by financing activities		**893.7**	**2,378.9**	**(1,030.7)**	**410.7**
Net increase/(decrease) in cash held		587.2	27.4	604.7	(1.3)
Cash at the beginning of the year		41.5	14.1	8.3	9.6
Cash at the end of the year	19(a)	**628.7**	**41.5**	**613.0**	**8.3**

Non-cash financing and investing activities are included in note 19(c).

The Cash Flow Statements are to be read in conjunction with the accompanying notes.

1 Statement of Significant Accounting Policies

Goodman Industrial Trust (GIT, Trust or Parent Entity) is established in Australia. The Financial Report of GIT for the year ended 30 June 2008 comprises GIT and its controlled entities (Consolidated Entity) and the Consolidated Entity's interest in associates and joint venture entities.

The stapling of GIT and Goodman International Limited (GIL) was approved at separate meetings of the respective Unitholders and Shareholders on 25 January 2005. Following approval of the stapling, units in GIT and shares in GIL were stapled to one another and are quoted as a single security on the Australian Securities Exchange (ASX). Both the responsible entity of GIT and GIL must at all times act in the best interest of the stapled entity.

Statement of Compliance

This Financial Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRS) form the basis of Accounting Standards adopted by the AASB, being Australian equivalents to IFRS. The Financial Report also complies with IFRS.

The Financial Report is presented in Australian dollars and was authorised for issue by the directors of Goodman Funds Management Limited (Directors) on 26 August 2008.

The significant accounting policies which have been adopted in the preparation of the Financial Report are set out below and have been applied consistently to all periods presented in the Financial Report.

(a) Basis of Preparation of the Financial Report

The Financial Report is prepared on the historical cost basis except that the following assets and liabilities are stated at fair value:

+ investment properties;
+ derivative financial instruments; and
+ financial instruments classified as available for sale.

(b) Principles of Consolidation

Controlled Entities
The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Parent Entity as at 30 June 2008 and the results of all such entities for the year ended 30 June 2008. Control exists when the Parent Entity has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

Where an entity either began or ceased to be controlled during the year, the results for that entity are included only from/to the date control commenced or ceased.

Accounting for Goodman PLUS Trust
On 21 December 2007, a controlled entity of GIT, Goodman PLUS Trust, issued Goodman PLUS hybrid securities (Hybrid Securities) which meet the definition of equity for the purposes of the Consolidated Entity. Accordingly, the Hybrid Securities have been classified as equity and presented as minority interests. Incremental costs directly attributable to the issue of Hybrid Securities are recognised as a deduction from equity, net of any tax effects.

Associates
Associates are those entities over which the Consolidated Entity exercises significant influence but not control and which are not intended for sale in the near future. In the consolidated financial statements, investments in associates are accounted for using the equity method. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. Under this method, the Consolidated Entity's share of post-acquisition profits or losses of associates is recognised in the consolidated Income Statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. Cumulative post-acquisition movements in both profit or loss and reserves are adjusted against the cost of the investment. Associates are accounted for at cost in the parent entity.

Joint Venture Entities
A joint venture entity is an entity that is jointly controlled by the Consolidated Entity. In the consolidated financial statements, investments in joint venture entities are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and recoverable amount.

The Consolidated Entity's share of the joint venture entity's net profit or loss is recognised in the consolidated Income Statement from the date joint control commences until the date joint control ceases. Movements in reserves are recognised directly in consolidated reserves. Joint venture entities are accounted for at cost in the parent entity.

1 Statement of Significant Accounting Policies (cont)

(b) Principles of Consolidation (cont)

Transactions Eliminated on Consolidation
Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

Unrealised gains resulting from transactions with associates and joint venture entities, including those relating to contributions of non-monetary assets on establishment, are eliminated to the extent of the Consolidated Entity's interest. Unrealised gains relating to associates and joint venture entities are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence a recoverable amount impairment.

(c) Revenue Recognition

Rental Income
Rental income entitlements under operating leases are recognised on a straight-line basis over the term of the lease contract. Where operating lease rental income is recognised relating to fixed increases in rentals in future years, an asset is recognised. This asset is a component of the relevant investment property carrying amount. The cost of lease incentives provided to customers is recognised on a straight-line basis as a reduction of gross operating lease rental income.

Recoverable Outgoings
Recovery of certain outgoings is accrued on an estimated basis and adjusted when the actual amounts are invoiced to respective customers.

Loan Facilities
Income from the provision of loan facilities including establishment fees, line fees and interest income is recognised over the relevant service period on an effective yield basis.

Interest Income
Interest is brought to account on an accruals basis using the effective interest rate method, and, if not received at balance date, is reflected in the Balance Sheet as a receivable.

Income from Dividends and Distributions
Dividend and distribution income is recognised net of any franking credits and before deduction of any withholding tax.

Dividend and distribution income is recognised when a dividend/distribution is declared and, if not received at balance date, is reflected in the Balance Sheet as a receivable.

(d) Foreign Currency Translation

Functional and Presentation Currency
Items included in the financial statements of each of the Trust's controlled entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Financial Report of GIT is presented in Australian dollars, which is the Trust's functional and presentation currency.

Transactions
Foreign currency transactions are translated to Australian currency at the exchange rates ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at the reporting date are translated at the rates of exchange ruling on that date. Resulting exchange differences are recognised in the Income Statement.

Non-monetary assets and liabilities that are measured in terms of historical cost are translated at rates of exchange ruling at the date of the initial transaction. Non-monetary items which are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

1 Statement of Significant Accounting Policies (cont)

(d) Foreign Currency Translation (cont)

Translation of Controlled Foreign Operations
The assets and liabilities of foreign operations are translated into Australian dollars at foreign exchange rates ruling at the balance sheet date.

Revenue and expenses are translated at weighted average rates for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve until the disposal or partial disposal of the operations. Fair value adjustments arising on the acquisition of foreign entities are treated as assets of the foreign entities and translated at the closing rate.

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in the Income Statement of the Parent Entity and in the foreign currency translation reserve on consolidation.

Exchange Rates Used
The main exchange rates used in translating foreign currency transactions, balances and financial statements are as follows:

	Weighted average		**As at 30 June**	
	2008	2007	**2008**	2007
Singapore dollar	1.2855	1.2165	1.3093	1.2879
New Zealand dollar	1.1668	1.1475	1.2678	1.1045
Hong Kong dollar	6.9822	6.1262	7.4812	6.5438
United States dollar	0.8961	0.7857	0.9592	0.8474
British pounds sterling	0.4475	0.4065	0.4860	0.4241
European euro	0.6100	0.6016	0.6117	0.6293
Japanese yen	98.6479	93.0993	103.5800	104.5500

(e) Investment Properties

Investment properties comprise investment interests in land and buildings held for the purpose of letting to produce rental income. Investment properties are carried at their fair value.

Components of Investment Properties
Land and buildings (including integral plant and equipment) comprising investment properties, are regarded as composite assets and are disclosed as such in the Financial Report.

Investment property carrying values include the cost of acquiring the property. Where a contract of purchase includes a deferred payment arrangement, the acquisition value is determined as the cash consideration payable in the future, discounted to present value at the date of acquisition.

Amounts provided to customers as lease incentives and assets relating to fixed increases in operating lease contracts are included within investment property values. Lease incentives are amortised over the lease term on a straight-line basis. The amortisation is recognised as a reduction of gross operating lease rental income.

Expenditure on direct leasing and tenancy costs is deferred and included within investment property values. Direct leasing and tenancy costs are amortised over the lease term in proportion to the rental income recognised in each financial year.

Revaluations of Investment Properties
An independent valuation of investment properties is obtained at least every three years to use as a basis for measuring the fair value of the properties.

An independent registered valuer determines the market value based on market evidence and assuming a willing, but not anxious, buyer and seller, a reasonable period to sell the property and that the property is reasonably exposed to the market.

At reporting dates occurring between obtaining independent valuations, the Directors assess the carrying value of the Consolidated Entity's investment properties to be satisfied that, in their opinion, the carrying value of the investment properties reflects the fair value of the investment properties at that date.

Changes in fair value are recognised directly in the Income Statement. The net of unrealised revaluations from investment properties is transferred to the asset revaluation reserve.

1 Statement of Significant Accounting Policies (cont)

(e) Investment Properties (cont)

Disposal of Investment Properties
The disposal of an investment property is recognised when the significant risks and rewards of ownership have been transferred. The gain or loss on disposal of investment properties is calculated as the difference between the carrying amount of the property at the time of the disposal and the proceeds on disposal (less transaction costs and any provision for future rental guarantees) and is included in the Income Statement in the period of disposal. The balance of previously unrealised gains for the individual properties, included in the asset valuation reserve at the time of their disposal is transferred to the capital profits reserve.

Redevelopment Projects
Where a property is undergoing redevelopment works, the cost of redevelopment works is added to its previously stated fair value. The carrying amounts of redevelopment projects are reviewed to determine whether they are in excess of their recoverable amount at each reporting date. If the carrying amount of a redevelopment project exceeds its recoverable amount, the project is written down to the recoverable amount. The write-down is recognised in the Income Statement in the period which it occurs. The Consolidated Entity's policy is to revalue redevelopment properties to their fair value at the date of their practical completion.

Investment Properties under Development
Investment properties under development include new investment properties in the course of construction and land. They are recorded at acquisition cost plus the subsequent costs of development.

Costs of development include the costs of all materials used in construction, costs of managing the project, holding costs and finance costs incurred during the development period.

The carrying amounts of investment properties under development are reviewed to determine whether they are in excess of their recoverable amount at each reporting date. If the carrying amount of an investment property under development exceeds its recoverable amount, the asset is written down to the recoverable amount. The write-down is recognised in the Income Statement in the period in which it occurs. The Consolidated Entity's policy is to revalue development properties to their fair value at the date of their practical completion.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant tax authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authority are classified as operating cash flows.

(g) Taxation

Under current Australian income tax legislation, GIT is not liable for income tax provided that each year the taxable income and any taxable capital gain derived from the sale of an asset are fully distributed to Unitholders.

Tax allowances for building and plant and equipment depreciation are distributed to Unitholders in the form of tax deferred components of distributions. Any taxable capital gains are distributed.

(h) Receivables

Trade receivables (including rental debtors) due within 30 days are not discounted. The collectability of trade receivables is assessed at balance date. Debts which are known to be uncollectible are written off.

(i) Depreciation

Investment properties are not depreciated. Buildings and plant integral to the property are classified as investment properties and accordingly are not depreciated. The properties are subject to continual maintenance and regularly revalued on the basis described above. Taxation allowances for building, plant and equipment depreciation are claimed by the Consolidated Entity and are declared as tax deferred components of distributions.

1 Statement of Significant Accounting Policies (cont)

(j) Finance Costs

Expenditure incurred in obtaining debt finance is offset against the principal amount of the interest bearing liability to which it relates, and recognised as an interest expense on an effective yield basis over the life of the facility. Finance costs relating to a qualifying asset are capitalised as part of the cost of that asset using a weighted average cost of debt. Qualifying assets are assets which take a substantial time to get ready for their intended use or sale. All other finance costs are expensed as incurred.

(k) Interest Bearing Liabilities

Bank loans are recognised on inception at their fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost with any difference being recognised in the Income Statement over the years of the borrowings on an effective yield basis, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in the Balance Sheet under current payables.

Debentures and notes payable are recognised when issued, at the net proceeds received with the premium or discount on issue amortised over the period to maturity. Interest expense is recognised on an effective yield basis.

(l) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received by the Consolidated Entity prior to the end of the year. Payables are recognised at amortised cost using the effective interest method. Payables that are due in less than 12 months are not discounted.

