

asx release+

Goodman quarterly operational update – September 2010

Date 15 November 2010

Release Immediate

Goodman Group (Goodman or Group) has today announced an operational update for the quarter ended 30 September 2010. Key operational highlights for the period are:

- + 400,000 sqm leased across the Group and managed funds with 3.2% rental growth, representing \$38.7 million of net property income
- + Stable occupancy at 95% for the direct portfolio and 93% across the Group and managed funds with a weighted average lease expiry of 5.3 years
- + \$235 million of new development commitments secured during the quarter, with a further \$252 million of new commitments secured post 30 September
- + 94% pre-committed and 100% pre-sold on new commitments¹
- + Assets under management stable at \$12.7 billion on a constant currency basis
- + New initiatives announced (post 30 September) relate to the privatisation of J-REP (Japan) and ING Industrial Fund
- + A range of new capital management initiatives including:
 - Completed US\$325 million bond issue in the United States 144A/Reg S bond market
 - €300 million fully underwritten equity raising for Goodman European Logistics Fund
 - A\$268 million of land sales in Hong Kong and the United Kingdom

Goodman Group Chief Executive Officer, Mr Greg Goodman said, “Today’s quarterly update highlights the solid start that the Group has made in the 2011 financial year. The range of initiatives undertaken during the period reflects the momentum that continues to build across our operations and demonstrates that Goodman is well positioned to capitalise on high quality opportunities. Accordingly, we reaffirm our operating EPS guidance of 5.3 to 5.5 cents.”

More information is available in the attached presentation.

- ENDS -

¹Subject to final legal documentation and due diligence

For further information, please contact Goodman:

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About Goodman

Goodman Group is an integrated property group with operations throughout Australia, New Zealand, Asia, Europe and the United Kingdom. Goodman Group, comprised of the stapled entities Goodman Limited and Goodman Industrial Trust, is the largest industrial property group listed on the Australian Securities Exchange and one of the largest listed specialist fund managers of industrial property and business space globally.

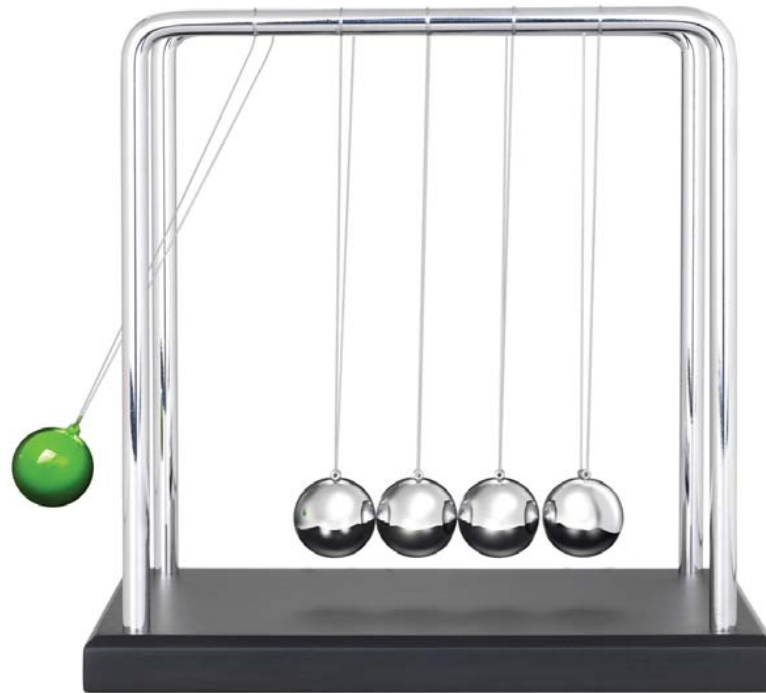
Goodman's global property expertise, integrated own+develop+manage customer service offering and significant fund management platform ensures it creates innovative property solutions that meet the individual requirements of its customers, while seeking to deliver long-term returns for investors

