



asx release+

Goodman enters North American market with Birtcher Development and establishes US\$1.5 billion investment partnership

Date 20 June 2012

Release Immediate

Goodman Group (Goodman or Group) today announces that it has entered into an agreement with California-based, Birtcher Development & Investments (Birtcher), focused on the development of, and investment in, prime quality logistics and industrial facilities in key locations across North America. Additionally, Goodman is in final stages of due diligence with regard to a capital partnership targeting approximately US\$800 million (A\$800 million) of equity commitments.

Key features of Goodman's North American market entry are:

- + Strategic and timely entry into the world's largest, most liquid and transparent real estate market.
- + Capital partnership focusing on the key North American logistics and industrial property markets. Initial equity commitment targeting approximately US\$800 million (A\$800 million).
- + Deployment of a highly experienced team, combining Birtcher's local market expertise with Goodman's global funds management capability, to establish the Group's North American operations. Birtcher will have a management carried interest, post a Goodman preferred return.
- + Development led investment strategy focused initially on the development of prime logistics and industrial facilities in key logistics hubs, with the ability to invest in stabilised properties over time.
- + Secured four development sites, two in the Inland Empire (Los Angeles area), Oakland (San Francisco Bay Area) and Lehigh Valley (Philadelphia), with in excess of 900,000 sqm (9.8 million sq ft) of gross lettable area and a combined total completion value of more than US\$700 million (A\$700 million).

Strategic rationale

The US is the world's largest, most liquid and transparent real estate market. The current market remains highly fragmented with obvious capital constraints, making this an attractive time to enter key logistics and industrial locations and access top tier development sites to deliver new investment product for global and local customers in partnership with our global capital partners.

Goodman's Group Chief Executive Officer, Greg Goodman said, "Today's announcement reinforces Goodman's position as a leading global logistics property group. With A\$19 billion (US\$19 billion) of assets under management throughout Asia Pacific and Europe, our entry into North America is a logical step in the expansion of our operating platform to service our global

customers and equity partners in the world's largest logistics and industrial market. Over time we also see North America growing to be one of Goodman's largest markets in terms of assets under management."

Capital partnership approach

Goodman is establishing a new North American logistics and industrial partnership, to provide funding to invest in the properties developed and sourced by the Group's North American platform. Initial equity commitments will be approximately US\$800 million (A\$800 million).

"The investment strategy for the partnership will be to target investment in logistics and industrial property in key North American markets, focusing initially on development led opportunities, with value add and stabilised asset acquisitions to be considered over time in line with market conditions." said Mr Goodman.

Goodman is in final stages of due diligence with a major capital partner. Commercial terms have been agreed and documentation is anticipated to be completed shortly.

Goodman will fund its interest in the partnership from retained earnings and proceeds from the recycling of assets.

Management company

The management company combines Goodman's global expertise as a leading specialist fund manager of industrial property and business space, extensive global customer and capital partner relationships, with the strength of Birtcher's local knowledge, long established track record and reputation in North America.

Goodman's Group Chief Executive Officer, Greg Goodman said, "A key success factor to entering a new market is ensuring you have the requisite local knowledge and expertise. In this regard, we are delighted to have sourced the local expertise of such a highly regarded property group as Birtcher to drive the expansion of our international operating platform into key logistics markets in North America. This local expertise will be supported by a group of Goodman's international employees who will be joining the management group to help provide operational expertise and compliance."

Birtcher is a Los Angeles area based, privately-owned industrial and logistics real estate developer which has built a solid reputation as one of the most innovative and successful developers on the West Coast of the United States. Birtcher has developed more than 5.6 million sqm (60 million square feet) of warehouse, distribution, manufacturing and office projects throughout the Western and Southern United States for leading customer names including Kroger, Nike, Xerox and General Electric.

Birtcher President and CEO, Brandon Birtcher commented, "This represents a new chapter in Birtcher's 73 year history and we are excited by the tremendous opportunity that comes through working as part of one of the world's leading industrial property groups. We look forward to utilising the wealth of our local market knowledge and relationships, together with our considerable development and investment experience to drive the growth of the company."

The management team will be incentivised through its carried interest in the management company, post a Goodman preferred return.

Investment strategy

A targeted geographic investment strategy will be implemented to secure opportunities on a 'through the cycle' basis, by focusing on developing and investing in A-grade logistics and industrial facilities. A development-led approach will initially be pursued to maximise returns given the under supply of quality space in specific target logistics markets.

In this regard, opportunities will be sought in the key West Coast logistics hubs of Los Angeles (Inland Empire), San Francisco and Seattle, with New York, New Jersey and Philadelphia to be targeted on the East Coast. Other key logistics hubs based around inland ports, intermodals and tier one ports will also be considered.

Secured development sites

Initial development opportunities have been identified in California through three prime land sites. Two sites have been secured in the Inland Empire, California's largest industrial market, with a third site acquired in the San Francisco Bay Area of Oakland, in close proximity to the city's air and sea ports. A fourth site is under offer in the Philadelphia Lehigh Valley industrial market. The four sites are capable of delivering a total combined gross lettable area in excess of 900,000 sqm (9.8 million sq ft) and a total completion value of more than US\$700 million (A\$700 million).

Mr Goodman said, "Having secured these significant land sites, we are well positioned to take advantage of the very positive market dynamics in the Inland Empire, Oakland and Philadelphia. These regions are experiencing an undersupply of high quality logistics space, providing us with a compelling opportunity to meet the strong customer demand that exists for A-grade 'big box' facilities."

"We are separately assessing further development opportunities in our other target North American locations and we expect to be in a position to announce these shortly." Mr Birtcher added.

For more information on Goodman's entry into the North American market, refer to Section 2 in the attached Investor Update presentation.

- Ends -

For further information, please contact Goodman:

Greg Goodman
Group Chief Executive Officer
+612 9230 7400

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 visit www.goodman.com or www.us.goodman.com

About Birtcher Development & Investments

Since 1939, the Birtcher name has been synonymous with enduring design and performance in project execution. Birtcher has developed more than 60 million square feet of industrial, office and retail projects throughout the United States, achieving national expertise and strong reputations in development and construction. Today, Birtcher Development & Investments is solely owned by Brandon Birtcher who carries on the family's five-generation development legacy.

Birtcher's core focus is on providing warehouse and build-to-suit solutions for logistics service providers, manufacturers and retailers throughout North America. This is achieved by maintaining land inventory through control of the best sites in America's most attractive logistics markets.