(m) Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability most closely matching the expected future payments, except where noted below. The unwinding of the discount is treated as part of the expense related to the particular provision.

Distributions Payable
Provisions for distributions payable by GIT are recognised in the reporting period in which the distributions are declared, for the entire undistributed amount regardless of the extent to which they will be paid in cash.

(n) Hedging

Transactions are designated as a hedge of the anticipated specific purchase or sale of goods or services, purchase of qualifying assets, or an anticipated interest transaction, only when they are expected to reduce exposure to the risks being hedged, are designated prospectively so that it is clear when an anticipated transaction has or has not occurred and it is probable the anticipated transaction will occur as designated.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to the Income Statement.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised directly in equity. The gain or loss relating to any ineffective portion is recognised in the Income Statement.

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in equity. The ineffective portion is recognised immediately in the Income Statement.

1 Statement of Significant Accounting Policies (cont)

(o) Investments

Investments in Controlled Entities
Investments in controlled entities are carried at fair value which is determined with reference to the net assets of the controlled entities. Revaluation increments are credited directly to an asset revaluation reserve. Revaluation decrements are taken directly to the asset revaluation reserve to the extent that such decrements are reversing amounts previously credited to that reserve that are still available in that reserve. Revaluation decrements in excess of amounts available in the reserve are recognised as impairment losses and charged to the Income Statement. Subsequent revaluation increments are credited to an asset revaluation reserve.

Investments in Equity Securities
Investments held for trading are classified as current assets and are stated at fair value with any resultant gain or loss recognised in profit or loss.

Other investments held by the Consolidated Entity (apart from investments in associates and joint venture entities) are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in profit or loss.

Investments in listed entities which are designated as available for sale (other than investments in listed associates and joint venture entities) are measured at fair value which is determined with reference to the quoted bid price at reporting date. Changes in the fair value of such investments are recognised in equity, except for impairment losses (refer to note 1(p)). When investments classified as available for sale are sold, the accumulated fair value adjustments are included in the profit or loss as gains or losses from disposal of investment securities.

(p) Impairment

The carrying amounts of the Consolidated Entity's assets (except investment properties) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset is written down to the recoverable amount. The write-down is expensed in the reporting period in which it occurs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, Impairment losses are recognised in the Income Statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the Income Statement.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the Income Statement even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement.

Calculation of Recoverable Amount
The recoverable amount of the Consolidated Entity's investments receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed; instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of Impairment
Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

1 Statement of Significant Accounting Policies (cont)

(p) Impairment (cont)

Reversals of Impairment (cont)

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed, with the amount of the reversal recognised in the Income Statement.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Where a group of assets working together supports the generation of cash inflows, the recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets, the relevant cash flows are discounted to their present value.

(q) Segment Reporting

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the portion that can be allocated to the segment on a reasonable basis. Segment assets and liabilities include all assets and liabilities used by a segment which can be directly attributed to segment activity, excluding interest bearing receivables and payables, derivative financial instruments, provision for distributions to unitholders and tax assets and liabilities. Segment revenue and expenses exclude the income statement effect of these non-segment assets and liabilities.

(r) Australian Accounting Standards Issued but not yet Effective

As at the date of this Financial Report, the following relevant new and revised accounting standards on issue with mandatory application dates after the end of the current reporting period are available for early adoption at 30 June 2008:

+ revised AASB 3 Business Combinations;
+ AASB 8 Operating Segments;
+ revised AASB 101 Presentation of Financial Statements;
+ AASB 127 Consolidated and Separate Financial Statements;
+ AI 12 Service Concession Arrangements;
+ IFRIC 15 Agreements for the Construction of Real Estate; and
+ IFRIC 16 Hedges of a Net Investment in a Foreign Operation.

The Consolidated Entity has not early adopted any of the above revised accounting standards. The Consolidated Entity has not yet determined the potential effect of the revised standards and interpretations on the Financial Report, although AASB 8 and revised AASB 101 will only impact disclosures in relation to the Consolidated Entity's financial statements.

(s) Rounding

In accordance with Australian Securities & Investments Commission Class Order 98/100, the amounts shown in this Financial Report and the Directors' Report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

2 Critical Accounting Estimates Used in the Preparation of the Financial Statements

Estimates and assumptions concerning the future are made by the Consolidated Entity. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Investment Property Values

Investment properties are carried at their fair value. Valuations are either based on an independent valuation or on a Directors' review of the carrying value. Valuations are determined based on assessments and estimates of uncertain future events, including:

+ upturns and downturns in property markets and availability of similar properties;
+ vacancy rates; and
+ capital expenditure.

As at 30 June 2008, the carrying value of completed investment properties held by the Consolidated Entity is $2,790.6 million (2007: $3,728.7 million).

3 Profit before Income Tax

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
Profit before income tax has been arrived at after crediting/ (charging) the following items:				
Net proceeds from the sale of investment properties	867.4	619.7	-	-
Carrying value of investment properties sold	(809.0)	(567.4)	-	-
Net gain on disposal of investment properties	**58.4**	**52.3**	**-**	**-**
Net proceeds from the sale of controlled entities	960.5	290.9	510.0	-
Net assets disposed	(808.0)	(176.9)	(447.6)	-
Net gain on disposal of controlled entities	**152.5**	**114.0**	**62.4**	**-**
Proceeds from the sale of equity investments	98.4	143.7	60.0	39.5
Carrying value of equity investments sold	(86.3)	(138.8)	(59.7)	(32.2)
Net gain on disposal of equity investments	**12.1**	**4.9**	**0.3**	**7.3**
Financial Income				
Interest income from:				
- related parties	176.7	89.3	3.7	76.4
- controlled entities	-	-	51.6	41.5
- other parties	6.7	2.9	4.1	2.3
Fair value gains on ineffective portion of derivatives	35.9	9.9	-	2.7
Foreign exchange (loss)/gain	(26.7)	5.8	4.1	13.7
	192.6	**107.9**	**63.5**	**136.6**
Financial Expenses				
Bank loans and overdraft interest	(228.8)	(140.0)	(21.0)	(90.9)
Interest expense from:				
- related parties	-	(5.5)	-	(7.3)
- controlled entities	-	-	-	(0.1)
Capitalised borrowing costs[1]	47.1	33.8	-	-
	(181.7)	**(111.7)**	**(21.0)**	**(98.3)**
Net financing costs	**10.9**	**(3.8)**	**42.5**	**38.3**
Loss on loans to controlled entities forgiven	**-**	-	102.5	-
Impairment of equity investment	108.2	-	506.1	-
Total impairment losses	**108.2**	-	**608.6**	-

1. Borrowing costs were capitalised to investment properties under development at weighted average rates between 3.20% and 8.62% per annum (2007: 6.95% and 8.11% per annum).

4 Distributions

(a) Ordinary Units

	Distribution cpu	Total amount $M	Date of payment
Distributions for the quarters ended:			
– 30 September 2007	8.500	144.8	8 Nov 2007
– 31 December 2007	8.500	145.8	14 Feb 2008
– 31 March 2008	8.500	145.8	8 May 2008
– 30 June 2008	8.500	145.9	26 Aug 2008
Total distributions for the year ended 30 June 2008	**34.000**	**582.3**	
Distributions for the quarters ended:			
– 30 September 2006	7.875	128.9	9 Nov 2006
– 31 December 2006	7.875	130.7	15 Feb 2007
– 31 March 2007	7.875	131.5	3 May 2007
– 30 June 2007	7.875	133.3	23 Aug 2007
Total distributions for the year ended 30 June 2007	**31.500**	**524.4**	

Movement in Provision for Distributions to Unitholders

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
Balance at the beginning of the year	133.3	110.6	133.3	110.6
Provisions for distributions	582.3	524.4	582.3	524.4
Payment of distributions	(569.7)	(501.7)	(569.7)	(501.7)
Balance at the end of the year	**145.9**	**133.3**	**145.9**	**133.3**

(b) Hybrid Securities

	Distribution cpu	Total amount $M	Date of payment
Distributions for the quarters ended:			
– 21 March 2008	240.044	7.8	25 Mar 2008
– 21 June 2008	238.191	7.8	23 Jun 2008
Total distributions for the year ended 30 June 2008	**478.235**	**15.6**	

The Hybrid Securities were issued on 21 December 2007. Accordingly there were no distributions in the prior year.

5 Receivables

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
Current				
Trade receivables	13.3	9.4	0.0	0.1
Other receivables	91.3	346.2	31.4	2.6
Loans to related parties	2,360.3	32.9	1,192.0	32.9
Loans to controlled entities	-	-	1,810.8	-
Derivatives – at fair value	121.7	82.2	-	-
	2,586.6	**470.7**	**3,034.2**	**35.6**
Non-current				
Loans to controlled entities	-	-	-	2,472.9
Loans to related parties	187.3	2,470.7	67.5	1,440.7
	187.3	**2,470.7**	**67.5**	**3,913.6**

Trade Receivables
Trade receivables that are past due are not considered impaired. At 30 June 2008, no significant overdue trade receivables (2007: nil) were impaired. The ageing analysis of these trade receivables is as follows:

	Consolidated	
	2008 $M	2007 $M
Overdue by:		
Up to 1 month	1.8	2.2
1 to 4 months	4.7	1.0
Greater than 4 months	3.6	–
	10.1	**3.2**

As of 30 June 2008 and 2007, there were no significant receivables that were impaired and accordingly, there was no significant provision for the impairment of trade receivables.

The Consolidated Entity holds bank guarantees as security for $8.0 million (2007: $6.0 million) of its trade receivables from investment property customers.

Other Receivables
As at 30 June 2007, other receivables included $121.8 million from the sale of the Regent Residential Fund portfolio and $138.6 million receivable from the sale of investment properties.

Loans to Related Parties
The Consolidated Entity's loans to related parties principally relate to amounts owed by fellow controlled entities of Goodman International Limited and advances to associates and joint venture entities. The effective interest rates on loans to related parties are 3.1% to 11.6% per annum (2007: 2.1% to 11.2% per annum). Further details of loans to related parties are set out in note 21.

5 Receivables (cont)

Loans to Controlled Entities
The effective interest rates on loans to controlled entities at 30 June 2008 are 3.1% to 8.6% per annum (2007: 7.0% to 8.1% per annum). Further details of loans to controlled entities are set out in note 21.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

All non-current receivables of the Consolidated Entity are due within five years from the balance sheet date. There is no material difference between the carrying values and the fair values of receivables.

Receivables denominated in currencies other than Australian dollars are as follows:

Amounts in A$M	NZD	HKD	USD	SGD	GBP	EUR	JPY
2008	**103.2**	**116.7**	**5.3**	**-**	**833.8**	**1,368.8**	**174.7**
2007	196.7	18.8	-	209.8	892.8	1,390.5	-

6 Assets Classified as Held for Sale

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
Investment in associate	22.8	-	22.8	-
Other financial assets	8.5	-	-	-
	31.3	-	**22.8**	-

On 31 May 2008, as part of Goodman Group's disposal of Goodman Property Investors Limited, the Consolidated Entity agreed to sell an investment in an associate and certain investments in other financial assets by 28 February 2009. Accordingly, these investments have been presented as held for sale, and are held at the lower of their carrying amount and fair value less costs to sell. There are no impairment losses in respect of these assets.

The investment in an associate relates to a listed investment, Goodman UK Active Property Fund plc. The market value of the Consolidated Entity's investment at 30 June 2008 using the quoted price on the last day of trading was $23.7 million (2007: $41.6 million).

