



24 July 2012

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

Dear Sir

GOODMAN GROUP (GOODMAN) – Dispatch of investor newsletter to Securityholders

Attached is the Goodman investor newsletter to be dispatched to Securityholders today and available on the Goodman website at www.goodman.com.

Please contact the undersigned in relation to any queries.

Yours sincerely

Carl Bicego
Company Secretary

Goodman launches in North America

See page 2 for details

Goodman Group has completed a number of major initiatives over the first half of the 2012 calendar year that support the ongoing delivery of our business strategy and drive our operating performance.

This edition of **investor insight+** provides an update on recent transactions relating to the Group's expansion into North America and a new relationship formed with Malaysia's Employees Provident Fund.

We also give you an overview of a comprehensive research report commissioned by Goodman into the opportunities for the logistics sector resulting from the rapid global growth in e-retailing. The latest operational activity from our businesses around the world is also highlighted, together with recent capital management initiatives and some of the community activities we have undertaken through the Goodman Foundation.

I also encourage you to view the online version of **investor insight+**, which contains a number of interactive features. Please visit the 'Reports and newsletters' page in the GMG Investor Centre on www.goodman.com if you would like to view the online version.

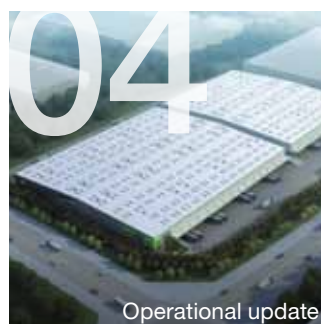


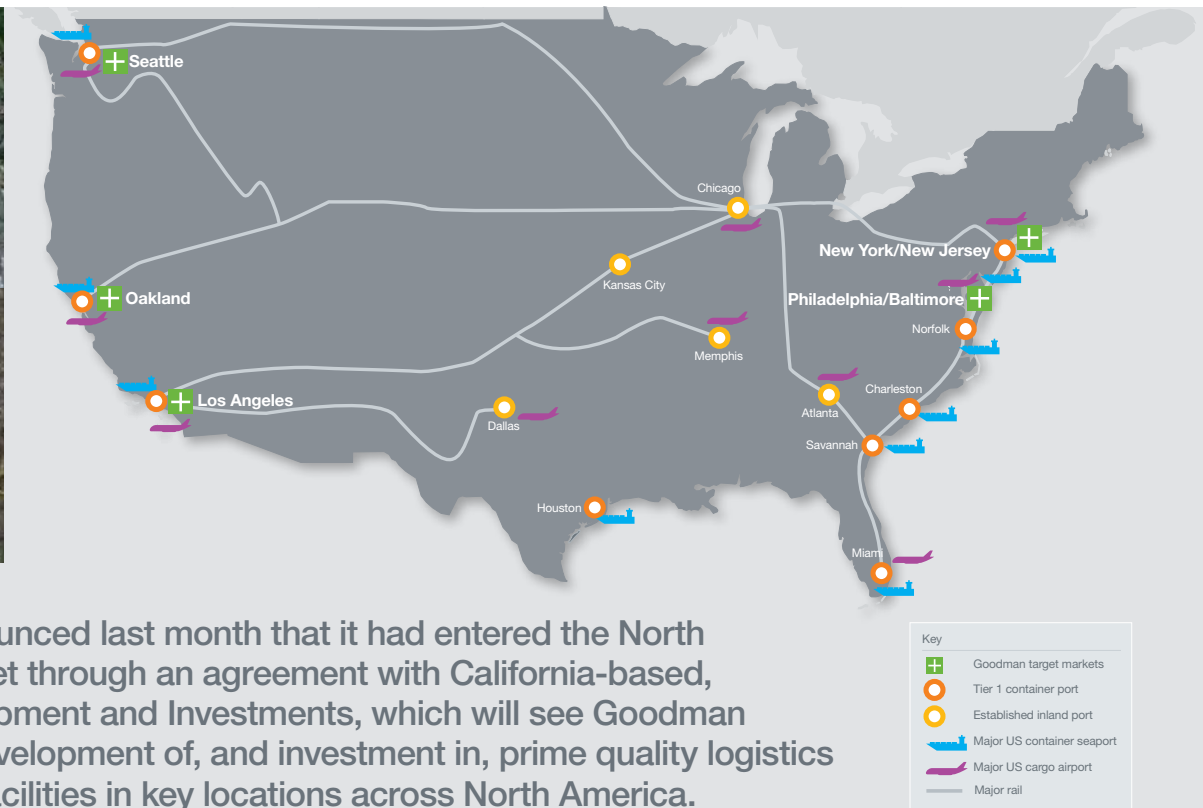
Greg Goodman
Group Chief Executive Officer



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Goodman announced last month that it had entered the North American market through an agreement with California-based, Birtcher Development and Investments, which will see Goodman focus on the development of, and investment in, prime quality logistics and industrial facilities in key locations across North America.

