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Goodman European Logistics Fund launches €300 million underwritten rights issue

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Release Immediate

Goodman Group (Goodman or Group) today announces the launch of a €300 million pro-rata rights issue (the Rights Issue) for the Goodman European Logistics Fund (GELF or Fund) to strengthen GELF's balance sheet and position it to take advantage of new investment opportunities.

The key components of the Rights Issue are:

- + €300 million to be priced at the 30 September 2010 current unit value; and
- + Fully underwritten by Dutch asset managers, APG (€150 million) and PGGM (€100 million), and Goodman (€50 million).

GELF is one of Continental Europe's largest unlisted logistics funds with €1.3 billion of high quality logistics assets under management. The Fund has a weighted average lease term of approximately five years and includes blue chip companies such as Kuehne & Nagel, Amazon, DHL and DSV.

The fully underwritten equity raising secures funding for GELF's development pipeline while providing the investment capacity for the Fund to participate in development opportunities from the Group through its first right of refusal.

Goodman Group CEO and Chairman of GELF, Greg Goodman said, "GELF is a leading player in logistics investment across Continental Europe. This capital management initiative positions GELF to participate in new high quality investments and provides a strong capital position."

Completion of the equity raise initiatives will achieve the following:

- + Strengthen GELF's balance sheet by reducing proforma gearing to 32%, below the Fund's long term operational range of 40% to 50%; and
- + Provides significant liquidity to enhance investment capability.

The raising has been underwritten by two Dutch asset managers, APG and PGGM together with Goodman Group. The allocation structure under the offer will see Goodman scaled back, subject to the demand from existing investors.

PGGM's Senior Investment Manager Private Real Estate Europe, Mathieu Elshout, said, "GELF perfectly fits within the PGGM Private Real Estate Fund. This investment will give us immediate and 100% access to a low leveraged and well diversified portfolio of core logistics assets with

high occupancy. Goodman also adheres to PGGM's Responsible Investment Policy for Real Estate, which addresses our policy on integrating material environmental, social and governance (ESG) issues into our real estate investments."

APG's Head of European non-listed Property Investments, Robert-Jan Foortse said, "By underwriting this Rights Issue we aim to get exposure to a portfolio that contains high quality assets in the logistics sector which are well diversified over Continental Europe's main economies. In addition, our underwriting significantly contributes to the successful completion of the Rights Issue, strengthening the Fund."

Mr Goodman added, "The ongoing support of both equity and debt providers for our managed fund platform, is a critical element in the execution of the Group's strategy. Together with our recently announced venture with CBRE Realty Trust, Goodman has significant capability and resources to participate in the Continental European logistics market".

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For further information, please contact Goodman:

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About Goodman: Goodman owns, develops and manages industrial property and business space globally. It is the largest industrial property group listed on the Australian Securities Exchange and one of the largest in the world, with offices across Asia Pacific, UK and Europe. At the core of the Group's success is its integrated customer service model, which reflects the organisation's commitment to creating long-term customer relationships.

About GELF: The Goodman European Logistics Fund was launched by Goodman in December 2006 and is focused on logistics and distribution warehouse properties in continental European countries. The € 1.3 billion GELF portfolio comprises 82 logistics assets spread over 11 European countries.

About APG

APG provides for the collective pension schemes for participants from the education sector, the government (civil servants), the construction sector, the cleaning/window-cleaning sector, housing corporations and energy/utilities companies, amongst others. APG manages around €250 billion in pension capital for these sectors (as at 30 September 2010). APG works for more than 20,000 employers and provides for the income of more than 4.5 million participants. APG manages over 30% of all collective pensions in the Netherlands.

About PGGM

PGGM is the administrative organisation for collective pension schemes, principally in the care and welfare sector. It is also an income provider for people in the care and welfare sector. PGGM currently manages around €100 billion of pension assets of over 2.2 million current and former employees.