7 Other Assets

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
Prepayments	5.8	9.2	-	-
Other	66.8	23.7	-	2.1
	72.6	**32.9**	**-**	**2.1**

8 Investment Properties

	Completed investment properties		Redevelopment projects		Investment properties under development		Total investment properties	
	2008 $M	2007 $M	**2008 $M**	2007 $M	**2008 $M**	2007 $M	**2008 $M**	2007 $M
Carrying amount at the beginning of the year	3,728.7	3,779.8	67.8	-	735.1	229.3	4,531.6	4,009.1
Acquisitions:								
– on acquisition of controlled entities	-	442.8	-	-	-	78.6	-	521.4
– other acquisitions	29.0	58.0	-	-	61.8	512.2	90.8	570.2
Costs capitalised	302.8	101.6	36.4	24.0	547.6	378.0	886.8	503.6
Transfers	567.2	49.8	66.2	43.8	(633.4)	(93.6)	-	-
Disposals:								
– carrying value of properties sold	(766.2)	(514.7)	(31.4)	-	(11.4)	(60.5)	(809.0)	(575.2)
– on disposal of interests in controlled entities	(934.2)	(241.9)	-	-	(93.6)	(297.4)	(1,027.8)	(539.3)
Changes in fair value[1]	(62.4)	66.3	(6.4)	-	(48.3)	-	(117.1)	66.3
Effect of foreign currency translation	(74.3)	(13.0)	-	-	(35.0)	(11.5)	(109.3)	(24.5)
Carrying amount at the end of the year	**2,790.6**	**3,728.7**	**132.6**	**67.8**	**522.8**	**735.1**	**3,446.0**	**4,531.6**

1. Changes in fair value include $111.9 million decrement (2007: $65.9 million increment) determined in accordance with independent valuations.

(a) Investment properties with carrying value of $157.0 million (2007: $233.3 million) were subject to charges to secure bank loans.

(b) Refer to note 23 for disclosure of contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

9 Investments Accounted for Using the Equity Method

	Note	2008 $M	2007 $M
Share of net assets of entities accounted for using the equity method:			
- Associates	9(a)	2,018.0	864.3
- Joint venture entities	9(b)	39.2	-
		2,057.2	**864.3**

9 Investments Accounted for Using the Equity Method (cont)

(a) Interests in Associates

	Principal activities	Country of incorporation/ establishment	Share of associates' (loss)/profit recognised 2008 $M	Share of associates' (loss)/profit recognised 2007 $M	Consolidated ownership interest 2008 %	Consolidated ownership interest 2007 %	Consolidated carrying amount 2008 $M	Consolidated carrying amount 2007 $M
Arlington Business Park Partnership (ABPP)[1]	Property investment	UK	(126.8)	-	16.0	-	180.8	-
Goodman Australia Industrial Fund (GAIF)	Property investment	Australia	76.9	36.5	44.1	30.3	1,206.5	407.4
Goodman European Logistics Fund (GELF)	Property investment	Luxembourg	9.6	5.1	22.0	27.2	283.8	83.4
Goodman Property Trust (GMT)[2]	Property investment	New Zealand	19.5	18.9	22.2	20.9	199.2	154.6
Goodman UK Active Property Fund plc (UK Active Fund)[3]	Property investment	Republic of Ireland	(14.1)	0.7	-	24.4	-	42.1
Highbrook Development Limited (HDL)[4]	Property investment	New Zealand	0.6	2.3	-	37.5	-	34.0
Macquarie Goodman Hong Kong Logistics Fund (MGLF-HK)	Property investment	Cayman Islands	24.8	16.3	20.0	20.0	147.7	142.8
Regent Residential Trust (Regent)	Property investment	UK	-	17.5	-	-	-	-
			(9.5)	**97.3**			**2,018.0**	**864.3**

1. In July 2007, GIT increased its effective interest in ABPP and commenced accounting for this investment using the equity method from this date. Prior to this transaction, the Consolidated Entity accounted for its investment within other financial assets (refer to note 10).
2. GMT is a listed entity. The market value of the Consolidated Entity's investment in GMT at 30 June 2008 using the quoted price on the last day of trading was $177.0 million (2007: $179.5 million).
3. Formerly Arlington UK Balanced Property Fund plc. The Consolidated Entity increased its interest in the UK Active Fund from 18.0% to 24.4% on 8 January 2007 and began accounting for this investment using the equity method from this date until 31 May 2008, when the investment was classified as held for sale (refer to note 6).
4. Effective 17 December 2007, GIT reduced its interest in HDL from 37.5% to 25%, which resulted in a profit on disposal of $10.8 million. Subsequent to that transaction, the Consolidated Entity has accounted for its investment as a joint venture entity rather than an associate.

9 Investments Accounted for Using the Equity Method (cont)

Name	Year Ended 30 June	Revenue[1] (100%)	Tax (100%)	Profit after tax[1] (100%)	Total assets (100%)	Total liabilities (100%)	Net assets as reported by associate (100%)
	$M	$M	$M	$M	$M	$M	$M
ABPP	**2008**	180.6	-	(791.9)	3,124.1	1,992.2	1,131.9
	2007	-	-	-	-	-	-
GAIF	**2008**	373.4	-	232.2	4,977.1	1,996.4	2,980.7
	2007	190.2	-	136.4	2,082.1	741.3	1,340.8
GELF	**2008**	52.5	-	43.6	2,571.5	1,274.2	1,297.3
	2007	13.9	-	17.0	575.4	294.1	281.3
GMT	**2008**	108.2	-	85.1	1,262.2	405.8	856.4
	2007	140.6	(23.9)	90.4	1,094.9	398.1	696.8
UK Active Fund	**2008**	20.8	-	(56.3)	240.7	141.9	98.8
	2007	6.3	-	2.2	347.3	160.7	186.6
HDL	**2008**	0.3	-	1.6	-	-	-
	2007	7.8	(1.7)	6.1	112.3	20.9	91.4
MGLF-HK	**2008**	79.2	-	124.0	1,240.8	503.3	737.5
	2007	71.0	-	32.7	1,258.1	544.0	714.1
Regent	**2008**	-	-	-	-	-	-
	2007	3.3	-	40.8	-	-	-

1. Amounts presented above for revenue, tax and profit after tax are measured from the beginning of the year or the date that equity accounting commenced, if later, to the end of the year or date equity accounting ceased, if earlier.

Movements in Carrying Amount of Investment in Associates

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
Carrying amount at the beginning of the year	864.3	434.8	-	-
Investments made during the year	1,319.8	551.4	-	-
Share of (loss)/profit after tax	(9.5)	97.3	-	-
Share of increment/(decrement) on revaluation of investments	3.3	(0.8)	-	-
Distributions received/receivable	(60.3)	(37.6)	-	-
Transfer in from other financial assets	86.3	-	-	-
Transfer to joint venture entities	(21.6)	-	-	-
Transfer to assets classified as held for sale	(22.8)	-	-	-
Disposals of investments during the year	(76.7)	(171.2)	-	-
Effect of foreign currency translation	(64.8)	(9.6)	-	-
Carrying amount at the end of the year	**2,018.0**	**864.3**	**-**	**-**

9 Investments Accounted for using the Equity Method (cont)

(b) Interests in Joint Venture Entities (JVEs)

Name	Principal activities	Country of incorporation	Share of JVE's profit recognised 2008 $M	2007 $M	Ownership interest 2008 %	2007 %	Investment carrying amount 2008 $M	2007 $M
HDL[1]	Property investment	New Zealand	5.0	-	25.0	-	24.4	-
MGJ Cayman 1	Property investment	Cayman Islands	3.3	-	50.0	-	12.7	-
Sino Cayman No.1 Ltd	Property development	Hong Kong	-	-	50.0	50.0	2.1	-
Sino Cayman No.2 Ltd	Property development	Hong Kong	-	-	50.0	50.0	-	-
			8.3	**-**			**39.2**	**-**

1. Effective 17 December 2007, GIT reduced its interest in HDL from 37.5% to 25%, which resulted in a profit on disposal of $10.8 million. Subsequent to that transaction, the Consolidated Entity accounts for its investment as a JVE rather than an associate.

	Year Ended 30 June $M	Revenue[1] (100%) $M	Tax (100%) $M	Profit after tax[1] (100%) $M	Total assets (100%) $M	Total liabilities (100%) $M	Net assets as reported by associate (100%) $M
HDL[1]	**2008**	**17.6**	**-**	**16.8**	**154.3**	**96.2**	**58.1**
	2007	-	-	-	-	-	-
MGJ Cayman 1 Limited	**2008**	**3.0**	**-**	**7.4**	**45.0**	**18.2**	**26.8**
	2007	-	-	-	-	-	-
Sino Cayman No.1 Ltd	**2008**	**0.2**	**-**	**-**	**94.3**	**94.5**	**(0.2)**
	2007	-	-	-	-	-	-
Sino Cayman No.2 Ltd	**2008**	**-**	**-**	**-**	**103.6**	**103.9**	**(0.3)**
	2007	-	-	-	-	-	-

1. Amounts presented above for revenue, tax and profit after tax are measured from the later of the beginning of the year or the date that equity accounting commenced to the end of the year

Movements in Carrying Amount of Investment in JVEs

	Consolidated 2008 $M	Consolidated 2007 $M	Parent Entity 2008 $M	Parent Entity 2007 $M
Carrying amount at the beginning of the year	-	-	-	-
Transfers in from associates	21.6	-	-	-
Investments made during the year	21.1	-	-	-
Share of profit after tax	8.3	-	-	-
Return of investment capital	(9.0)	-	-	-
Effect of foreign currency translation	(2.8)	-	-	-
Carrying amount at the end of the year	**39.2**	**-**	**-**	**-**

10 Other Financial Assets

	Consolidated		Parent Entity	
	2008 **$M**	2007 $M	**2008** **$M**	2007 $M
Investments in controlled entities - at fair value	-	-	1,690.9	2,229.1
Investments in listed securities, at fair value[1]	177.2	12.0	177.2	-
Investments in unlisted securities[2]	13.2	97.5	1,107.1	405.2
	190.4	**109.5**	**2,975.2**	**2,634.3**

1. Investments in listed securities represent units in ING Industrial Fund, which are accounted for as available for sale assets.
2. Investments in associates are accounted for at cost by the parent entity. All other investments are accounted for at fair value.