To facilitate these development and investment opportunities, we are in the final stages of due diligence with regard to a new capital partnership which will provide initial equity commitments of US\$800 million (A\$800 million).

join with us as we drive our expansion into key North American logistics markets.

Birtcher President and CEO, Brandon Birtcher said, "This represents a new chapter in Birtcher's 73 year history and we are excited by the

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. (See map above).

In line with this, we have already identified three development opportunities in California, with two sites secured in the Inland Empire, California's largest industrial market, and a third site in the San Francisco Bay Area of Oakland, close to the city's air and sea ports. A fourth site is under offer in the Philadelphia Le High 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).



Brandon Birtcher

About Birtcher

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.

"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."
– Greg Goodman

A highly experienced team will establish and drive the growth of our North American operations, combining Birtcher's local market expertise with Goodman's global funds management capability. Importantly, entry into any new market requires local knowledge and expertise, and we have been fortunate to source the local expertise of such a highly regarded property group as Birtcher to

tremendous opportunity that comes through working as part of one of the world's leading industrial property groups."

We will implement a targeted geographic investment strategy, initially pursuing a development led approach given the under supply of high quality space in specific target logistics markets. The key West Coast logistics hubs in which we will seek opportunities are Los Angeles (Inland Empire),

new logistics relationship+



Greystanes East and West Industrial Estate, acquired from Goodman as part of the new EPF relationship

In early June, we announced the establishment of a new global logistics relationship with Malaysia's Employees Provident Fund (EPF) for a combined initial equity commitment of A\$500 million.

Goodman's global relationship with EPF will focus on investing in high quality, stabilised logistics assets, with an initial investment in a circa A\$400 million Australian portfolio, comprising six properties acquired from the Group and its managed funds.



Goodman will retain an interest in the investment portfolio on an initial 40/60 basis, with EPF holding the majority share.

Welcoming EPF, a major global investor with assets under management of A\$150 billion, to our global platform is another important step in the expansion of Goodman's funds management platform. The relationship provides EPF with the opportunity to invest in prime quality logistics and industrial property with a leading specialist industrial property group. It separately enables Goodman and our managed funds to recycle assets and fund future development commitments and other growth opportunities, while retaining management of the assets.

Mr Dato' Shahril Ridza Ridzuan, Deputy CEO (Investment), EPF said, "Our selection of Goodman as our global investment partner for logistics real estate was driven by their reputation and knowledge as a global sector specialist and high quality portfolio."



operational update+



Moonbasa facility, China



Daily Mail at Thurrock in the United Kingdom

The Group performed well in all markets over the first few months of the 2012 calendar year across its leasing and development activities, capitalising on the strength of our business strategy and competitive position in the current operating environment.

We have maintained our high occupancy at 96% across all markets, with customer retention at 78% and a weighted average lease expiry of 5.2 years. Our Property Services teams around the world completed 1.5 million sqm of new leases and renewals, representing \$148 million in annual rental income, over the first nine months of the 2012 financial year.

In the financial year to 31 May, we have secured \$1.6 billion of new development commitments, including a 17,150 sqm distribution centre for Frucor Beverages Limited at M20 Business Park in New Zealand; a 42,410 sqm built-to-suit facility for online retailer, Moonbasa in China; a 12,635 sqm turnkey printing press facility for the Daily Mail at Thurrock in the United Kingdom; and a 112,597 sqm

logistics centre for Amazon at Pforzheim in Germany.

We completed 50 projects valued at \$1.6 billion across the Group and our managed funds, which include stage 2 of the 75,633 sqm distribution centre for Metcash at Eastern Creek in NSW; A 20,538 sqm warehouse for Supercheap Auto at Savill Link Industrial Estate in New Zealand; a 9,170 sqm turnkey office development for Greater Manchester Police divisional headquarters at Manchester Central Park in the United Kingdom; and a 45,810 sqm distribution centre for Volkswagen at Hanover in Germany.

In January, the 224,000 sqm Goodman Interlink facility in Hong Kong reached practical completion, and was 99% leased. A ceremony to mark the opening of this landmark

development was held in March and attended by the Australian Consul General for Hong Kong, major customers, investors and Goodman staff, including Group CEO, Greg Goodman.

The Group's third party assets under management were A\$15.5 billion as at 31 March, reflecting the strong support from capital partners. Including the recent equity contribution from Employees Provident Fund, \$875 million of new third party equity has been raised in the 2012 financial year to date.