Goodman Group
Investor update



20 June 2012

building the future+



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- + This document has been prepared by Goodman Group (Goodman Limited (ABN 69 000 123 071) and Goodman Funds Management Limited (ABN 48 067 796 641) (AFSL Number 223621) as the Responsible Entity for Goodman Industrial Trust (ARSN 091 213 839)). This document is a presentation of general background information about the Group's activities current at the date of the presentation. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with Goodman Group's other announcements released to ASX (available at www.asx.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate.
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- + This announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Contents

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- + Section 2 Regional updates
 - North America
 - Australia
 - New Zealand
 - Greater China
 - Japan
 - Continental Europe
 - United Kingdom
- + Section 3 Funds management
- + Section 4 Global platform

The image shows a large, modern industrial building with a light-colored, vertically-ribbed metal facade. A large white sign with the Amazon logo and the text "amazon.de" is mounted on the side of the building. The sky is a clear, deep blue. A green semi-transparent box is overlaid on the right side of the image, containing white text. The building has a window with a yellow frame visible near the bottom center.

amazon.de[®]

Section 1+

Quarterly operational highlights

Quarterly operational highlights

Local expertise and capital partnering approach to **new** markets

- + Established North American operating platform with local operator having 73 years of experience:
 - Secured 4 sites with an end value in excess of US\$700 million to be completed over the next four years
 - Final stages of due diligence for a target equity commitment of US\$800 million for North America
 - Goodman's interest will be funded from retained earnings and asset recycling

Capital partners continue to support the Group's business strategy in **existing** markets:

- + Japan development partnership approved (subject to final documentation) with two development sites secured with an end value in excess of \$450 million and further sites in due diligence
- + Employees Provident Fund (EPF) targeting equity investment across Australia and Europe
- + Five year extension for the £1.1 billion Arlington Business Parks Partnership
- + Pending €50 million sale of GELF cornerstone to Dutch pension fund

Quarterly operational highlights¹

<p>Own</p>	<ul style="list-style-type: none"> + High occupancy maintained at 96% across all markets + Retention at 78% and WALE of 5.2 years + 1.5 million sqm leased year to date – representing \$148 million in annual rental income across the Group and managed funds + Rental reversion of 0.7% on new leasing deals, with like for like NPI growing at 2.7%
<p>Develop</p>	<ul style="list-style-type: none"> + Current WIP at \$1.9 billion across 61 projects with a forecast yield on cost of 8.7%² + Development commitments of \$1.6 billion and \$1.6 billion of completions year to date² + 74% of new projects pre-committed and 83% pre-sold² + Interlink reached practical completion on 20 January 2012 (99% leased)
<p>Manage</p>	<ul style="list-style-type: none"> + External assets under management (AUM) increased to \$15.5 billion + Strong support from equity and debt capital partners – \$875 million of new third party equity raised year to date, including EPF + Continue to focus on de-risking fund balance sheets – recycled \$181 million of GAIF assets³ and \$220 million Japan portfolio + Funds well positioned to participate in development opportunities from the Group and broader market
<p>Corporate</p>	<ul style="list-style-type: none"> + Completed a further US\$500 million 144A US bond issue in March – following Moody’s upgrade to Goodman’s senior unsecured ratings to Baa2 + Credit approved terms for a further \$500 million of banking facilities for the Group and Managed Funds, now executed + Appointment of Ms Rebecca McGrath as a new Independent Director + Today announced final distribution of 9.0 cents per security and reaffirmed FY12 EPS guidance of 30.5 cents

1. As at 31 March 2012
 2. As at 31 May 2012
 3. Post 31 March 2012



Section 2+

Regional updates



North America+

Brandon Birtcher,
CEO North America

Kroger Distribution Center, United States

North America strategic rationale

<p>Access to top tier sites and development platform</p>	<ul style="list-style-type: none"> + Access to strong land venture opportunities in A-class markets across North America + Opportunity to have a local team join Goodman with a proven track record in development and long-term relationships in the North American property market + Reinforces Goodman's position as a leading global logistics property group
<p>Enhanced customer service model</p>	<ul style="list-style-type: none"> + Allows Goodman to service global property customers in North America – major logistics operators have expressed desire for Goodman to own and manage their North America property exposure + Ability to continue Goodman's "own, develop and manage" integrated operating business in the world's largest industrial market
<p>Enhanced fund investor base</p>	<ul style="list-style-type: none"> + Global equity partners have sought out Goodman to provide them with a suitable North American industrial platform for investment + Goodman is able to bring global capital to grow its North American fund platform
<p>Timely entry point into highly fragmented and liquid North American market</p>	<ul style="list-style-type: none"> + Opportunity with Birtcher for Goodman to grow organically in a fragmented market – with very few true national logistics developers and owners + US is the world's largest, most liquid and transparent real estate investment market + Current pricing point of US real estate very attractive with >350 bps+ spread to 10 year bonds + Birtcher's business model of sourcing competitively priced land and limited 'big box' facilities in A-class locations has resulted in strong development opportunities for the first time post the financial crisis + Weakened competitive landscape + Management incentivised through a carried interest, post a Goodman preferred return

Capital partnership approach



- + Goodman has agreed commercial terms for a new partnership to undertake logistics development and ownership in North America:
 - Partnership to be known as Goodman North America Partnership (GNAP)
 - Platform, team, investment strategy and target markets endorsed by capital partner
 - Partnership approach from the outset with joint due diligence being undertaken concurrently

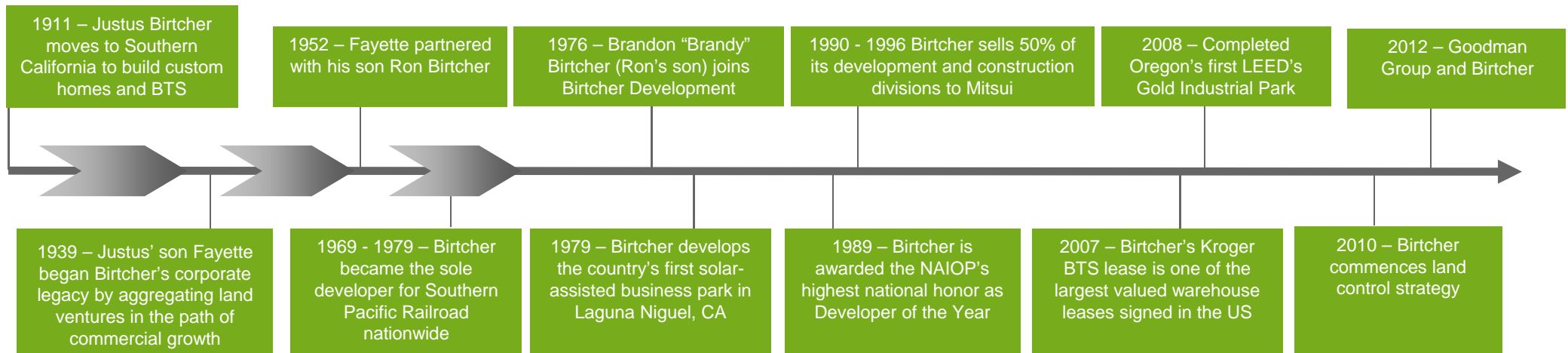
- + JV investment expands existing relationship into the Americas:
 - US\$800 million target equity commitment
 - Partnership has first right of refusal over all logistic opportunities sourced in North America
 - Initial portfolio of 4 sites with an end value in excess of US\$700 million, expected to grow to US\$1 billion in the short- term
 - Management company to provide full suite of asset, development and property management services
 - Performance fees to be paid on development and portfolio outcomes