		Interest held	
	Country of incorporation	**2008** **%**	2007 %
Significant Controlled Companies			
Goodman Funding Singapore Pte Limited	Singapore	100	100
MGI HK Finance	Cayman Islands	100	100
Goodman Development Asia	Cayman Islands	100	100
Goodman China Investments	Cayman Islands	100	100
Macquarie Goodman (Shanghai) Warehouse Co. Ltd.	People’s Republic of China	100	100
Jia Meng (Shanghai) Warehouse Co. Ltd.	People’s Republic of China	100	100
Goodman Property Holdings (Jersey) Limited	Jersey	100	100
Goodman Northampton (Jersey) Limited	Jersey	100	100
GUKBPF Investment Management (Jersey) Limited	Jersey	100	100
Goodman Leicester (Jersey) Limited	Jersey	100	100
Goodman Daventry (Jersey) Limited	Jersey	100	100
Goodman Brackmills (Jersey) Limited	Jersey	100	100
Goodman Gloucester (Jersey) Limited	Jersey	100	100
Goodman Maltby (Jersey) Limited	Jersey	100	100
Goodman South Normanton (Jersey) Limited	Jersey	100	100
Goodman West Thurrock (Jersey) Limited	Jersey	100	100
Goodman Burton (Jersey) Limited	Jersey	100	100
Goodman Citadel (Jersey) Limited	Jersey	100	100
Goodman Corby (Jersey) Limited	Jersey	100	100
Goodman Coventry (Jersey) Limited	Jersey	100	100
Goodman Desborough (Jersey) Limited	Jersey	100	100
Goodman Ellesmere Port (Jersey) Limited	Jersey	100	100
Goodman Finance (Jersey) Limited	Jersey	100	100
Goodman Logistics (Jersey) Limited	Jersey	100	100
Goodman Oceanview Logistics (Jersey) Limited	Jersey	100	100
Goodman Regent Residential (Jersey) Limited	Jersey	100	100
Goodman Thurrock (Jersey) Limited	Jersey	100	100
Goodman Harthills (Jersey) Limited	Jersey	100	-
Goodman Edinburgh (Jersey) Limited	Jersey	100	-
ABPP Investment Jersey Limited	Jersey	100	-
Goodman APP 4,5, & CdV (Lux) Sàrl	Luxembourg	100	100
Goodman Finance (Lux) Sàrl	Luxembourg	100	100
Goodman Property Opportunities (Lux) Sàrl, SICAR	Luxembourg	100	100
Goodman Australia Finance Pty Limitied	Australia	100	-
Goodman Finance NZ Limited	New Zealand	100	-
Coral Logistics Sp. Z o.o.	Poland	100	-
Goodman Properties (Germany) GmbH	Germany	100	-
Ludwigstraβe-West Projekt-entwicklungs GmbH & Co KG	Germany	100	100

10 Other Financial Assets (cont)

	Country of establishment	Interest held 2008 %	2007 %
Significant Controlled Unit Trusts			
Goodman Match Trust	Australia	100	100
Binary No. 2 Trust	Australia	100	100
Carter Street Trust	Australia	100	100
Goodman JV Holding Trust	Australia	100	100
Clayton 3 Trust	Australia	100	100
Euston Road Subtrust	Australia	100	100
Highbrook Trust	Australia	100	100
Hill Road Trust	Australia	100	100
Homebush Subtrust	Australia	100	100
IBC Trust	Australia	100	100
MIP Trust	Australia	100	100
Goodman Europe Development Trust	Australia	100	100
Goodman Hong Kong Investment Trust	Australia	100	100
MGA Industrial Portfolio Trust	Australia	100	100
Orion Road Trust	Australia	100	100
Penrose Trust	Australia	100	100
Perth Leasing Trust	Australia	100	100
Port Melbourne 3 Trust	Australia	100	100
Regal Business Park Trust	Australia	100	100
St. Leonards Trust	Australia	100	100
Thomas Trust	Australia	100	100
West Melbourne Trust	Australia	100	100
Saunders Street Trust	Australia	100	100
Waterloo Road Office Trust	Australia	100	100
Goodman Capital Trust	Australia	100	100
Cambridge Office Park Trust	Australia	100	100
BDE Unit Trust	Australia	100	100
Biloela Street Unit Trust	Australia	100	100
Goodman Jersey Holdings Trust	Australia	100	100
Goodman Palmers Trust	Australia	100	100
Goodman Perth Airport No. 1 Trust	Australia	100	100
Goodman Perth Airport No. 2 Trust	Australia	100	100
Goodman Treasury Trust	Australia	100	100
ABPP Investment Trust	Australia	100	100
CC Trust	Australia	100	100
Edinburgh Trust	Australia	100	100
Goodman Finance Australia Trust	Australia	100	100
Goodman PLUS Trust	Australia	100	-
Goodman Japan Investment Trust	Australia	100	-
Perth Airport Trust No. 3 Trust	Australia	100	-
Perth Airport Trust No. 4 Trust	Australia	100	-

11 Payables

	Consolidated		Parent Entity	
	2008	2007	**2008**	2007
	$M	$M	**$M**	$M
Current				
Trade payables	3.2	2.7	-	0.1
Rental income recieved in advance	3.9	4.4	-	-
Loans from controlled entities[1]	-	-	2,219.7	-
Loans from related parties[1]	9.3	-	-	-
Other payables and accruals	155.7	100.4	21.0	6.6
	172.1	**107.5**	**2,240.7**	**6.7**
Non-current				
Loans from controlled entities[1]	-	-	-	1,278.5
Loans from related parties[1]	-	12.2	-	12.0
Other payables	1.8	-	-	-
	1.8	**12.2**	**-**	**1,290.5**

1. Details of loans from controlled entities and loans from related parties are set out in note 21.

Payables denominated in currencies other than Australian dollars are as follows:

Amounts in A$M	**NZD**	**HKD**	**USD**	**SGD**	**GBP**	**EUR**	**JPY**
2008	**3.9**	**4.1**	**14.2**	**-**	**33.2**	**42.9**	**2.9**
2007	6.6	2.6	-	0.5	25.6	39.0	-

12 Interest Bearing Liabilities

	Note	Consolidated 2008 $M	Consolidated 2007 $M	Parent Entity 2008 $M	Parent Entity 2007 $M
Current					
Bank loans – unsecured	12(a)	491.2	1,595.0	-	-
Other loans – unsecured	12(b)	-	599.8	-	599.3
		491.2	**2,194.8**	**-**	**599.3**
Non-current					
Bank loans – unsecured	12(a)	3,073.0	1,379.9	-	-
Bank loans – secured	12(c)	129.5	155.5	-	-
Euro Medium Term Notes – unsecured	12(d)	514.4	-	-	-
		3,716.9	**1,535.4**	**-**	**-**

(a) Bank Loans – Unsecured

As at 30 June 2008

Facility		Amounts drawn down in A$M equivalents AUD	SGD	NZD	HKD	USD	GBP	EUR	JPY	Total
Syndicated Multi-currency Facility[1]	**2008**	117.0	-	-	100.6	143.8	784.1	289.6	54.8	**1,489.9**
	2007	409.5	68.8	380.3	142.3	49.8	170.6	36.8	146.2	1,404.3
Bank loan[2]	**2008**	-	-	-	-	-	-	-	-	**-**
	2007	-	-	-	-	-	912.3	192.3	-	1,104.6
Bank loan[3]	**2008**	-	-	-	-	-	561.4	-	-	**561.4**
	2007	-	-	-	-	-	-	-	-	-
Bank loan[4]	**2008**	-	-	96.9	-	-	287.5	349.9	-	**734.3**
	2007	-	-	-	-	-	-	-	-	-
Bank loan[5]	**2008**	-	-	-	-	-	-	-	84.6	**84.6**
	2007	-	-	-	-	-	-	-	-	-
Bank loan[6]	**2008**	-	-	47.3	-	-	-	-	-	**47.3**
	2007	-	-	-	-	-	-	-	-	-
Bank loan[7]	**2008**	-	-	-	-	-	524.8	136.3	-	**661.1**
	2007	-	-	-	-	-	468.7	3.2	-	471.9
Total bank loans	**2008**	**117.0**	**-**	**144.2**	**100.6**	**143.8**	**2,157.8**	**775.8**	**139.4**	**3,578.6**
	2007	409.5	68.8	380.3	142.3	49.8	1,551.6	232.3	146.2	2,980.8
Less: Unamortised borrowing costs	**2008**									**(14.4)**
	2007									(5.9)
Total unsecured bank loans	**2008**									**3,564.2**
	2007									2,974.9

1. The Syndicated Multi-Currency Facility comprises five revolving tranches, a $100 million tranche maturing on 31 December 2008, a $460 million tranche maturing on 24 May 2009, a $520 million tranche maturing on 24 May 2010, a $520 million tranche maturing on 24 May 2011 and a $400 million tranche maturing on 24 May 2012.
2. As at 30 June 2007, controlled entities had bank loans of $1,104.6 million which were denominated in British pounds sterling ($912.3 million) and euros ($192.3 million). The facility expired on 9 April 2008.
3. A controlled entity has a bank loan of $561.4 million denominated in British pounds sterling. The facility expires on 7 April 2013. This facility was drawn to refinance the 9 April 2008 bank loan maturity referred to above.
4. Controlled entities have bank loans of $734.3 million denominated in British pounds sterling ($287.5 million), euros ($349.9 million) and New Zealand dollars ($96.9 million). The facility expires on 8 February 2012.
5. A controlled entity has a bank loan of $84.6 million denominated in Japanese yen. The facility expires on 31 December 2009. The facility was previously classified as secured but the terms of the facility were amended in December 2007 and the facility is now classified as unsecured
6. A controlled entity has a bank loan of $47.3 million denominated in New Zealand dollars. The facility expires on 29 May 2010.
7. Controlled entities have bank loans of $661.1 million denominated in British pounds sterling ($524.8 million) and euros ($136.3 million). The facility expires on 5 December 2012.

12 Interest Bearing Liabilities (cont)

(b) Bank Loans – Secured

The controlled entity has a secured bank loan of A$129.5 million (2007: A$155.5 million) denominated in Pound Sterling. The facility expires in 20 September 2009.

Security for all loans referred to above is by way of first and second ranking charges over various assets of the Consolidated Entity (refer also Note 8).

(c) Other Loans

In February 2008, the Consolidated Entity entered into a four year A$800 million unsecured banking facility that matures on 8 February 2012. This facility replaced the unrated CMBS loan notes on 7 May 2008. As at June 2007, the CMBS notes were denominated in British pounds sterling (A$329.4 million), in euros (A$171.6 million) and Australian dollars (A$99.1 million).

(d) Euro Medium Term notes – Unsecured

On 30 June 2008, the Consolidated Entity issued A$514.4 million Euro Medium Term Notes. All notes were issued at a fixed coupon of 9.75%, payable annually. The notes mature on 16 July 2018.

Finance Facilities

	Consolidated		Parent Entity	
	Facilities available $M	**Facilities utilised $M**	**Facilities available $M**	**Facilities utilised $M**
At 30 June 2008				
Bank loans – unsecured	4,559.5	3,564.2	-	-
Bank loans – secured	129.5	129.5	-	-
Euro Medium Term Notes – unsecured	514.4	514.4	-	-
Foreign Private Placement – unsecured	44.1	-	-	-
Bank guarantees[1]	-	82.2	-	-
	5,247.5	**4,290.3**	**-**	**-**
At 30 June 2007				
Bank loans – unsecured	3,676.7	2,974.9	-	-
Bank loans – secured	155.5	155.5	-	-
Other loans – unsecured	600.2	600.2	600.2	600.2
Bank guarantees[1]	-	124.1	-	-
	4,432.4	**3,854.7**	**600.2**	**600.2**

1. Bank guarantees relate to the unsecured facilities.

13 Issued Capital

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
1,715,805,005 (2007: 1,692,736,692) fully paid units on issue	4,415.8	4,277.6	4,415.8	4,277.6
Issue costs [1]	(66.6)	(66.6)	(66.6)	(66.6)
	4,349.2	**4,211.0**	**4,349.2**	**4,211.0**

1. Issue costs associated with the issue of units have been directly paid from the proceeds of the issues. These costs have been deducted from the issued capital in the Balance Sheet, rather than charged as an expense of GIT, as they are considered to form part of the net equity raised.