Separately, the investors in UK-based Arlington Business Parks Partnership (ABPP) have extended the fund for a five year term from June 2012 and the fund will focus on maximising the value of the underlying investment portfolio and unlocking the potential from its land bank. In line with the fund extension, ABPP also



Metcash facility, Bungaribee Industrial Estate, NSW Australia



Supercheap Auto, Savill Link Industrial Estate, New Zealand



Volkswagen Distribution Centre, Germany



Goodman Interlink, Hong Kong

secured a new five year, £350 million banking facility.

Over recent months, we also completed a number of capital management initiatives. In March, Goodman successfully transacted its third debt issue of \$US500 million in the 144A/Reg S bond market, issuing senior, unsecured notes at an effective fixed cost of 6.0% for a term of 10 years. The transaction demonstrates the

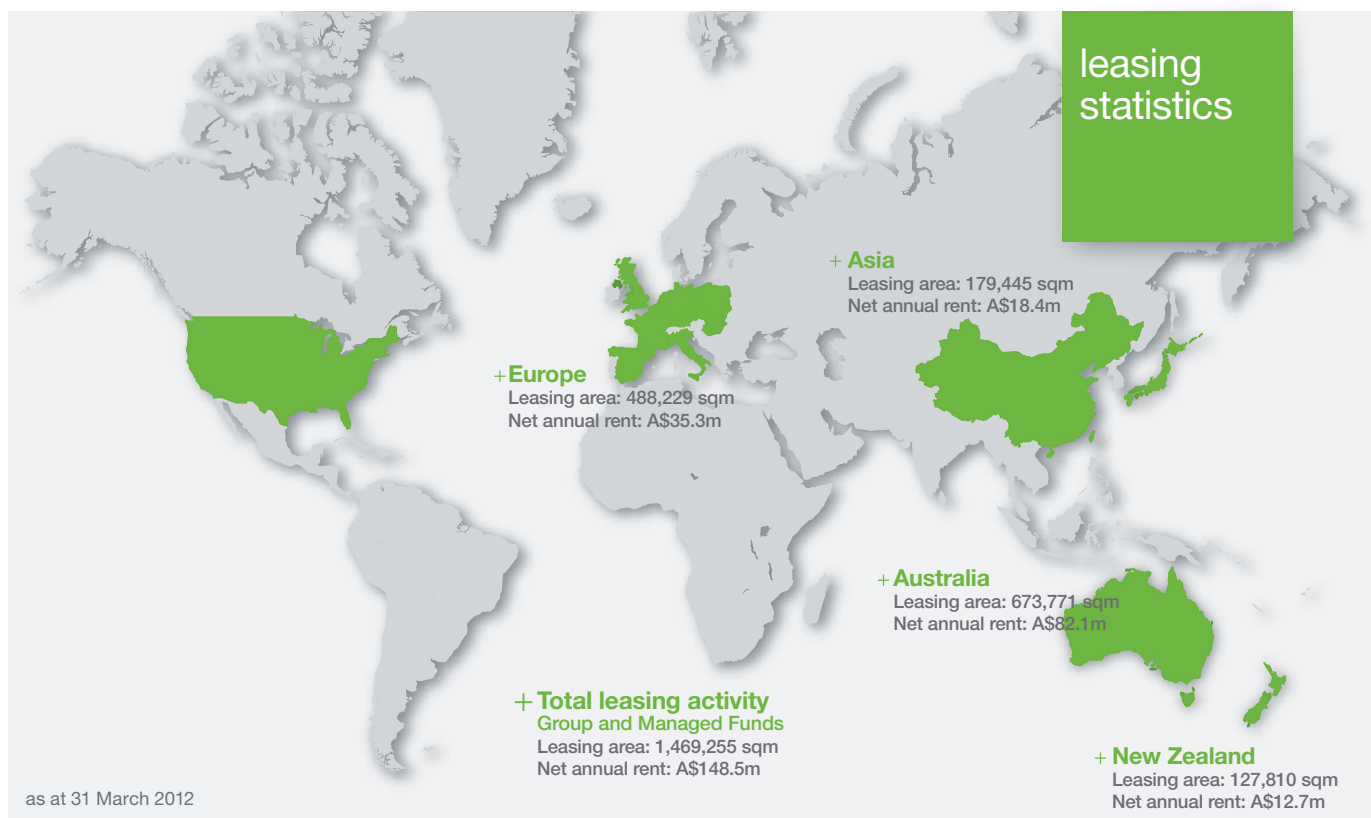
continued support from investors in the US debt capital markets and our commitment to diversifying debt funding sources and lengthening our debt maturity profile.

Goodman's issuer and senior unsecured ratings were upgraded in March by Moody's to Baa2 from Baa3, while the subordinated rating on the Goodman PLUS hybrid securities was raised from

Ba2 to Ba1, with both ratings confirmed with a stable outlook.