Birtcher overview



- + Birtcher is an industrial and logistics focused real estate developer with over 73 years experience
- + Birtcher entities have developed more than 5.6 million sqm (60 million sqf) of projects over the past 40 years
- + Developed logistics product for leading logistics providers, retailers and manufacturers
 - Customers include Kroger, Nike, Xerox, General Electric, State Farm Insurance, Parker Hannifin and Mass Mutual
- + Birtcher is positioned as a leading developer capable of serving corporate America throughout the United States

Birtcher Historical Timeline



Selected past developments

- + Kroger Distribution Center, Paramount, CA
 - Developed for Kroger
 - Strategic regional dry warehouse and distribution
 - 51,271 sqm (551,879 sqf) / total cost US\$64 million
 - Completed 2008



- + Corona Crossroads, Corona, CA
 - Multiple tenants
 - Industrial and cold storage distribution
 - 75,617 sqm (813,934 sqf) / total cost US\$42 million
 - Completed 2004



- + Birtcher Center at Bellegrave, Mira Loma, CA
 - Multiple tenants
 - Industrial warehouse and business park
 - 46,923 sqm (505,079 sqf) / total cost US\$22 million
 - Completed 2009



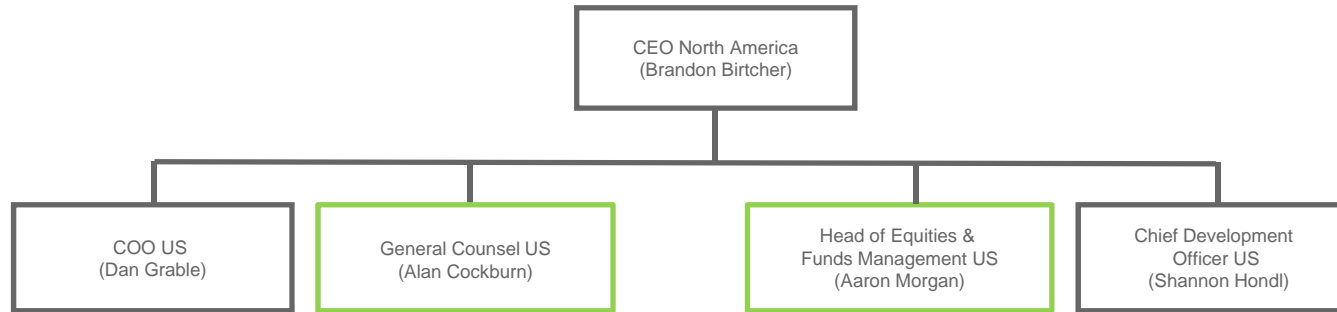
- + Northgate Support Center, Anaheim, CA
 - Developed for Northgate Market
 - Corporate HQ and cold storage distribution
 - 35,707 sqm (384,346 sqf) / total cost US\$41 million
 - Completed 2010



- + Birtcher Center at Townsend Way, OR
 - Three buildings designed to LEED Gold
 - Industrial warehouse / distribution
 - 36,969 sqm (397,934 sqf) / total cost US\$25 million
 - Completed 2007



Senior management team



Dan Grable serves as Chief Operating Officer. Over 28 years of experience in investment, finance and management for commercial and residential real estate. Previously at LNR Property Corporation, Grable was involved in more than US\$4 billion of real estate transactions and the procurement of over US\$2 billion of financing.



Alan Cockburn as General Counsel US is responsible for all legal, risk and compliance matters. Alan has been with Goodman Group for 10 years and has 19 years of legal experience in England, Australia and Asia. Alan Holds a BEng from University of Birmingham and a Post Graduate Diploma in Law and is a Chartered Company Secretary.



Brandon Birtcher fourth-generation family business owner. Has personally overseen 10 million sqf of industrial, office and retail in his career. “Developer of the Year” 1987; “Real Estate Developer of the Year” 1989; “Family Business of the Year” 2000. Extensive development experience throughout the US and Mexico. Client- centric philosophy and relationship focused since his start in 1976.



Aaron Morgan as Head of Equities & Fund Management US is responsible for strategy, management and performance of the investment partnership, in addition to managing reporting and investor relationships. Aaron has 12 years of property & financial markets experience including 10 years with Goodman and has held a number of positions within funds management and corporate services both in Australia and the UK.



Shannon Hondl joined Birtcher in 1997 and currently serves as Chief Development Officer. Manages development and oversees land and portfolio acquisitions. Has completed over a billion US dollars worth of industrial development. Innovatively positioned Birtcher to execute a national land strategy with some of the finest logistics sites in most of the top distribution markets in the US.

Investment strategy and target markets



- + Investment strategy designed to secure opportunities on a through cycle basis:
 - Total return focus that recognises both short and long term opportunities
 - Returns currently maximised through development led opportunities
 - Flexibility retained to take advantage of changing market conditions
 - Stabilised opportunities will be considered at average long term yields and benchmarking against replacement cost

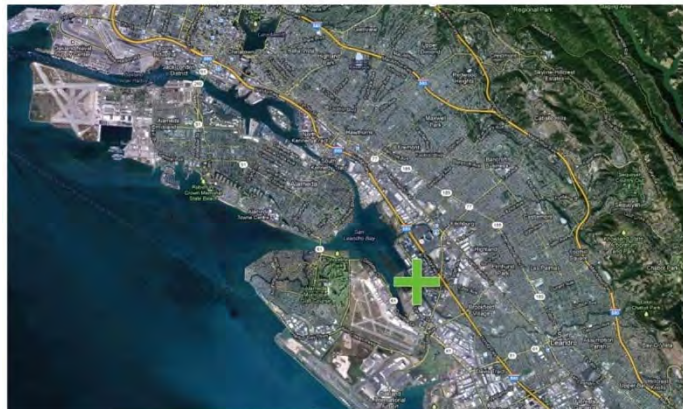
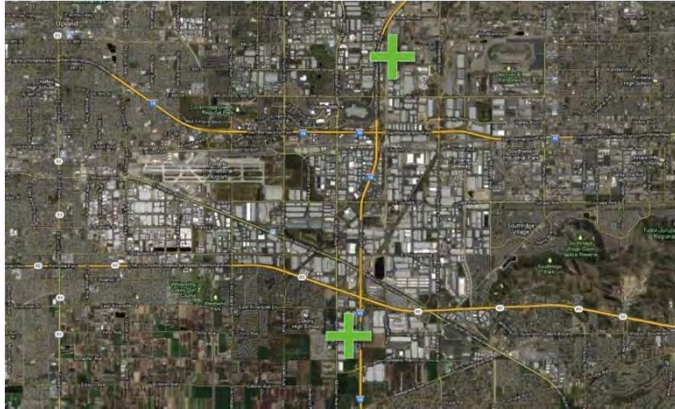
- + Targeted geographic strategy focusing on key logistics markets and hubs:
 - West Coast: LA, Oakland, Seattle
 - East Coast: New York, New Jersey, Philadelphia
 - Other: Established intermodals, inland ports and tier one ports