Terms and Conditions

Stapled security means one unit in GIT stapled to one share in Goodman International Limited. Holders of Goodman stapled securities are entitled to receive distributions and dividends as declared from time to time and are entitled to one vote per stapled security at unitholders' and shareholders' meetings. In the event of a winding up of Goodman, unitholders and shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

	2008 Units	2007 Units	**2008 $M**	2007 $M
Units on issue at 1 July 2006:		1,608,822,481		3,795.4
– issued under the DRP[1]		40,004,845		259.1
– issued for Treasury securities issued under the ESAP [2]		16,435,500		111.4
– issued on conversion of RePS during the year[3]		11,606,556		33.4
– issued to employees of GIL under the ESAP[2]		9,725,620		48.3
– issued due to placement of securities		5,548,357		28.0
– issued due to exercise of executive options		593,333		2.0
Units on issue at 30 June 2007		**1,692,736,692**		**4,277.6**
Units on issue at 1 July 2007:	**1,692,736,692**		**4,277.6**	
– issued under the DRP[1]	**19,419,978**		**118.9**	
– issued to employees of GIL under the ESAP[2]	**2,000,000**		**13.7**	
– issued due to exercise of executive options	**1,648,335**		**5.6**	
Units on issue at 30 June 2008	**1,715,805,005**		**4,415.8**	

1. Under the Distribution Reinvestment Plan (DRP), holders of ordinary units may elect to have all or part of their distribution entitlement satisfied by the issue of new ordinary units rather than being paid in cash. Units are issued under the DRP at a discount to the issue price, at the discretion of the board of Goodman Funds Management Limited.
2. Employee Securities Acquisition Plan.
3. Reset Preference Units.

Effective from 1July 1998, the Company Law Review Act 1998 abolished the concept of par value units and the concept of authorised capital. Accordingly, the Trust does not have authorised capital or par value in respect of its issued units.

14 Reserves

	Note	Consolidated 2008 $M	Consolidated 2007 $M	Parent Entity 2008 $M	Parent Entity 2007 $M
Cash flow hedge reserve	14(a)	72.6	60.6	-	-
Asset revaluation reserve	14(b)	(330.3)	134.0	(284.8)	256.9
Capital profits reserve	14(c)	231.4	57.5	-	-
Foreign currency translation reserve	14(d)	23.9	0.4	-	-
Total reserves		**(2.4)**	**252.5**	**(284.8)**	**256.9**

Refer to note 1 for the purpose and accounting policy for each of these reserves

(a) Cash Flow Hedge Reserve

	Consolidated 2008 $M	Consolidated 2007 $M	Parent Entity 2008 $M	Parent Entity 2007 $M
Balance at the beginning of the year	60.6	7.4	-	7.4
Change in value of financial instruments	24.1	43.5	-	(7.4)
Transfer to Income Statement	(6.2)	1.0	-	-
Transfer from retained earnings[1]	-	10.2	-	-
Effect of foreign currency translation	(5.9)	(1.5)	-	-
Balance at the end of the year	**72.6**	**60.6**	**-**	**-**

1. Fair value movements of certain cash flow hedges previously treated as ineffective were transferred, from retained earnings to the cash flow hedge reserve.

(b) Asset Revaluation Reserve

	Consolidated 2008 $M	Consolidated 2007 $M	Parent Entity 2008 $M	Parent Entity 2007 $M
Balance at the beginning of the year	134.0	72.6	256.9	127.2
Revaluation of controlled entities	-	-	-	123.3
Revaluation of investments	4.3	(7.2)	(35.6)	-
Transfer to capital profits reserve	(175.6)	(33.8)	-	-
Transfer from retained earnings	(313.6)	102.1	(506.1)	6.4
Effect of foreign currency translation	20.6	0.3	-	-
Balance at the end of the year	**(330.3)**	**134.0**	**(284.8)**	**256.9**

(c) Capital Profits Reserve

	Consolidated 2008 $M	Consolidated 2007 $M	Parent Entity 2008 $M	Parent Entity 2007 $M
Balance at the beginning of the year	57.5	29.0	-	-
Transfer from asset revaluation reserve	175.6	33.8	-	-
Transfer from/to retained earnings	(1.0)	(5.3)	-	-
Effect of foreign currency translation	(0.7)	-	-	-
Balance at the end of the year	**231.4**	**57.5**	**-**	**-**

(d) Foreign Currency Translation Reserve

	Consolidated 2008 $M	Consolidated 2007 $M	Parent Entity 2008 $M	Parent Entity 2007 $M
Balance at the beginning of the year	0.4	(1.6)	-	-
Net exchange differences	23.5	2.0	-	-
Balance at the end of the year	**23.9**	**0.4**	**-**	**-**

15 (Accumulated Losses)/Retained Earnings

	Consolidated		Parent Entity	
	2008	2007	**2008**	2007
	$M	$M	$M	$M
Balance at the beginning of the year	67.9	73.2	89.6	46.0
Profit attributable to Unitholders	221.8	626.1	242.9	574.4
Distributions declared	(582.3)	(524.4)	(582.3)	(524.4)
Transfer to asset revaluation reserve	313.6	(102.1)	506.1	(6.4)
Transfer to/from capital profits reserve	1.0	5.3	-	-
Transfer to cash flow hedge reserve	-	(10.2)	-	-
Effect of foreign currency translation	(22.6)	-	-	-
Balance at the end of the year	**(0.6)**	**67.9**	**256.3**	**89.6**

16 Minority Interests

	2008	2007
	$M	$M
Hybrid Securities	320.6	-

On 21 December 2007, a controlled entity of GIT, Goodman PLUS Trust issued 3,269,665 Hybrid Securities at a face value of $100 each. The Hybrid Securities are preferred, perpetual securities in Goodman PLUS Trust, which are listed on the ASX. The Hybrid Securities may be exchanged or repurchased in certain circumstances. The minority interest balance is net of issue costs.

17 Segment Reporting

The Consolidated Entity's business is investing, directly or indirectly, in industrial and commercial properties in Asia Pacific and Europe.

Primary Segment Reporting – Geographical Segments

	Asia Pacific		Europe		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
Revenue and Other Income						
Gross property income	256.0	354.6	37.0	19.8	293.0	374.4
Net gains/(losses) from fair value adjustments on investment properties	50.9	66.3	(168.0)	-	(117.1)	66.3
Net gain/(loss) on disposal of investment properties	58.4	52.9	-	(0.6)	58.4	52.3
Net gain on disposal of controlled entities	86.0	7.8	66.5	106.2	152.5	114.0
Net gain on disposal of equity investments	10.3	-	1.8	4.9	12.1	4.9
Share of net results of equity accounted investments	129.4	74.0	(130.6)	23.3	(1.2)	97.3
Distributions from investments	20.1	-	0.7	4.6	20.8	4.6
Total revenue and other income	**611.1**	**555.6**	**(192.6)**	**158.2**	**418.5**	**713.8**
Segment Result						
Profit before financing costs	427.3	473.6	(200.2)	156.3	227.1	629.9
Net financing income/(costs)					10.9	(3.8)
Profit for the year					**238.0**	**626.1**

17 Segment Reporting (cont)

Primary Segment Reporting – Geographical Segments

	Asia Pacific		Europe		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	$M	$M	**$M**	$M	**$M**	$M
Segment Assets						
Investment properties	2,572.5	3,916.2	873.5	615.4	3,446.0	4,531.6
Investments accounted for using the equity method	1,569.8	738.8	487.4	125.5	2,057.2	864.3
Other financial assets	181.6	12.0	8.8	97.5	190.4	109.5
Assets classified as held for sale	-	-	31.3	-	31.3	-
Other assets [(1)]	39.7	215.1	137.5	206.4	177.2	421.5
Total segment assets	**4,363.6**	**4,882.1**	**1,538.5**	**1,044.8**	**5,902.1**	**5,926.9**
Segment Liabilities						
Deferred income	(5.4)	(6.6)	-	-	(5.4)	(6.6)
Payables	(97.8)	(55.1)	(76.1)	(64.6)	(173.9)	(119.7)
Total segment liabilities	**(103.2)**	**(61.7)**	**(76.1)**	**(64.6)**	**(179.3)**	**(126.3)**
Total segment assets less segment liabilities	**4,260.4**	**4,820.4**	**1,462.4**	**980.2**	**5,722.8**	**5,800.6**
Non-segment Assets and Liabilities						
Cash					628.7	41.5
Derivative financial instruments					121.7	66.3
Interest bearing assets [(1)]					2,547.6	2,486.5
Interest bearing liabilities					(4,208.1)	(3,730.2)
Provision for distributions					(145.9)	(133.3)
Total non-segment assets less total non-segment liabilities					**(1,056.0)**	**(1,269.2)**
Net assets					**4,666.8**	**4,531.4**

1. Other assets amounting to $443.8 million in the Asia Pacific segment and $2,026.8 million in the Europe segment have been reclassified to interest bearing assets in the comparative figures.

18 Auditor's Remuneration

	Consolidated		Parent Entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Audit Services				
Auditors of GIT:				
- audit and review of financial reports (KPMG Australia)	444.2	414.0	444.2	414.0
- audit and review of financial reports (overseas KPMG firms)	323.1	52.7	-	-
	767.3	**466.7**	**444.2**	**414.0**
Other auditors:				
- audit and review of financial reports	21.5	2.4	-	-
	788.8	**469.1**	**444.2**	**414.0**
Other Assurance Services				
- investigative accounting services (KPMG Australia)	533.5	-	533.5	-
- investigative accounting services (overseas KPMG firms)	18.6	57.1	-	-
Other Services				
- other regulatory services (KPMG Australia)	32.1	50.1	32.1	50.1
- other regulatory services (overseas KPMG firms)	-	-	-	-
- taxation compliance services (KPMG Australia)	167.1	165.7	167.1	165.7
- taxation compliance services (overseas KPMG firms)	72.6	-	-	-
- other taxation advice (KPMG Australia)	48.2	-	48.2	-
- other taxation advice (overseas KPMG firms)	106.6	7.9	-	-
	978.7	**280.8**	**780.9**	**215.8**
	1,767.5	**749.9**	**1,225.1**	**629.8**

19 Notes to the Cash Flow Statements

(a) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
Cash	628.7	41.5	613.0	8.3

(b) Reconciliation of Profit for the Year to Net Cash Provided by Operating Activities

	Consolidated		Parent Entity	
	2008 $M	2007 $M	**2008 $M**	2007 $M
Profit for the year	**238.0**	**626.1**	**242.9**	**574.4**
Items classified as investing and financing activities:				
- net gain on disposal of investment properties	(58.4)	(52.3)	-	-
- net gain on disposal of controlled entities	(152.5)	-	(62.4)	-
- net gain on disposal of equity investments	(12.1)	(4.9)	(0.3)	(7.3)
- distributions received from associates and joint venture entities	87.7	42.2	-	-
Non-cash items:				
- net loss/(gain) from fair value adjustments on investment properties	117.1	(66.3)	-	-
- impairment losses	108.2	-	608.6	-
- share of net results of equity accounted investments	1.2	(97.3)	-	-
- movement in deferred leasing and tenancy costs	(4.9)	(17.2)	-	-
- capitalised finance costs	-	(33.8)	-	-
Net cash provided by operating activities before change in assets and liabilities	**324.3**	**396.5**	**788.8**	**567.1**
Change in assets and liabilities during the year:				
- decrease/(increase) in receivables	50.9	(20.4)	1,206.1	15.0
- (increase)/decrease in other assets	(39.7)	(4.3)	2.1	1.5
- increase/(decrease) in payables	54.2	2.9	(1,276.1)	(65.7)
Net cash provided by operating activities	**389.7**	**374.7**	**720.9**	**517.9**

(c) Non-cash Financing and Investing Activities

During the year, 19.4 million units (2007: 40.0 million) were allocated under the DRP for $118.9 million (2007: $259.1 million).