For more information please visit www.goodman.com

Goodman Group

Operational update Q1 – FY2011

November 2010



building momentum
+
delivering opportunities

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Key achievements

Own	+ Occupancy stable at 93% – direct portfolio occupancy at 95% + Retention at 73% and WALE of 5.3 years + ~0.4 million sqm leased during the quarter - representing \$38.7 million of net property income across the Group and managed funds platform
Develop	+ Development commitments of \$235 million for Q1 FY2011 in line with expectations + Secured a further \$252 million of commitments post the end of the quarter + WIP at \$1.4 billion with a forecast yield on cost of 8.9% + 94% of new projects pre-committed and 100% pre-sold¹ + Actively managing land bank with over \$268 million in land sales
Manage	+ External Assets Under Management (AUM) stable at \$12.7 billion on a constant currency basis + Launched new initiatives – proposed J-REP and IIF privatisations + €300 million equity raise for GELF, underwritten by APG, PGGM and Goodman + Fund capital management – de-risking balance sheet, enhancing fund flexibility and liquidity
Corporate	+ Inaugural US\$325 million senior, unsecured note issue in the US 144A/Reg S bond market + FY2011 EPS guidance reaffirmed at 5.3 to 5.5 cents on a fully diluted basis

¹Subject to final legal documentation and due diligence

Own: Leasing

Across the Group and Funds platform:

- + ~400,000 sqm leased during the quarter
- + Leasing rental growth of 3.2% achieved
- + Minimal rental arrears and tenant defaults

Division	Leasing area (sqm)	Net annual rent (A\$m)	Average lease term (yrs)	Occupancy at 30 September 2010 (%)
Australia – Direct	46,633	7.3	4.0	97
Australia – GAIF	106,564	9.9	5.7	96
New Zealand – GMT	34,212	4.5	4.1	95
Hong Kong – GHKLF	87,478	8.5	2.6	95
China - GCLH	18,030	1.2	2.7	99
UK/Europe - Direct	829	0.2	6.1	84
UK – ABPP	2,302	0.5	7.9	89
Europe – GELF	110,199	5.9	3.5	96
Europe - GEBPF	4,414	0.7	5.0	66
Total	410,661	38.7	4.1	94

Own: Leasing



Germany – Bremen

Customer	BLG
Lettable area	61,025 sqm
Lease term	3 years
Contracted owner	GELF
Rent	\$3.1m pa



Australia – Acacia Link Industrial Estate

Customer	Ceva Freight Australia
Lettable area	9,712 sqm
Lease term	3 years
Contracted owner	GAIF
Rent	\$1.1m pa



Australia – Chifley Business Park

Customer	Coca-Cola Amatil
Lettable area	12,235 sqm
Lease term	5 years
Contracted owner	GAIF
Rent	\$0.9m pa



Australia – Lidcombe Business Park

Customer	Commonwealth Bank
Lettable area	8,068 sqm
Lease term	5 years
Contracted owner	GMG
Rent	\$2.3m pa



Hong Kong – Dynamic Cargo

Customer	Fuji Xerox (HK)
Lettable area	10,819 sqm
Lease term	5 years
Contracted owner	GHKLF
Rent	\$1.1m pa



Netherlands – Waddinxveen

Customer	Royal Mail
Lettable area	7,255 sqm
Lease term	10 years
Contracted owner	GELF
Rent	\$0.6m pa



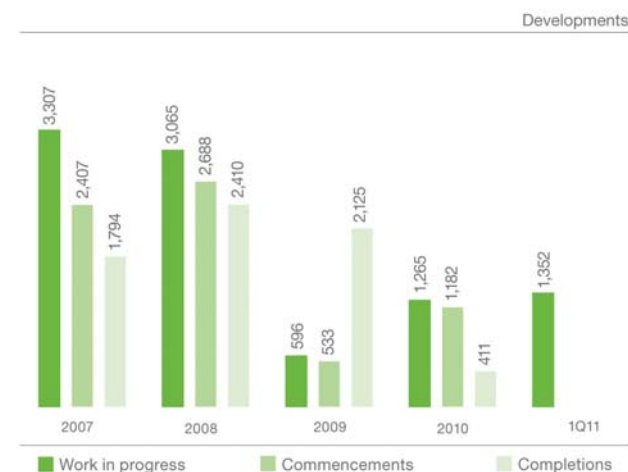
Develop



Q1 FY2011 Developments	Completions	Commitments	Work in progress
Value (\$M)	40	235	1,352
Area (mil sqm)	0.04	0.19	0.72
Yield (%)	11.1	8.5	8.9
Pre-committed (%)	100	94	73
Weighted average lease term (years)	6.4	9.8	9.7
Development for third parties or funds (%)	84	100 ¹	78
Asia Pacific (%)	11	76	71
UK/Europe (%)	89	24	29