- + Establish scale in key markets to generate operating efficiencies



Source: Jones Lang LaSalle & Goodman

Secured development sites



LA – Inland Empire	
Land area	267 acres
GLA	440,946 sqm / 4.7 million sqf
Use	Warehouse
End value	\$420 million
Description	2 prime sites in California's largest market
Target completion	Calendar year 2015

Oakland	
Land area	19 acres
GLA	34,813 sqm / 374,725 sqf
Use	Warehouse
End value	\$43 million
Description	Prime infill site close to Airport and Port
Target completion	Calendar year 2013

Lehigh Valley – Philadelphia	
Land area	278 acres (3 stages)
GLA	438,468 sqm / 4.7 million sqf
Use	Warehouse
End value	\$304 million
Description	Prime site on highway interchange within the 3 rd largest industrial market
Target completion	Calendar year 2016



Australia+

Jason Little,
General Manager
Australia

Australia¹

	Strategy	Milestones
Own	<ul style="list-style-type: none"> + Australia's largest industrial and business space provider + High quality property portfolio > 80% located in Sydney and Melbourne + Steady valuation growth through rental increases + Market characterised by lack of supply of A grade product 	<ul style="list-style-type: none"> + Overall occupancy 98%: <ul style="list-style-type: none"> - Retention 73% - Incentives 6% - Rental growth 0.6%, resulting in positive valuations - WALE 5.5 years + Leased 627,001 sqm year to date – representing \$77 million in annual rental income
Develop	<ul style="list-style-type: none"> + Leverage substantial customer base + Extract higher and better use opportunities through urban renewal + Maintain capital efficient strategic land holdings in land constrained markets 	<ul style="list-style-type: none"> + WIP at \$598 million across 403,005 sqm + Reduced Australian land holding by 213,802 sqm + Selective speculative developments in under supplied markets, consisting of 3 sites totalling 69,166 sqm + Dedicated urban renewal resources in place, potential for 17,000 dwellings
Manage	<ul style="list-style-type: none"> + Recycle assets including cornerstones to grow FUM while being self-funded and improving ROA + Organic growth through developments + Improved margin through economies of scale 	<ul style="list-style-type: none"> + Largest industrial landlord in Australia: <ul style="list-style-type: none"> - 6,292,537 sqm GLA - AUM \$9.9 billion + EPF transaction enabled \$400 million of asset recycling while retaining management²
Corporate	<ul style="list-style-type: none"> + Diversify sources of debt capital + Increase margin through economies of scale 	<ul style="list-style-type: none"> + US\$300 million USPP issuance for GAIF + 38% of GAIF debt non-bank, 4.6 years debt maturity

1. As at 31 March 2012
 2. Post 31 March 2012

Australia continued

As at 31 March 2012 (A\$)	GAIF	GTA	GADF	KGIT ¹	GMG
Total assets	\$4.7 bn	\$2.7 bn	\$0.2 bn	\$0.4 bn	\$2.6 bn
GMG co-investment	43.4%	19.9%	20.0%	40.0%	-
GMG co-investment	\$1.1 bn	\$0.3 bn	\$0.02 bn	\$0.1 bn	-
Number of properties	107	57	2	6	32
Occupancy	98%	98%	100%	100%	97%
Weighted average lease expiry	6.5 years	4.0 years	14.8 years	7.0 years	4.0 years

1. Post 31 March 2012

Leasing



Chullora Distribution Centre, NSW

Tenant	Masters
Lettable area	13,528 sqm
Lease term	20 years
Contracted owner	GAIF
Transaction type	Pre-committed development
Rent	\$2,199,923
Rent (average)	\$162.62 psm pa
Incentive	3 months gross rent free

Urban renewal



Kent Road, Mascot, NSW

Contracted owner	GTA
Description	3 ha site adjacent to Mascot railway station
Current zoning	10(b) mixed use – commercial / warehouse
Proposed zoning	B2 Town Centre allowing residential (3.2: 1 FSR)
Status	Draft LEP on exhibition to 22 June 2012
Timing for rezoning	Early 2013
Development potential	+ 800 – 1,000 apartments + 6,000 sqm retail

Development



Metcash Distribution Centre, Eastern Creek, NSW

Tenant	Metcash Trading Limited
Lettable area	75,633 sqm
Lease term	15 years
Contracted owner	GAIF / GADF
Latest valuation	\$129 million
Description	+ Located on the junction of M4 and M7 + Pre-let facility final stage completed May 2012 + Designed to achieve 4 star green rating

An aerial photograph of a coastal town in New Zealand. A large, irregularly shaped green area is outlined in a thick green line, representing a High Density Land (HDL) zone. The area includes a large body of water, a road, and some industrial or commercial buildings. The background shows a dense residential area and a large bay with mountains in the distance.

New Zealand+

John Dakin, CEO
New Zealand

New Zealand



	Strategy	Milestones
Own	<ul style="list-style-type: none"> + Largest industrial and business space provider in NZ + High quality property portfolio predominately located in Auckland + Leverage strong brand and customer relationships to deliver superior investor returns + Take advantage of improving investment market outlook 	<ul style="list-style-type: none"> + Overall occupancy 96%: <ul style="list-style-type: none"> - Retention 84% - Incentives < 10% - WALE 5.4 years + Capital recycled from asset sales into value adding development activity + Leased 128,000 sqm year to date – representing \$12.7 million in annual rental income
Develop	<ul style="list-style-type: none"> + Development pipeline providing organic growth - creating a unique asset base + Accelerate development programme as economic conditions improve and business confidence lifts + Focus on build to suit opportunities with speculative product at selected estates 	<ul style="list-style-type: none"> + Award winning quality with Highbrook recognised at the Property Council annual awards + WIP of \$86 million building 59,400 sqm of NLA + Development programme 90% pre-committed
Manage	<ul style="list-style-type: none"> + Active management strategy to support strong portfolio performance + Market leading customer service initiatives + Strong institutional and retail investor base + Potential external management mandates appearing 	<ul style="list-style-type: none"> + 246 customers include many leading corporates + Portfolio value \$1.3 billion + Around 987,569 sqm of lettable space + Weighted average capitalisation rate of 8.5% + GMT is the 12th largest NZX listed entity with a market cap of NZ\$1 billion
Corporate	<ul style="list-style-type: none"> + Diversify sources and tenure of debt facilities + Disciplined capital management matching new equity to new development and acquisition opportunities + Engage and retain quality staff 	<ul style="list-style-type: none"> + Retail and wholesale bonds make up around 30% of debt facilities, issuance rated BBB+ by Standard & Poor's, term to expiry is 3.1 years + DRP providing timely source of equity issued above NTA + LTI structure formalised, aligning local staff with local goals and awarding GMT units