19 Notes to the Cash Flow Statements (cont)

(d) Disposals of Interests in Controlled Entities

Year ended 30 June 2008

	Total $M
Proceeds received on the Mascot Trust transaction	872.6
Proceeds received on the sale of other controlled entities	51.3
Net cash inflow	**923.9**

Mascot Trust

On 1 May 2008, the unitholders in GAIF invested in a portfolio of 14 prime office and business park assets via the stapling of a controlled entity, Mascot Trust, for a net consideration of $872.6 million. The principal effect of the transaction is to reduce the Consolidated Entity's investment properties by $861.1 million and liabilities by $99.6 million.

Disposal of Other Controlled entities

During the year, a controlled entity disposed of several special purpose development property entities (SPVs) located in Europe for a net consideration of $30.3 million. The disposals had no significant effect on the Consolidated Entity's Balance Sheet.

In addition, the Consolidated Entity disposed of two controlled entities in Australia which held completed investment properties for consideration of $21.0 million. The principal effect of the disposals was a decrease in investment properties of $127.0 million and liabilities of $105.4 million.

Year ended 30 June 2007

	Total $M
Proceeds received on launch of GELF	121.1
Proceeds received on sale of second tranche of SPVs into GELF (GELF second tranche)	40.1
Proceeds received on sale of the Lighthouse Office SPVs (Lighthouse)	78.6
Proceeds received on sale of the MGA Direct Property Trust (DPT)	39.3
Net cash inflow	**279.1**

Launch of GELF
On 20 December 2006, Consolidated Entity sold 100% of the issued capital of Arlington Investments (Luxembourg) SARL (formerly Macquarie Goodman Investments (Luxembourg) SARL) to GELF. The principal effect of the disposal was a decrease in the investment properties and interest bearing liabilities of $274.6 million and $255.6 million respectively.

Up to the date of the disposal of the equity, Arlington Investments (Luxembourg) SARL had contributed $3.3 million to the Consolidated Entity's revenue and profit after tax for the year.

GELF Second Tranche
In May and June 2007, a controlled entity disposed of the entire issued capital of seven entities which held development properties located in Europe. The principal effect of the disposals was a decrease in investment properties of $33.9 million.

Disposal of Lighthouse
On 20 March 2007, a controlled entity disposed of the entire issued capital of three entities which held completed properties located in the United Kingdom. The principal effect of the disposals was a decrease in investment properties and interest bearing liabilities of $199.4 million and $133.7 million respectively.

Disposal of DPT
On 3 April 2007, a controlled entity disposed of the entire issued capital of an entity which held two completed properties located in Australia. The principal effect of the disposals was a decrease in investment properties and payables of $42.3 million and $11.0 million respectively.

20 Acquisition of Controlled Entities

Year ended 30 June 2008
The Consolidated Entity made no acquisitions during the year.

Year ended 30 June 2007
The Consolidated Entity acquired a group of entities (collectively Lighthouse) which owned a portfolio of eight fully leased properties located in the United Kingdom and Akeler Holdings (Akeler) on 20 September 2006 and 14 November 2006 respectively.

The effect of the acquisitions on the Consolidated Entity's assets and liabilities was as follows:

	Lighthouse $M	Akeler $M	Total $M
Cash	14.6	-	14.6
Investment properties	445.9	79.2	525.1
Payables	(6.7)	(6.9)	(13.6)
Interest bearing liabilities	(242.9)	(26.3)	(269.2)
Net identifiable assets and liabilities	**210.9**	**46.0**	**256.9**
Add: Intangible assets on acquisition	-	-	-
Total consideration payable	**210.9**	**46.0**	**256.9**
Less: Transaction costs yet to be paid	(4.5)	-	(4.5)
Gross cash outflow	**206.4**	**46.0**	**252.4**
Cash held by controlled entities on acquisition	(14.6)	-	(14.6)
Net cash outflow (excluding prior year acquisitions)	**191.8**	**46.0**	**237.8**
Deferred settlements on prior year acquisitions [1]			9.8
Net cash outflow			**247.6**

1. Deferred settlements on prior year acquisitions relate to HDL, which was acquired prior to 30 June 2006.

The net identifiable assets and liabilities shown above have been stated at book value prior to fair value adjustments. There were no fair value adjustments on acquisition.

Details of the entities acquired are set out below:

			Actual contribution since acquisition		Contribution if acquisition took place on 1 July 2006	
Entities acquired	**Principal activity**	**Date of acquisition**	**Revenue** $M	**Profit/Loss before tax** $M	**Revenue** $M	**Profit/Loss before tax** $M
Akeler	Property investment and management	14 Nov 2006	-	(0.9)	-	(1.6)
Lighthouse	Property investment	20 Sep 2006	15.9	3.7	21.3	4.9

21 Related Party Disclosures

Key Management Personnel Disclosures

GIT does not employ personnel in its own right. However, it is required to have an incorporated responsible entity to manage its activities and the Responsible Entity is considered to be the Key Management Personnel of the Consolidated Entity.

Responsible Entity's Remuneration

In accordance with GIT's constitution, the Responsible Entity is entitled to receive a management fee and expense reimbursements where expenses have been incurred on behalf of GIT:

	Consolidated		**Parent Entity**	
	2008	2007	**2008**	2007
	$	$	**$**	$
Management fees	**574,479**	1,361,596	**574,479**	1,335,631

As at 30 June 2008, the amounts owed to the Responsible Entity were $0.5 million (2007: $nil).

Goodman Group

Goodman Group performs a number of services for the Consolidated Entity and has billed the following amounts during the year:

	Consolidated		**Parent Entity**	
	2008	2007	**2008**	2007
	$	$	**$**	$
Property services fees (including property management and leasing)	13,039,358	14,075,756	**-**	-
Development management and project fees	10,819,730	19,030,311	**-**	-
Building supervisor costs reimbursed	2,442,236	2,657,451	**-**	-
Due diligence	5,281,803	9,013,000	**-**	-
	31,583,127	44,776,518	**-**	-

In addition to the above there have been the following transactions between Goodman Group and the Consolidated Entity:

+ Goodman Vineyard Pty Limited (Vineyard) is a fellow controlled entity of Goodman Group. The balance of the loan provided by GIT to Vineyard at 30 June 2008 is $49.6 million (2007: $50.2 million). The purpose of the loan to Vineyard is to fund the development of M7 Business Hub, Eastern Creek, NSW. The loan is limited recourse, interest bearing at a rate of 15% per annum and with a maturity date of December 2011. Interest and other amounts charged to Vineyard during the year totalled $10.7 million (2007: $6.4 million).

+ Other loans to Goodman Group exist at 30 June 2008 totalling $2,177.0 million (2007: $2,260.0 million). The loans are interest bearing at rates determined based on the tranche under which the funds are borrowed.

+ Other loans from Goodman Group exist at 30 June 2008 totalling $9.3 million (2007: $11.7 million). The loans are interest bearing at rates determined based on the tranche under which the funds are borrowed.

+ Dollhurst Limited, a fellow controlled entity of Goodman Group has issued $133.7 million (£65.0 million), (2007: $169.5 million, £65.0 million) of Fixed Rate Notes (Notes) to GIT. The Notes are unsecured with limited recourse and mature in December 2011. Interest at 8.5% per annum is payable on the Notes semi-annually in arrears on 30 June and 31 December.

21 Related Party Disclosures (cont)

Transactions with Associates and Joint Venture Entities

Transactions between the Consolidated Entity and its associates and joint venture entities during the year are as follows:

	Sales of controlled entities and investment properties		Other	
	2008	2007	**2008**	2007
	$M	**$M**	**$M**	**$M**
GAIF	1,074.1	333.8	-	39.5
GELF	65.8	-	-	-
GMT	18.8	10.0	-	-

Amounts due (to)/from associates and joint venture entities at 30 June 2008 are as follows:

	Due from sales of controlled entities and investment properties		Loans provided	
	2008	2007	**2008**	2007
	$M	**$M**	**$M**	**$M**
GAIF	15.4	7.8	-	(0.5)
GELF	54.4	-	-	27.8
GMT	-	(0.1)	-	-

Loans provided to associates are provided at arm's length interest rates and are repayable on demand. All other amounts due are receivable within 30 days.

Other Related Party Disclosures

Goodman Holdings Group
The Consolidated Entity has entered into a sublease to April 2048 with Moorabbin Airport Corporation Pty Limited (a director related entity of Messrs Gregory Goodman and Patrick Goodman) for the lease of land at Chifley Business Park, Mentone, Vic. During the year ended 30 June 2008, an amount of $701,835 (2007: $1,075,884) was paid in connection with the sublease.

Poole's Rock Wines Pty Ltd
Poole's Rock Wines Pty Ltd (a director related entity of Mr David S Clarke) has entered into a lease to January 2009 with the Consolidated Entity at CityWest Office Park, Pyrmont, NSW. Rent and outgoings charges amounted to $81,360 for the year ended 30 June 2008 (2007: $95,743).

Transactions between the Parent Entity and its Controlled Entities
The significant wholly owned controlled entities are set out in note 10.
Transactions between GIT and its wholly owned controlled entities during the years ended 30 June 2008 and 2007 consisted of:

+ payment of distributions to GIT;
+ loans advanced by GIT;
+ loans repaid to GIT; and
+ interest on loans advanced/provided.

All of the above transactions were made on normal commercial terms and conditions.

Aggregate amounts included in the determination of profit before tax that resulted from transactions with wholly owned controlled entities are disclosed in note 3. Aggregate amounts receivable from, and payable to, wholly owned controlled entities at balance date are disclosed in notes 5, 11 and 13 respectively.

22 Financial Risk Management

Overview

The Directors have ultimate responsibility for the Consolidated Entity's capital management and financial risk management processes and has established policies, documented in Goodman Group's financial risk management (FRM) policy document, to ensure both the efficient use of capital and the appropriate management of the exposure to financial risk.

Management has established a finance, treasury, IT and tax committee, which is the primary forum where strategic capital and financial management requirements are discussed and decisions made in accordance with FRM policy. The committee meets at least once a month.

Goodman Group Treasury is responsible for preparing the following reports for consideration at each committee meeting:

+ analysis of capital allocation and funding requirements against the Consolidated Entity's gearing constraint;
+ analysis of the Consolidated Entity's liquidity and funding position;
+ analysis of the Consolidated Entity's debt maturity profile;
+ a review of all the hedge exposures and the completed hedges;
+ compliance of the core and discretionary FRM strategies with Goodman Group's policy recommendations for future hedging strategies; and
+ full mark to market of all derivative positions.

Capital Management

The Consolidated Entity's main capital management objectives are to maintain a strong capital base and provide funds for capital expenditure and investment opportunities as they arise. This is achieved through an appropriate mix of debt, equity and hybrid instruments.

The Consolidated Entity is able to alter the capital mix, subject to Board approval, by issuing new stapled securities or hybrid securities, turning on the Distribution Reinvestment Plan (DRP) and/or electing to have the DRP underwritten and recycling assets to its managed funds or third parties to reduce borrowings. Equity should be fully invested to ensure that a maximum return on the capital is achieved.

The Consolidated Entity monitors capital on the basis of both the gearing ratio and the weighted average cost of debt. Gearing is reviewed at both a Consolidated Entity basis and on a look through basis i.e. assuming proportional consolidation for certain of the Consolidated Entity's associates, joint venture entities and available for sale financial assets. The gearing ratio for the Consolidated Entity is calculated as the total interest bearing liabilities less cash over the total assets less cash.

During 2008, the Consolidated Entity's strategy has been to maintain its gearing levels and interest cover in line with its desired investment grade ratings (BBB+/Baa1 Standard & Poor's/Moody's) and Board approved policy bands.

Financial Risk Management

The Consolidated Entity's key financial risks are market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk.

22 Financial Risk Management (cont)

(a) Market risk

Interest Rate Risk
The Consolidated Entity's interest rate risk primarily arises from long-term borrowings.