¹Subject to final legal documentation and due diligence

Work in progress by region	On balance sheet end value \$M	Third party funds end value \$M	Total end value \$M	Third party funds % of total
Asia Pacific	293	662	956	69%
Europe	-	397	397	100%
Total	293	1,059	1,352	78%



Develop: Project update



Germany - Malsch

Customer	Seifert Logistik Dienstleistung GmbH
Lettable area	46,032 sqm
Lease term (yrs)	7 years
Owner	CBRERT UK
PC Date	April 2011



China - Kunshan

Customer	Spec
Lettable area	36,415 sqm
Lease term	N/A
Owner	GCLH
PC Date	June 2011



Australia – Oakdale Industrial Estate

Customer	DHL
Lettable area	36,165 sqm
Lease term (yrs)	10
Owner	50% GAIF / 50% Brickworks
PC Date	May 2011



Hong Kong – Interlink

- + 42% of contracted work complete
- + Heads of Agreement signed and under option for a further 20% of lettable area

Customer	Various
Lettable area	52,500 sqm



Develop: Sales



- + Proceeds recycled to enhance investor returns and facilitate future commercial development opportunities.

UK - Hammersmith

Sale of residential land to St George/Berkeley Group

Area	2.9 hectares
Contracted seller	100% ABPP
Purchaser	St George / Berkeley Group
Disposal value	A\$137m
Strategy	Vacant land



UK – Browns Lane

Sale of residential land adjacent to logistics site following completion of infrastructure works on the full site

Area	5.3 hectares
Contracted seller	GMG
Purchaser	Taylor Wimpey
Disposal value	A\$13m
Strategy	Residential land



Hong Kong – Seaview

Sale of non income producing land to redeploy capital across the Greater China business

Area	8,473 sqm
Contracted seller	50% GMG and 50% GHKLF
Purchaser	Billion Developments Ltd
Disposal value	~A\$118m
Strategy	Vacant land



Manage: Fund summary

Goodman's Asia Pacific managed funds ¹						
	GAIF	GMT	GHKLF	MGJLF	GCLH	GADF ²
						
Total assets (billion)	A\$4.4	A\$1.2	A\$1.4	A\$0.7	A\$0.2	A\$0.07
Number of properties	107	21	15	15	4	1
Number of customers	361	220	179	20	16	1
Occupancy	96%	95%	95%	91%	99%	100%
Weighted average lease expiry (yrs)	6.4	5.5	2.8	6.8 ³	3.7	15

Goodman's Europe managed funds ¹					
	GELF	GEBPF	ABPP	CBRERT UK	CBRERT CE
					
Total assets (billion)	A\$1.8	A\$0.4	A\$2.1	A\$0.04	A\$0.04
Number of properties	82	6	28	2	2
Number of customers	66	134	140	2	2
Occupancy	96%	66%	89%	100%	100%
Weighted average lease expiry (yrs)	5.0	2.6 ³	8.1 ³	6.5	3.9

¹All figures quoted as at 30 September 2010

² GADF was launched in May 2010, figures stated are based on the seed property being acquired at practical completion (post September 2010)

³ WALE of leased portfolio to next break as at 30 September 2010

Manage: Fund capital management initiatives

- + **Goodman Australia Industrial Fund (GAIF)**
 - Refinance of \$250 million CMBS completed with Challenger
 - Capital Management Strategy implementation underway – debt extension and restructure for long term commenced

- + **Goodman NZ Property Trust (GMT)**
 - DRP underwritten for September quarter with strong demand
 - Renewal and extensions on NZ\$355 million of bank debt facilities
 - Bond issue of NZ\$45 million completed with good follow on demand