New Zealand continued

As at 31 March 2012 (A\$)	GMT	Highbrook Development Limited	GMG Development Land
Total assets	\$1.3 bn	\$0.5 bn	\$0.04 bn
GMG co-investment	17%	25%	100%
GMG co-investment	\$0.1 bn	\$0.1 bn	\$0.04 bn
Number of properties/estates	22	-	-
Occupancy	96%	-	-
Weighted average lease expiry	5.4 years	-	-

Leasing



Highbrook Business Park, East Tamaki

Tenant	DHL Supply Chain NZ Limited
Lettable area	31,630 sqm
Lease extension	5 years
Contracted owner	GMT 75%
Transaction type	Lease extension
Rent	\$3.2 million pa
Rent (average)	\$79.50 sqm
Incentive	5 months (8.3%)

Development



M20 Business Park, Wiri

Tenant	Frucor Beverages Limited
Lettable area	17,150 sqm
Lease term	10 years
Contracted owner	GMT 100%
Expected valuation on completion	\$19.4 million
Description	<ul style="list-style-type: none"> + Strategically located + Existing customer relocating from older facility + Expected completion March 2013

Orchard Park¹



Orchard Park, Albany

Description	12.19 ha of land in Albany, North Shore
Zoned	Business 6 + 7
Business Plan	5 year timeframe to masterplan, sell down and/or develop, lease and sell
Owner	GMG 100%
Status	Marketing campaign to commence

1. Acquired post 31 March 2012



Greater China+

Philip Pearce,
Managing Director
Greater China

Pudong International Airport Logistics Park, China

Greater China

	Strategy	Milestones
Own	<ul style="list-style-type: none"> + Pre-eminent provider of logistics space in Hong Kong + To be positioned as clear number 2 in the China market within the next 18 months + Increase pre-commitments for developments, given supply of modern logistics space remains limited in China 	<ul style="list-style-type: none"> + Overall occupancy 99%: <ul style="list-style-type: none"> - Retention 71% - Incentives < 10% - Rental growth 8.5%, resulting in positive valuation movements - WALE 3 years + Leased 168,000 sqm year to date – representing \$18 million in annual rental income
Develop	<ul style="list-style-type: none"> + Target land in Tier-1 cities, and emerging Tier-2 cities of key importance to the logistics sector in China + Focus on building portfolio via development, with a sustainable development pipeline of 600,000 to 700,000 sqm per annum in China + Undertake new logistics development opportunities in Hong Kong – participate in government tenders and explore brownfield opportunities 	<ul style="list-style-type: none"> + China WIP at ~US\$200 million across ~400,000 sqm + Currently number 2 developer in China + Land bank and land reserves now ~4 million sqm + Hong Kong – Interlink reached practical completion in January 2012 + Secured pre-commitments of 90,000 sqm from Schenker in Kunshan and Moonbasa in Wuqing
Manage	<ul style="list-style-type: none"> + Active asset management of the existing portfolio – focusing on driving rental growth and maintaining high occupancy levels + Target AUM for Greater China increase to US\$4.0 billion by end of FY2015 + Balance sheet light approach to development with development being undertaken by GCLH + Improve margin in China through economy of scale 	<ul style="list-style-type: none"> + Increased equity commitment of US\$290 million in China + AUM increased by 31% in Greater China + Largest manager of industrial properties in Hong Kong
Corporate	<ul style="list-style-type: none"> + Leverage off strong platform in Hong Kong + Establish 4 regional offices (Shanghai, Beijing, Chengdu and Guangzhou) in China + Engage and retain quality local staff 	<ul style="list-style-type: none"> + Offices in Shanghai, Beijing & Chengdu + High retention of staff in Hong Kong and China + 70 staff dedicated to China

Greater China continued



As at 31 March 2012 (A\$)	GHKLF	GCLH	CIIL	GMG
Total assets	\$1.6 bn	\$0.3 bn	\$0.3 bn	\$0.2 bn
GMG co-investment	20.0%	20%	-	100%
GMG co-investment	\$0.2 bn	\$0.03 bn	-	\$0.2 bn
Number of properties	14	7	1	-
Occupancy	99%	99%	99%	-
Weighted average lease expiry	2.7 years	2.9 years	4.7 years	-

Leasing



Hong Kong - Global Gateway

Tenant	Equinix	Estee Lauder
Lettable area	1,210 sqm	8,350 sqm
Lease term	8.5 years	6 years
Contracted owner	GHKLF	GHKLF
Rent – USD	0.4 million pa	1.2 million pa
Rent (average) – USD	\$330 psm pa	\$146 psm pa
Incentive	5 months (6%)	5 months (7%)
Uplift on passing rent	155%	26%

Land Procurement



Tianjin Landport

Lettable area	164,053 sqm
Site area	267,410 sqm
Contracted owner	GMG
Description	<ul style="list-style-type: none"> + Located at BeiChen District, which is in close proximity to Tianjin downtown and Beijing-Tianjin, Hebei province corridor + The site will be developed in 3 phases with final completion in 2015 + Phase 1 approx 60,000 sqm construction to commence in Q3 2012

Development



Tianjin Wuqing – Moonbasa facility

Tenant	Moonbasa
Lettable area	42,410 sqm
Lease term	5 years
Contracted owner	GMG
Value on Completion	\$21.8 million
Description	<ul style="list-style-type: none"> + Located in a well established industrial area in Tianjin + Pre-let facility with expected completion in Q2 2013