The Consolidated Entity's policy is to ensure that the risk associated with its exposure to changes in interest rates on borrowings is fixed, in accordance with its FRM policy.

The Consolidated Entity enters into interest rate swaps to manage cash flow risks associated with the interest rates on borrowings that are floating. The interest rate swap contracts are for 90 day intervals and involve quarterly payments or receipts of the net amount of interest. Details of the outstanding interest rate swap contracts and fixed rate debt are as follows:

	As at 30 June 2008				As at 30 June 2007			
	Interest rate swaps		Fixed rate debt		Interest rate swaps		Fixed rate debt	
Interest rate swaps and fixed rate debt contracted as at reporting date and outstanding at	**Notional principal[1] Currency M**	**Average rate per annum[2]**	**Principal Currency M**	**Average rate per annum[2]**	**Notional principal[1] Currency M**	**Average rate per annum[2]**	**Principal Currency M**	**Average rate per annum[2]**
Euro receivable/(payable)								
30 June 2008	(517.3)	3.89%	-	-	(390.0)	3.76%	-	-
30 June 2009	(653.2)	3.96%	-	-	(382.9)	3.78%	-	-
30 June 2010	(590.0)	4.11%	-	-	(320.0)	4.02%	-	-
30 June 2011	(487.2)	4.09%	-	-	(315.9)	4.03%	-	-
30 June 2012	(353.2)	4.07%	-	-	(270.0)	4.06%	-	-
30 June 2013	(291.8)	4.05%	-	-	(258.5)	4.06%	-	-
British pounds sterling receivable/(payable)								
30 June 2008	(459.0)	4.95%	(250.0)	9.75%	(283.4)	4.72%	-	-
30 June 2009	(463.2)	4.97%	(250.0)	9.75%	(233.2)	4.76%	-	-
30 June 2010	(460.0)	4.98%	(250.0)	9.75%	(230.0)	4.76%	-	-
30 June 2011	(433.0)	5.00%	(250.0)	9.75%	(203.0)	4.78%	-	-
30 June 2012	(345.0)	5.07%	(250.0)	9.75%	(115.0)	4.82%	-	-
30 June 2013	(328.7)	5.09%	(250.0)	9.75%	(98.7)	4.86%	-	-
Hong Kong dollars receivable/(payable)								
30 June 2008	(1,294.0)	4.35%	-	-	(800.0)	4.61%	-	-
30 June 2009	(1,600.0)	4.28%	-	-	(800.0)	4.65%	-	-
30 June 2010	(1,530.4)	4.28%	-	-	(730.4)	4.58%	-	-
30 June 2011	(871.2)	4.25%	-	-	(386.8)	4.51%	-	-
30 June 2012	(345.5)	4.30%	-	-	(145.5)	4.55%	-	-
30 June 2013	(124.7)	4.25%	-	-	(30.4)	4.55%	-	-
New Zealand dollars receivable/(payable)								
30 June 2008	(188.1)	7.08%	-	-	(200.0)	6.85%	-	-
30 June 2009	(253.3)	7.10%	-	-	(193.3)	6.73%	-	-
30 June 2010	(250.0)	7.06%	-	-	(190.0)	6.67%	-	-
30 June 2011	(250.0)	7.06%	-	-	(135.9)	6.61%	-	-
30 June 2012	(250.0)	7.06%	-	-	(110.0)	6.56%	-	-
30 June 2013	(250.0)	7.06%	-	-	(110.0)	6.56%	-	-

22 Financial Risk Management (cont)

(a) Market risk (cont)

	Ast at 30 June 2008				As at 30 June 2007			
	Interest rate swaps		Fixed rate debt		Interest rate swaps		Fixed rate debt	
Interest rate swaps and fixed rate debt contracted as at reporting date and outstanding at	**Notional principal[1] Currency M**	**Average rate per annum[2] %**	**Principal Currency M**	**Average rate per annum[2] %**	**Notional principal[1] Currency M**	**Average rate per annum[2] %**	**Principal Currency M**	**Average rate per annum[2] %**
Singapore dollars receivable/(payable)								
30 June 2008	-	-	-	-	(135.0)	3.58%	-	-
30 June 2009	-	-	-	-	(135.0)	3.58%	-	-
30 June 2010	-	-	-	-	(135.0)	3.58%	-	-
30 June 2011	-	-	-	-	(125.1)	3.57%	-	-
30 June 2012	-	-	-	-	(79.1)	3.54%	-	-
30 June 2013	-	-	-	-	(40.0)	3.90%	-	-
Japanese Yen receivable/(payable)								
30 June 2008	(15,785.5)	1.51%	-	-	(13,000.0)	1.57%	-	-
30 June 2009	(17,000.0)	1.49%	-	-	(13,000.0)	1.57%	-	-
30 June 2010	(17,000.0)	1.49%	-	-	(13,000.0)	1.57%	-	-
30 June 2011	(16,161.6)	1.51%	-	-	(13,000.0)	1.57%	-	-
30 June 2012	(14,808.7)	1.53%	-	-	(12,459.0)	1.58%	-	-
30 June 2013	(4,000.0)	1.69%	-	-	(4,000.0)	1.69%	-	-

1. Notional principal amount as at 30 June 2008 and 30 June 2007 represents the actual amounts included in open swaps at those dates. For each succeeding year, the amount is the weighted average of principal balances included in hedge instruments over the course of the year.
2. Average rate represents the weighted average hedge rate by region weighted by quantum of the principal.

At 30 June 2008, if interest rates on borrowings had been 5% (2007: 5%) higher/lower, with all other variables held constant, the Consolidated Entity profit attributable to Unitholders for the year would have been A$0.1 million lower/ higher (2007: A$5.7 million).

At 30 June 2008, if interest rates on borrowings had been 1% (2007: 1%) higher/lower, with all other variables held constant, the Parent Entity profit for the year would have been A$8.5 million lower/ higher (2007: A$26.4 million).

Foreign Exchange Risk
The Consolidated Entity is exposed to foreign exchange risk through its investments in Europe, the United Kingdom, Hong Kong, New Zealand, the People’s Republic of China and Japan. Foreign exchange risk represents the loss that would be recognised from fluctuations in currency prices against the Australian dollar as a result of future commercial transactions, recognised assets and liabilities and principally, net investments in foreign operations.

The Consolidated Entity’s investment in foreign denominated investments is achieved by borrowing in the same functional currency as the investments to form a natural economic hedge against any foreign currency fluctuations. Further draw downs or repayments of debt are made to maintain this hedge. Derivatives such as cross currency swaps are used on a case-by-case basis to hedge funds borrowed in different currencies. Additionally, the Consolidated Entity enters into forward foreign exchange contracts to hedge a proportion of the income received/receivable from its investments denominated in overseas currencies.

The Consolidated Entity’s policy is to ensure the net exposure to overseas currency is hedged, in accordance with the FRM policy. In managing foreign currency risks, the Consolidated Entity aims to reduce the impact of short-term fluctuations on the Consolidated Entity’s earnings. Over the long-term, however, permanent changes in foreign exchange will have an impact on profit.

22 Financial Risk Management (cont)

(a) Market risk (cont)

Details of the Consolidated Entity's forward exchange contracts at 30 June 2008 are as follows:

Foreign exchange derivatives contracted as at reporting date and outstanding at	Weighted average exchange rate		Amounts receivable		Amounts payable	
	2008	2007	**2008**	2007	**2008**	2007
			A$M	A$M	**Currency M**	Currency M
Euro						
Contracts to buy Australian dollars and sell euro						
30 June 2008	0.6065	-	46.3	-	(28.1)	-
30 June 2009	0.5832	-	41.3	-	(24.0)	-
30 June 2010	0.5667	-	42.5	-	(24.0)	-
30 June 2011	0.5551	-	17.2	-	(9.5)	-
30 June 2012	0.5421	-	17.6	-	(9.5)	-
Pounds Sterling						
Contracts to buy Australian dollars and sell British pounds sterling						
30 June 2008	0.4158	0.4150	47.4	24.1	(19.7)	(10.0)
30 June 2009	0.4150	0.4150	24.1	24.1	(10.0)	(10.0)
30 June 2010	0.4150	0.4150	24.1	24.1	(10.0)	(10.0)
30 June 2011	0.4150	0.4150	12.0	12.0	(5.0)	(5.0)
Hong Kong dollars						
Contracts to buy Australian dollars and sell Hong Kong dollars						
30 June 2008	6.3831	5.6200	3.2	1.1	(20.1)	(6.0)
30 June 2009	6.1394	5.6200	2.5	1.1	(15.1)	(6.0)
30 June 2010	6.3403	5.6200	1.6	1.1	(10.0)	(6.0)
New Zealand dollars						
Contracts to buy Australian dollars and sell New Zealand dollars						
30 June 2008	1.0915	1.0915	1.0	1.0	(1.1)	(1.1)
30 June 2009	1.1571	1.1571	0.5	0.5	(0.6)	(0.6)
30 June 2010	1.1571	1.1571	0.5	0.5	(0.6)	(0.6)
30 June 2011	1.1571	1.1571	0.3	0.3	(0.3)	(0.3)
30 June 2012	1.1571	1.1571	0.3	0.3	(0.3)	(0.3)

22 Financial Risk Management (cont)

(a) Market risk (cont)

Capital Hedges

Additionally, the Consolidated Entity uses cross currency swaps as follows:

Cross currency derivatives contracted as at reporting date and outstanding at	Weighted average exchange rate 2008	2007	Amounts receivable 2008 A$M	2007 A$M	Amounts payable 2008 Currency'M	2007 Currency'M
Australian dollars receivable/euro payable						
30 June 2008	0.6090	0.6090	492.6	492.6	(300.0)	(300.0)
30 June 2009	0.6090	0.6090	492.6	492.6	(300.0)	(300.0)
30 June 2010	-	-	-	-	-	-
30 June 2011	-	-	-	-	-	-
30 June 2012	-	-	-	-	-	-
30 June 2013	-	-	-	-	-	-
Australian dollars receivable/Hong Kong dollars payable						
30 June 2008	6.7145	-	148.9	-	(1,000.0)	-
30 June 2009	6.7145	-	148.9	-	(1,000.0)	-
30 June 2010	6.7145	-	148.9	-	(1,000.0)	-
30 June 2011	6.7145	-	148.9	-	(1,000.0)	-
30 June 2012	6.7145	-	148.9	-	(1,000.0)	-
30 June 2013	6.7145	-	148.9	-	(1,000.0)	-
Australian dollars receivable/Japanese yen payable						
30 June 2008	97.4500	-	44.5	-	(4,340.0)	-
30 June 2009	97.4500	-	44.5	-	(4,340.0)	-
30 June 2010	97.4500	-	44.5	-	(4,340.0)	-
30 June 2011	97.4500	-	44.5	-	(4,340.0)	-
30 June 2012	97.4500	-	44.5	-	(4,340.0)	-
30 June 2013	97.4500	-	44.5	-	(4,340.0)	-
Australian dollars receivable/New Zealand dollars payable						
30 June 2008	1.1328	-	176.6	-	(200.0)	-
30 June 2009	1.1328	-	176.6	-	(200.0)	-
30 June 2010	1.1328	-	176.6	-	(200.0)	-
30 June 2011	1.1328	-	176.6	-	(200.0)	-
30 June 2012	1.1328	-	176.6	-	(200.0)	-
30 June 2013	1.1328	-	176.6	-	(200.0)	-

At 30 June 2008, if the Australian dollar has weakened/strengthened by 5% (2007: 5%), with all other variables held constant, the Consolidated Entity profit attributable to Unitholders would have been A$17.0 million lower/higher (2007: A$7.9 million). This relatively low impact on profit and loss in both the current and prior year is a result of the Consolidated Entity's policy of ensuring that investments in foreign controlled entities are hedged in accordance with the Financial Risk Management policy.