Goodman European Logistics Fund (GELF) was assigned a first time issuer rating by Moody's Investors Services (Moody's) of 'Baa3' with a stable outlook in May. Moody's noted that the high quality portfolio of modern prime logistics properties, with continuously high occupancy

rates provides the fund with sustained positive cash flows. In early July, GELF was also assigned a first time issuer rating by Standard & Poor's (S&P) of BBB- with a stable outlook. The investment grade ratings obtained from S&P and Moody's will enable GELF to assess a broad range of opportunities to further diversify its sources of capital.



e-retailing research report+

‘the
logistics
of online
shopping’



Over recent months, a Goodman commissioned research report on the global online shopping market was conducted, which highlighted the significant growth being experienced by this sector around the world.

The report focuses on the key areas of: take-up rates and popularity of online shopping around the world; the impact of the growth in e-retailing on logistics operations in developed and developing markets; the warehousing requirements and operations of some of the main e-retailing players; and factors that will play a role in the growth of the industry.

strong demand for high-quality built-to-suit warehousing solutions, driven by the strong growth of this sector. This continues to present a range of opportunities for Goodman as one of the largest industrial property groups globally and given our experience in this sector and expertise in delivering tailored logistics and warehousing solutions.

The report was undertaken by Transport Intelligence, a leading provider of research on the global logistics industry, and canvassed the opinions of e-retailers, logistics companies and developers. It noted that almost a fifth of all purchases in developed markets is now accounted for by online shopping and is growing at between 15% and 20% per annum. By comparison, the growth rate in developing countries is far higher – for example, 75% in China.

“The continued rapid growth in e-retailing is a real game changer for our business.”
– Greg Goodman

The research has given us a deeper understanding of the drivers in the e-retailing market globally and the trends shaping the industry, including logistics operators. One of the report's findings relates to the disparate approaches being taken to optimise operational efficiency, with e-retailers in different markets adopting very different fulfilment and distribution strategies.

Significantly, the report has also confirmed that there is

E-retailers represent one of our largest customer groups and to illustrate this, we have delivered more than 581,000 sqm of new warehouse space across nine facilities for Amazon in Europe alone, with a further 225,000 sqm currently being developed across two projects in Germany.

Highlights from the research report have been published in a white paper, which is available on the Goodman website.

in the community+

support
and
participate



Goodman's Nelma Arancibia (left) volunteering with OzHarvest



The Goodman UK team competing in the Four Peaks Challenge



Goodman Interlink Magic Mile, Hong Kong



Jim Carroll, CEO of MS Australia with Jason Little, Goodman's General Manager Australia



Goodman Australia's Balmoral Burn team

Through the work of the Goodman Foundation and the efforts of our staff, we have been actively supporting a number of charities to help further their invaluable work within the community.

Some of the activities we have participated in over recent months include:

- + MS Australia – The Goodman Foundation donated a new van with wheelchair lifter, which will be used to transport people who are disabled by the symptoms of MS and reside at MS Australia's, Studdy MS Centre. The van will provide transport for a range of purposes, including social outings and medical appointments.
- + Balmoral Burn – A Goodman team took part in this 420 metre run, walk or crawl up Awaba Street in Mosman (arguably Sydney's steepest street) to raise funds for the Humpty Dumpty Foundation to purchase vital medical equipment for children's hospitals and health services centres across Australia.
- + SOS Children's Villages – Goodman's Belgian team entered a 20 km fun run through the streets of Brussels to support the work of this international charity dedicated to orphaned and abandoned children.
- + OzHarvest – Goodman's Australian employees have been volunteering as part of the Goodman Foundation's good+heart programme to ride a yellow Oz Harvest van, as it goes about its daily task of collecting perishable surplus food from clients and redistributing it to charity agencies.
- + Goodman Interlink Magic Mile – To coincide with the opening of the Goodman Interlink development in Hong Kong, more than 260 Goodman employees, customers, business partners and their families participated in the inaugural charity ramp run 'Goodman Interlink Magic Mile'. The aim of the event was to be the fastest to run up the one mile warehouse ramp and raise funds for Benji's Centre, a local Hong Kong non-profit organisation which provides speech therapy services to children from low income families.
- + Four Peaks Challenge – In the United Kingdom, two Goodman teams successfully completed the challenge of climbing the four highest peaks in Scotland, England, Wales and Ireland in just 48 hours, raising funds for the Wooden Spoon Foundation.

securityholder information+

security price

Goodman security price performance
(1 July 2011 – 30 June 2012)



key dates

Upcoming key dates

10 August 2012	Announcement of full year results
27 August 2012	Distribution payment / Annual tax statement
16 November 2012	Annual General Meeting
18 December 2012	Announcement of estimated distribution
21 December 2012	Ex distribution date
31 December 2012	Record date for distribution

Note: Future dates may be subject to change.

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