Japan+

Paul McGarry,
President & CEO
Goodman Japan
Limited

Japan



	Strategy	Milestones
Own	<ul style="list-style-type: none"> + Modern properties in prime Osaka and Tokyo locations + Maintain occupancy >95% characterised by lack of supply + Increase investor base in Goodman Japan Core Fund (GJCF) 	<ul style="list-style-type: none"> + Overall occupancy 97%: <ul style="list-style-type: none"> - Average building age < 5 years - WALE 4.5 years
Develop	<ul style="list-style-type: none"> + Structural changes driving demand for modern logistics space, rather than level of economic activity + Focus on super prime locations + Leverage global and local customer relationships and access to low cost Japanese debt 	<ul style="list-style-type: none"> + Moriya successfully completed and realised + Secured 2 super prime locations where demand exceeds supply – end value in excess of \$450 million across ~188,000 sqm
Manage	<ul style="list-style-type: none"> + Recycle assets improving portfolio quality and ROA + Organic growth of AUM through developments + Improved margin through economies of scale 	<ul style="list-style-type: none"> + Sale of a \$220 million portfolio of non-core assets + GMG's proceeds recycled into higher yielding development opportunities
Corporate	<ul style="list-style-type: none"> + Long dated debt maturities + Rationalise ownership structure and branding 	<ul style="list-style-type: none"> + Refinanced \$463 million core debt facility for 5 years on attractive terms + Completed rebranding to Goodman improving reputation and market profile + Privatisation of Goodman Japan Limited is underway – funded from existing cash

Japan continued

As at 31 March 2012 (\$A)	GJCF ¹	GJDP ²
Total assets (properties)	\$0.6 bn	\$0.5 bn ³
GMG co-investment	-	100%
GMG co-investment	-	\$0.1 bn
Number of properties	10	2
Occupancy	97%	-
Weighted average lease expiry	4.5 years	-

1. Goodman Japan Core Fund, formerly known as MGJLF

2. Goodman Japan Development Partnership

3. Estimated end value

Recycling



Goodman Moriya, Greater Tokyo

Tenant	Nippon Express
Lettable area	33,000 sqm
Lease term	10 years
Contracted owner	Single asset JV
Transaction type	Preleased development
Description	Development of a pre-leased 4 story warehouse facility in Moriya, Ibaraki Prefecture

Development



Goodman Sakai, Osaka Bay

Transaction type	Large scale multi-tenant development
Land area	66,000 sqm
Lettable area	129,000 sqm (planned)
Contracted owner	GJDP
Location	Prime Greater Osaka
Description	+ A large prime development site in Sakai City, Osaka Prefecture + To be developed into a modern 4 storey multi-tenant warehouse facility

Development



Goodman Kawasaki, Tokyo Bay

Transaction type	Large scale multi-tenant development
Land area	30,000 sqm
Lettable area	59,000 sqm (planned)
Contracted owner	GJDP
Location	Prime Greater Tokyo
Description	+ A large prime development site in Kawasaki City, Kanagawa Prefecture + To be developed into a modern 4 storey multi-tenant warehouse facility

Continental Europe+

Danny Peeters,
CEO Continental
Europe



Nurnberg, Germany

Continental Europe



	Strategy	Milestones
Own	<ul style="list-style-type: none"> + Europe's second largest logistics provider + High quality portfolio > 80% located in Western Europe + Active asset recycling to maintain quality of the portfolio + Valuations remain stable 	<ul style="list-style-type: none"> + Overall occupancy 96%: <ul style="list-style-type: none"> - Retention 88% - Incentives < 10% - WALE 4.75 years + 405,000 sqm leased year to date – representing \$23 million in annual rental income
Develop	<ul style="list-style-type: none"> + Consolidate position as the leading developer in core markets (Germany, France, Poland, Benelux) producing A grade logistics property + Selective in terms of locations, partners and customers + Majority pre-let, pre-sold to funds management platform + Capital efficient land activation and selective restocking in strategic core locations 	<ul style="list-style-type: none"> + Strong delivery track record resulting in repeat business with parties like Amazon, Schenker and Kuehne & Nagel + YTD > 700,000 sqm pre-let developments secured + WIP at \$591 million across 741,547 sqm + Development demand driven by structural changes e.g. e-commerce and obsolescence
Manage	<ul style="list-style-type: none"> + Increase AUM further through acquisition of the GMG development pipeline in the fund management platform as well as on-market acquisitions + Continue to explore industry consolidation opportunities resulting in potential attractive portfolio transactions + Expand relationships with existing and new equity partners + Diversify sources of debt capital 	<ul style="list-style-type: none"> + Total AUM under management at March 31, 2012 <ul style="list-style-type: none"> - 3,723,757 sqm GLA - AUM \$2.7 billion + GELF <ul style="list-style-type: none"> - Capital raise of €350 million - Debt refinancing of € 1 billion - Investment grade rating from Moody's Baa3
Corporate	<ul style="list-style-type: none"> + Further consolidation of market leading position, but in a prudent manner given uncertainty around European economy + Roll out Group systems and procedures to further improve operational business efficiency 	<ul style="list-style-type: none"> + GMG recognised as the most active Pan-European logistics real estate player <ul style="list-style-type: none"> - Named #1 European developer - Largest industrial landlord in Germany + Stable Pan-European platform across 11 countries operating the integrated Own+Develop+Manage business model

Continental Europe continued



As at 31 March 2012 (A\$)	GELF	GPH (LUX)	GEBPF	GMG
Total assets	\$2.2 bn	\$0.14 bn	\$0.3bn	\$0.1 bn
GMG co-investment	30.8%	20%	15.5%	-
GMG co-investment	\$0.4 bn	\$0.03bn	\$0.05bn	-
Number of properties	92	5	5	1
Occupancy	97%	100%	77%	99%
Weighted average lease expiry	4.9 years	7.1 years	2.5 years	4.8 years

Leasing



Anagni, Italy

Tenant	Logista Italia spa
Lettable area	25,276 sqm
Lease term	9 years
Transaction type	New Lease
Contracted owner	GELF
Rent	\$1.4 million pa
Rent (average)	\$52 psm pa
Incentive	8 months (7%)

Transaction



Pforzheim, Germany

Tenant	Amazon
Lettable area	112,597 sqm
Lease term	10 years
Transaction type	Forward Sale
Contracted Seller	GMG
Purchaser	GELF
End Value	\$86.6 million

Development



Puurs, Belgium

Tenant	VandePutte
Lettable area	19,260 sqm
Lease term	Freehold
Transaction type	Turnkey Development
Contracted owner	Third Party
End Value	\$36.2 million
Description	+ On JV landbank + Forecasted PC-date: November 2012