At 30 June 2008, if the Australian dollar has weakened/strengthened by 5% (2007: 5%), with all other variables held constant, the Parent Entity profit for the year would have been A$8.0 million lower/higher (2007: A$3.1 million).

22 Financial Risk Management (cont)

Price Risk

The Consolidated Entity is exposed to equity securities price risk because of investments held by the Consolidated Entity classified on the Balance Sheet as available for sale financial assets. The Consolidated Entity is not exposed to commodity price risk.

The Consolidated Entity's investments in equity of other entities that are publicly traded and classified as available for sale are listed on the ASX.

A 5% (2007: 5%) movement in the listed security price as at 30 June 2008, would impact equity by A$8.9 million (2007: $0.6 million increase/decrease). Any decrease in the listed security price would also impact the profit attributable to Unitholders, if the decrease was considered to be an impairment of the asset. The analysis is based on the assumption that all other variables are held constant. There would be no impact on the results of the Parent Entity.

(b) Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's objective is to maintain sufficient liquidity resources to maintain operations, meet its financial obligations and liabilities, pay distributions and provide funds for capital expenditure and investment opportunities. Management seeks to achieve these objectives through:

+ preparation of regular forecast cash flows to understand the application and use of funds; and
+ identification of future funding, including new debt facilities, new issues of securities or the DRP.

Group Treasury is responsible for reporting details of all debt maturities for all loans across the regions to the Finance, Treasury, IT and Tax Committee and Board of Directors at its regular meetings. Group Treasury is also responsible for reporting to the Finance, Treasury, IT and Tax Committee and the Board of Directors all the information and term sheets relating to any financing arrangements being contemplated or negotiated by the Consolidated Entity for their review and approval.

The Consolidated Entity seeks to spread its debt maturities to ensure that total debt maturing in a single financial year does not exceed Board approved policy levels. The contractual maturities of financial liabilities are set out below:

30 June 2008			**Consolidated**				
Non-derivative financial liabilities	**Carrying amount A$M**	**Up to 12 months A$M**	**1 - 2 years A$M**	**2 - 3 years A$M**	**3 - 4 years A$M**	**4 - 5 years A$M**	**More than 5 years A$M**
Bank loans – unsecured	3,564.2	491.2	379.0	504.0	967.5	1,222.5	-
Bank loans – secured	129.5	-	129.5	-	-	-	-
Other loans – CMBS	-	-	-	-	-	-	-
Euro Medium Term Notes – unsecured	514.4	-	-	-	-	-	514.4
Total non-derivative financial liabilities	**4,208.1**	**491.2**	**508.5**	**504.0**	**967.5**	**1,222.5**	**514.4**
Derivative financial liabilities							
Net settled (Interest rate swaps)	(87.6)	(25.3)	(21.5)	(17.6)	(11.8)	(7.8)	(3.6)
Gross settled:							
Inflow	(95.9)	(25.8)	(22.6)	(18.7)	(20.1)	(8.7)	-
Outflow	82.5	20.0	18.8	16.6	18.5	8.6	-
Total derivative financial liabilities	**(101.0)**	**(31.1)**	**(25.3)**	**(19.7)**	**(13.4)**	**(7.9)**	**(3.6)**

22 Financial Risk Management (cont)

30 June 2007	**Consolidated**						
Non-derivative financial liabilities	**Carrying amount A$M**	**Up to 12 months A$M**	**1 - 2 years A$M**	**2 - 3 years A$M**	**3 - 4 years A$M**	**4 - 5 years A$M**	**More than 5 years A$M**
Bank loans – unsecured	2,974.9	1,595.0	424.2	384.0	192.4	379.3	-
Bank loans – secured	155.5	-	-	155.5	-	-	-
Other loans – CMBS	599.8	599.8	-	-	-	-	-
Total non-derivative financial liabilities	**3,730.2**	**2,194.8**	**424.2**	**539.5**	**192.4**	**379.3**	**-**
Derivative financial liabilities							
Net settled (Interest rate swaps)	(74.4)	(14.0)	(14.5)	(16.5)	(12.9)	(6.5)	(10.0)
Gross settled:							
Inflow	(42.1)	(35.8)	(6.3)	-	-	-	-
Outflow	25.8	22.0	3.8	-	-	-	-
Total derivative financial liabilities	**(90.7)**	**(27.8)**	**(17.0)**	**(16.5)**	**(12.9)**	**(6.5)**	**(10.0)**

The Parent Entities financial liabilities all mature in less than 12 months except for other payables of $0.8 million (2007: $nil).

(c) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Consolidated Entity which have been recognised on the Balance Sheet, is the carrying amount (refer to note 5).

The Consolidated Entity has a policy of assessing the creditworthiness of all potential customers and is not materially exposed to any one customer. The Consolidated Entity evaluates all customers' perceived credit risk and may require the lodgement of rental bonds or bank guarantees, as appropriate, to reduce credit risk. In addition, all rents are payable monthly in advance.

The credit risks associated with financial instruments are managed by:

+ transacting with multiple derivatives counterparties that have a long-term credit rating of at least AA- (or its equivalent); and
+ utilising ISDA agreements with derivative counterparties in order to limit exposure to credit risk through netting of the amounts receivable and the amounts payable to individual counterparties.

22 Financial Risk Management (cont)

Fair Values of Financial Instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	Note	Carrying amount	Fair value	Carrying amount	Fair value
		2008	**2008**	2007	2007
		$M	**$M**	$M	$M
Financial assets					
Cash		628.7	628.7	41.5	41.5
Recievables	5				
-Derivative financial instruments		121.7	121.7	82.2	82.2
-Loans to other related parties		2,547.6	2,547.6	2,503.6	2,503.6
-Other recievables		104.6	104.6	355.6	355.6
Other financial assets	10				
-Investments in listed securities		177.2	177.2	12.0	12.0
-Investments in other unlisted securities		13.2	13.2	97.5	97.5
		3,593.0	**3,593.0**	**3,092.4**	**3,092.4**
Financial liabilities					
Payables	11				
-Trade and other payables		173.9	173.9	119.7	119.7
Interest bearing liabilities	12	4,208.1	4,208.1	3,730.2	3,730.2
Provision for distributions		145.9	145.9	133.3	133.3
		4,527.9	**4,527.9**	**3,983.2**	**3,983.2**
Company					
Financial assets					
Cash		613.0	613.0	8.3	8.3
Recievables	5				
-Loans to controlled entities		1,810.8	1,810.8	2,472.9	2,472.9
-Loans to other related parties		1,259.5	1,259.5	1,473.6	1,473.6
-Other recievables		31.4	31.4	2.7	2.7
Other financial assets	10				
-Investments in listed securities		177.2	177.2	-	-
-Investments in other unlisted securities		2,798.0	2,798.0	2,634.3	2,634.3
		6,689.9	**6,689.9**	**6,591.8**	**6,591.8**
Financial liabilities					
Payables	11				
-Trade and other payables		21.0	21.0	18.7	18.7
-Loans from controlled entities		2,219.7	2,219.7	1,278.5	1,278.5
Interest bearing liabilities	12	-	-	599.3	599.3
Provision for distributions		145.9	145.9	133.3	133.3
		2,386.6	**2,386.6**	**2,029.8**	**2,029.8**

23 Commitments

	Consolidated		Parent Entity	
	2008	2007	**2008**	2007
	$M	$M	**$M**	$M
Capital expenditure commitments				
Contracted but not provided for and payable:				
- within one year	69.1	175.9	-	-
- one year or later and no later than five years	-	25.8	-	-

Acquisition of Investment Properties
The amount contracted for the acquisition of investment properties not provided for is $77.2million (2007: $180.2 million).

Commitment to Investment in Managed Funds

At 30 June 2008, the Consolidated Entity was committed to invest A$42.8 million (HKD 320.0 million) into MGLF-HK (2007: A$7.9 million), A$102.9 million into ABPP (2007: $nil) and A$393.8 million into GAIF (2007: $nil).

During June 2008 the Consolidated Entity agreed to subscribe for up to A$327 million (€200.0 million) in respect of an anticipated offer of units by GELF. The existing unitholders have a pro rata right to subscribe for the units, and the Consolidated Entity has committed to subscribe for its pro rata share, with the final underwrite amount to be based on a calculation of the projected gearing of GELF at 31 December 2008.

Guaranteed Land Payments – Development of M7 Business Hub, Eastern Creek, NSW
A commitment exists at 30 June 2008 in respect of a Heads of Agreement signed between GIT, Goodman Group, Vineyard, Brickworks Limited and The Austral Brick Company Limited (Austral). Austral has a put option which gives it the right to require Vineyard to take a transfer of unsold saleable lots of land. The consideration payable over the duration of the development will be the greater of:

+ the guaranteed land payments of unsold saleable lots; or
+ the revised retail price of the unsold saleable lots less a 2.5% discount if the revised retail price is less than $10 million or a 5% discount if it is greater than $10 million.

GIT has provided Austral with a guarantee for all amounts payable to Austral by Vineyard under the Heads of Agreement.

Non-Cancellable Operating Lease Receivable from Investment Property Customers

	Consolidated		Parent Entity	
	2008	2007	**2008**	2007
	$M	$M	**$M**	$M
Non-cancellable operating lease commitments receivable:				
- within one year	185.5	199.1	-	-
- later than one year but no later than five years	585.5	591.6	-	-
- later than five years	249.0	328.3	-	-
	1,020.0	1,119.0	-	-

24 Events Subsequent to Balance Date

In the opinion of the Directors, there were no events subsequent to balance date and up to the date of this report which would require adjustment or disclosure in the Financial Report.

Goodman Industrial Trust and its Controlled Entities
Directors' Declaration

In the opinion of the directors of Goodman Funds Management Limited, the responsible entity for Goodman Industrial Trust:

(a) the financial statements and the accompanying notes set out on pages 11 to 52, are in accordance with the Corporations Act 2001, including:

+ giving a true and fair view of the financial position of the Parent Entity and the Consolidated Entity as at 30 June 2008 and of their performance for the year ended on that date; and
+ complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the Financial Report also complies with International Financial Reporting Standards as disclosed in note 1; and

(c) there are reasonable grounds to believe that the Parent Entity will be able to pay its debts as and when they become due and payable.

The directors of the Responsible Entity have been given the declarations required by section 295A of the Corporations Act 2001 from the Group Chief Executive Officer and Group Chief Financial Officer for the year ended 30 June 2008.

Signed in accordance with a resolution of the directors of the Responsible Entity.

Ian Ferrier, AM
Director

Gregory Goodman
Director

Sydney, 26 August 2008

Independent Auditor's Report to the Unitholders of Goodman Industrial Trust

Report on the Financial Report

We have audited the accompanying financial report of Goodman Industrial Trust (the Trust) which comprises the Balance Sheets as at 30 June 2008, and the Income Statements, Statements of Changes in Equity and Cash Flow Statements for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 24 and the Directors' declaration of the Consolidated Entity comprising the Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the Responsible Entity, Goodman Funds Management Limited, are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the Financial Report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

We performed the procedures to assess whether in all material respects the Financial Report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Trust's and the Consolidated Entity's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

(a) the Financial Report of Goodman Industrial Trust is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Trust's and the Consolidated Entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the Financial Report also complies with International Financial Reporting Standards as disclosed in note 1.

KPMG.

John Teer
Partner
Sydney, 26 August 2008

KPMG