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Goodman expands CPPIB relationship with A\$400 million Fund in Australia to acquire new development product

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Release Immediate

Goodman Group (Goodman or the Group) and the Canada Pension Plan Investment Board (CPPIB) are pleased to announce that they have expanded their relationship through the establishment of a new fund, the Goodman Australia Development Fund (GADF or the Fund).

The key points relating to GADF are:

- + An initial equity commitment to the Fund of A\$250 million with a target gross asset value of approximately A\$400 million**
- + The Fund will be established on an 80/20 basis, with CPPIB holding the majority share**
- + GADF will be established and seeded with the acquisition of Goodman's Kmart development in Melbourne for a total consideration of A\$66.3 million**

Goodman Group CEO, Greg Goodman said: "This is our second fund with CPPIB following the successful China fund announced last August and we are delighted to be building on this important partnership. Today's announcement demonstrates the strength of our relationships with global investor groups such as CPPIB and our ongoing ability to attract third party capital.

The new fund will focus on acquiring a range of high quality pre-committed development opportunities in Australia and importantly secures a funding platform for our Australian development business over the next two years."

CPPIB's Senior Vice-President of Real Estate Investments, Graeme Eadie, said: "This investment provides an excellent opportunity for CPPIB to enter the Australian logistics market and to establish a strong portfolio of high quality warehouses that we expect will deliver stable income returns over the long term. We are pleased to continue building our partnership and look forward to future investments alongside Goodman."

GADF will be seeded through the acquisition of the 76,000 sqm distribution centre currently being developed for Kmart in Melbourne. The development which was announced in January will be acquired by the Fund.

Goodman will provide asset management, development and property services to the Fund on terms generally consistent with existing arrangements across our existing funds management platform.

GAIF will continue to have first right of offer in relation to acquisitions and development opportunities considered by the Group. GADF will have a second right of offer which they will be able to exercise where GAIF does not take up its right.

“The Group’s latest Fund with CPPIB is the first of a number of initiatives flagged in our half year results for the 2010 calendar year and is consistent with our stated strategy of matching new third party capital with the Group’s A\$10 billion development pipeline.” Mr Goodman added.

The transaction is subject to the approval of the Foreign Investment Review Board.

- Ends -

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About Goodman

Please visit: www.goodman.com

About Canada Pension Plan Investment Board

Please visit: www.cppib.ca