United Kingdom+

Charles Crossland,
MD UK Logistics &
Jim Johnston, MD
UKBP

Andover, United Kingdom

United Kingdom

	Strategy	Milestones
Own	<ul style="list-style-type: none"> + Premier business park and logistics landlord in UK + High quality portfolio located in South East and Midlands + Active trading of the portfolio at optimal pricing or through re-gearing initiatives + Explore opportunities to capitalise on growing evidence of mispriced assets 	<ul style="list-style-type: none"> + Overall occupancy 89% <ul style="list-style-type: none"> - Retention 60% - WALE 5.3 years
Develop	<ul style="list-style-type: none"> + 100% pre-committed development approach + Active trading of new developments to maximise value and recycle capital + Targeting higher value uses from the landbank (residential, roadside and retail) 	<ul style="list-style-type: none"> + WIP at \$160 million across 162,041 sqm + Target development landsales of \$183 million (\$41 million under option)
Manage	<ul style="list-style-type: none"> + Premier business park and logistics investment manager + Prudently invest allocated capital to grow logistics AUM + Active trading of portfolio to maximise returns 	<ul style="list-style-type: none"> + Largest UK business park manager + Uncalled third party committed equity of \$250 million excluding EPF
Corporate	<ul style="list-style-type: none"> + Extending fund and debt maturities + Improve Goodman brand awareness 	<ul style="list-style-type: none"> + ABPP extended to July 2017 + \$574 million debt refinance to 2017 + Open space campaign to be launched

United Kingdom continued

As at 31 March 2012 (A\$)	ABPP	GPH (JER)	GMG
Total assets	\$1.7 bn	\$0.1 bn	\$0.7 bn
GMG co-investment	35.7%	20%	-
GMG co-investment	\$0.3 bn	\$0.01 bn	-
Number of properties	26	3	11
Occupancy	91%	100%	81%
Weighted average lease expiry	6.3 years	4.8 years	3.6 years

Asset Sale

Tenant	Verizon
Lettable area	36,382 sqm
Lease term	10 years
Purchaser	EPF
Transaction type	Investment sale
Price	\$231 million
Description	+ Largest asset sale outside of London

Reading International



Development

Tenant	British Gas
Lettable area	9,095 sqm
Lease term	17 years
Owner	ABPP
End value	\$42 million
Description	+ Highly sustainable HQ office + Completion Q1 2013 + Phase II expansion \$31 million

Oxford Business Park



Land Sale

Purchaser	Persimmon
Area	24.5 acres
Comments	+ High value residential sale to major UK housebuilder + Sale to fund infrastructure into the commercial element of the scheme which can provide 80,000 sqm of employment space

Hinckley Commercial Park



Occupier	Daily Mail
Lettable area	12,635 sqm
Lease term	Freehold
Contracted owner	Harmsworth Quays Printing Ltd
End value	\$29.4 million
Description	+ Freehold turnkey - new printing works + Located east of London close to the M25 + Completion June 2012

Daily Mail Facility, Thurrock



A photograph of the Munich Airport Logistics Centre at dusk. The building is a large, modern industrial structure with a curved facade and a series of loading docks. The sky is a deep blue, and the building's lights are on, creating a warm glow. A green semi-transparent box is overlaid on the image, containing text.

Section 3+

Funds Management -
Nick Kurtis, Group
Head of Equities

Key capital partner trends



<p>Strong governance structure</p>	<ul style="list-style-type: none"> + Ability to form Investment Committee with like minded partners + Visibility over key decisions such as acquisition, disposal, development and finance + Usually structured as JV or Club vehicles
<p>Country & strategy specific</p>	<ul style="list-style-type: none"> + Country specific factors remain strong investment driver + Desire to have specific investment strategies – Core or Development + Macro / Global factors also need to be taken into consideration
<p>Alignment of interests & property expertise</p>	<ul style="list-style-type: none"> + Strong financial alignment remains key – circa 20% minimum + Property expertise and skills remain keenly sought + Focus on value generation from property skills – not economic engineering

Assets under management



* Includes GADF and GPH funds on a fully drawn basis – investments are subject to Investment Committee approval.
 ** Undrawn debt as at 31 March 2012.

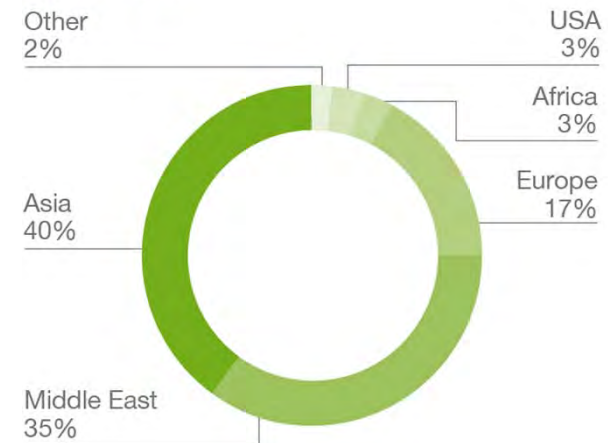
Top 12 Sovereign Funds



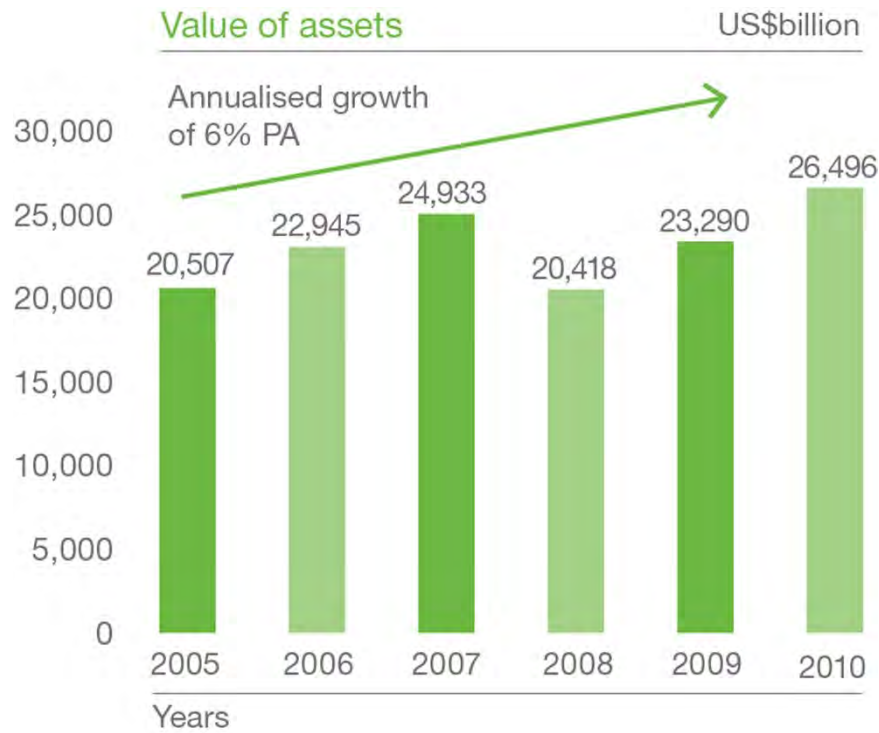
	Fund	Country	Size US\$bn
1	ADIA	UAE – Abu Dhabi	\$627
2	Govt Pension Fund	Norway	\$611
3	SAFE	China	\$568
4	SAMA	Saudi Arabia	\$533
5	CIC	China	\$440
6	KIA	Kuwait	\$296
7	HK Monetary Authority	Hong Kong	\$293
8	GIC	Singapore	\$157
9	National Welfare Fund	Russia	\$150
10	National Social Security Fund	China	\$135
11	QIA	Qatar	\$100
12	Future Fund	Australia	\$80