- + **Goodman Hong Kong Logistics Fund (GHKLF)**
 - New seven year HK\$1.1 billion facility completed. Next expiry not until late 2013
 - Strong demand from existing investors for units being acquired in the secondary market
 - Seaview sold for HK\$875 million
 - The Fund is now in a strong liquidity and balance sheet position

- + **Goodman European Logistics Fund (GELF)**
 - €300 million equity raising, structured with two major external underwriters (€150 million APG and €100 million PGGM minimum allotment) and €50 million GMG (scalable subject to demand)

US\$325 million senior, unsecured note issue

- + Successfully priced inaugural US\$325 million debt issue in the United States 144A/Reg S bond market
- + Effective fixed interest coupon of 6.375% for a term of ten years
- + Extends the debt maturity profile of the Group and diversifies sources of capital
- + Additional bank funding facilities, retaining liquidity at \$1.5 billion

IIF Transaction

- + Goodman led consortium has submitted an indicative, conditional and non-binding cash offer for IIF
- + Indicative Offer remains subject to the completion of due diligence, receipt of required consents and final approvals of the consortium members

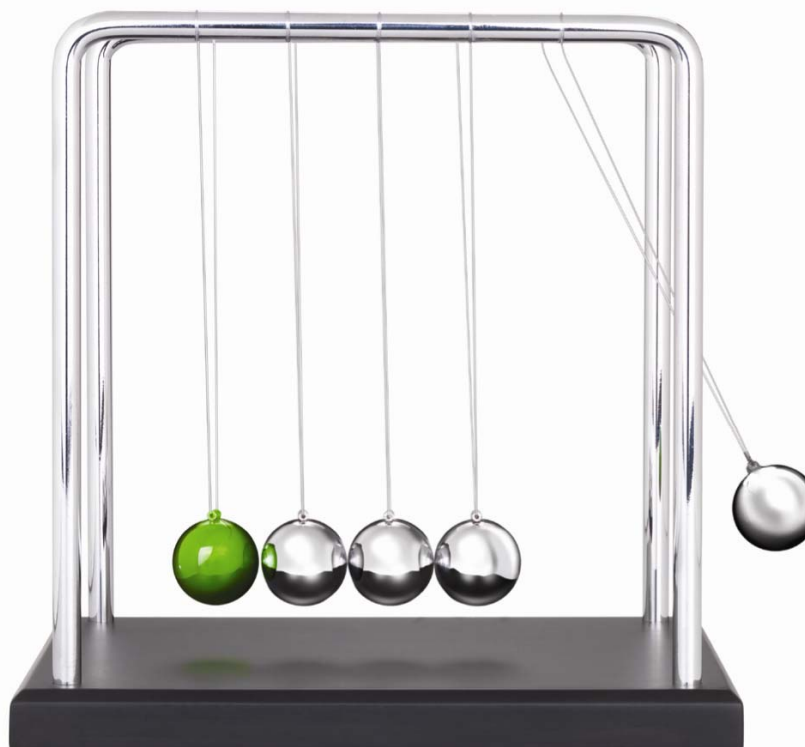
Europa Capital JV

- + Establishment of a joint venture between Goodman and Europa Capital to acquire land sites suitable for the development of distribution and logistics property across the UK
- + The development joint venture will actively seek to recycle assets and has the capacity to invest up to £60m at any given time

J-REP

- + Macquarie Goodman Japan Pte Ltd (MGJ), a 50/50 joint venture between Goodman Group and Macquarie Group, has lodged a proposal with Japanese regulatory authorities to strengthen its Japanese logistics offering, conducted via J-REP
- + The transaction consists of:
 - + Establishment of a new fund, Japan Logistics Development Vehicle, seeded with a precommitted development for Nippon Express
 - + Provision of a loan and accompanying warrants to J-REP for the purpose of providing development funding
 - + A tender offer bid to J-REP shareholders available for acceptance until 1 December 2010
 - + Rebranding J-REP to Goodman at the appropriate time

thank+you



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