TOTAL VALUE OF SOVERIGN FUNDS GLOBALLY
US\$5.0 trillion

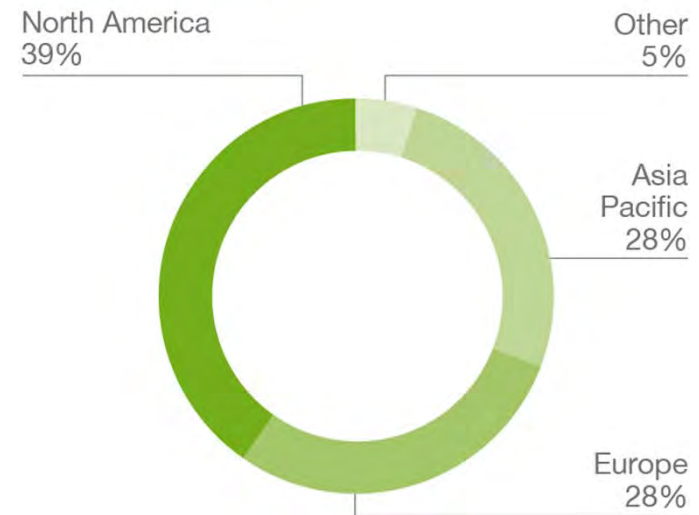
SWF origin



Total value of global pension fund assets



Fund domicile



Source: Sovereign Wealth Fund Institute - www.swfinstitute.org

Top 20 Global Pension Funds



	Fund	Country	Size US\$bn
1	Govt Pension Investment Fund	Japan	\$1,432
2	Govt Pension Fund	Norway	\$550
3	ABP	Netherlands	\$318
4	National Pension Service	Korea	\$289
5	Federal Retirement Thrift	United States	\$264
6	CALPERS	United States	\$214
7	Local Govt Officials	Japan	\$190
8	CPPIB	Canada	\$149
9	Employees Provident Fund	Malaysia	\$146
10	Central Provident Fund	Singapore	\$145
11	Californian State Teachers	United States	\$139
12	New York State Common	United States	\$133
13	PF2W	Netherlands	\$133
14	National Social Security	China	\$129
15	GEPF	South Africa	\$128
16	Pension Fund Association	Japan	\$125
17	ATP	Denmark	\$124
18	Florida State Board	United States	\$123
19	New York City Retirement	United States	\$115
20	Ontario Teachers	Canada	\$108

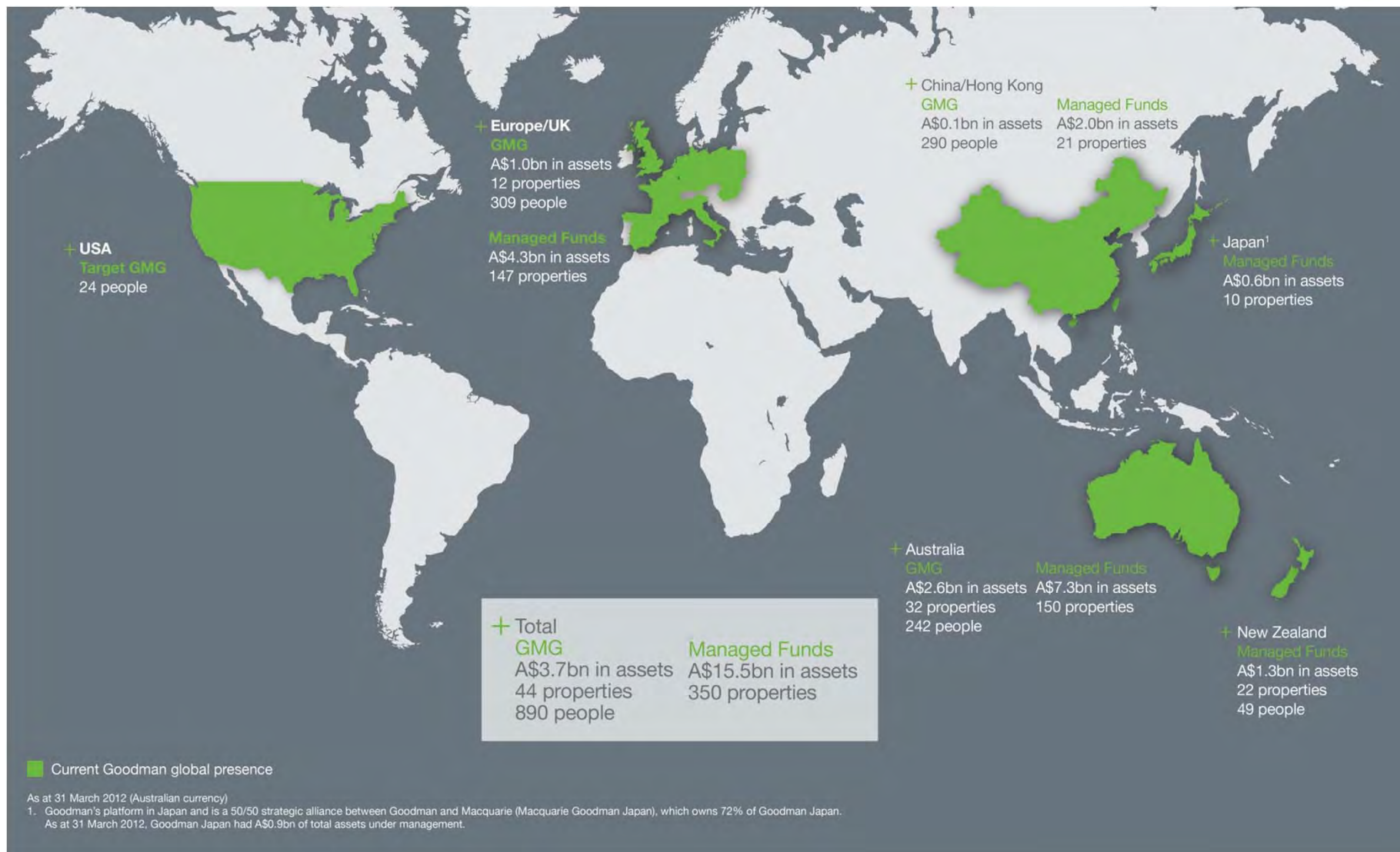
Source: Towers Watson P&I/TW Top 300 Pension Funds – September 2011



Section 4+

Global platform

Global platform



thank+you



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