



29 June 2016

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

Dear Sir / Madam,

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

Attached is the Goodman investor newsletter 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 Group

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**STRATEGY AND
OPERATIONAL UPDATE**

Highlights from Goodman's strategy and operational updates.

p — 02

DELIVERING QUALITY SOLUTIONS

Goodman is building on its global relationship with Amazon.

p — 08

IN THE COMMUNITY

See how Goodman's people are supporting our charities around the world.

p — 15



INVESTOR INSIGHT

JUNE 2016

Goodman Business Park, Chiba Newtown, Japan

With 2016 in full swing, we are pleased to update you on some of the many recent activities and initiatives being undertaken by Goodman's teams around the world.

In this edition of our Investor Insight newsletter, we feature an overview of the strategy update that Goodman hosted for investors and analysts on 16 June, which included updates from each of the Group's operating regions. We also look at highlights from our recent operational update for the third quarter of the 2016 financial year, including how the demand for industrial space continues to drive our development business, leasing activity and asset rotation

initiatives across the Group and our managed Partnerships. We take a look at the changes made to our operating platform in Brazil, our strong relationship with Amazon, and showcase the opening of some of our new high profile development projects. We also provide an overview of some of the developments being undertaken globally and include a few of the many community activities our Goodman people have participated in.

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The ongoing demand for quality logistics space from our customers around the world remains robust and our development activities have been a stand-out with regard to the Group's overall performance.

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Goodman Business Park, Chiba/Newtown, Japan

ONG FORMANCE



STRATEGY AND OPERATIONAL UPDATE

Goodman held a strategy briefing for investors and analysts on 16 June, which provided updates from each of the Group's operating regions and an overview of how our business is benefitting from the ongoing investor and customer demand for quality industrial property, including our:

- + Global expertise and long-term strategic focus, which has positioned Goodman as a leader in its sector.
- + Early recognition and understanding of the structural changes transforming the industrial property sector globally, including capitalising on the significant opportunities provided by the rapid growth in e-commerce.
- + Targeted site selection in and around key gateway cities globally, which is driving the long-term value of Goodman's assets. This is demonstrated by the higher and better use opportunities emerging through our urban renewal activities and being realised through growth in net tangible assets.
- + Targeted asset sales, which remains a focus in the short term, enabling Goodman to take advantage of ongoing strong pricing and providing funding for our development business.

Goodman also recently announced an operational update for the quarter ended 31 March 2016, which noted that the Group's strong operating performance has continued into the second half of the 2016 financial year. This has been underpinned by increased activity levels across our development and management businesses. We are capitalising on the robust demand for modern, high quality logistics space through the disciplined execution of our business strategy, with the ongoing focus on improving property and income quality across our global portfolio. We are doing this by selectively selling assets and reinvesting the proceeds into Goodman's development business. This is consistent with our desire to not be the biggest, but the best at what we do in our sector. By building our business with a focus on quality assets in proven logistics locations, we are ensuring that Goodman will be in a competitively and financially strong position for the long term.

\$1bn

Developments completed

Our development business continued to be a key driver of Goodman's performance over the quarter, with significant activity across all of our operating regions. We completed \$1 billion of developments and maintained our work book at \$3.2 billion, with 72 projects underway around the world. Goodman is benefitting from the demand for prime, well located logistics space, which is due to a number of factors. These include the strength of the underlying domestic consumption in major global gateway cities; growth in e-commerce and other structural changes; and customer focus on achieving greater operating efficiencies from their property solutions.

With projects underway in all of our operating regions, a key highlight from Goodman's development activities was the growing contribution being made by our US business. This now contributes 12% of our overall development work book, with \$400 million of new projects commencing in the 2016 financial year to date. Post 31 March, our US business also secured a significant value add opportunity through the acquisition of two prime logistics sites at Santa Fe Springs and El Monte in Southern California, spanning approximately 53 hectares. The two sites have the potential to add around 110,000 sqm of new Class A logistics space to its growing development pipeline in the region. For information on some of the development projects we are currently undertaking around the world, please refer to the development update section on pages 12 and 13 of this newsletter.

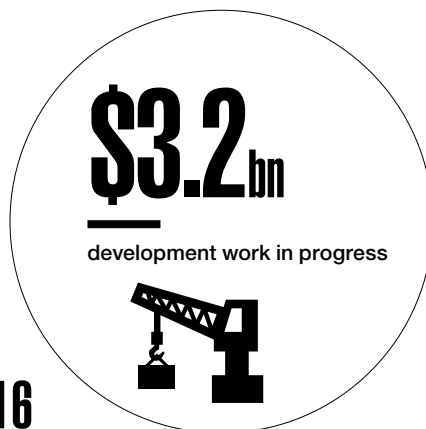




Oakdale Industrial Estate, NSW, Australia



Highbrook Business Park, Auckland, New Zealand



STATISTICS AT 31 MARCH 2016

Our asset sales programme, which is providing the funding for our development activities, has resulted in \$1.8 billion of property sales (excluding urban renewal), across the Group and Partnerships in the year to date mainly in Australia, China and Europe. We continue to take advantage of the market demand for industrial assets, with a further \$1 billion of properties currently in due diligence or contracted for sale.

The Group is also making good progress on its urban renewal activities, with the high demand for re-zoned residential sites reflected in the \$2.1 billion of sites conditionally contracted for sale in Sydney as at 31 March 2016. Significantly, we have now settled \$425 million of contracted sites, with a further \$700 million of settlements expected by the end of December 2016. Our urban renewal pipeline has been maintained at 35,000 apartments and we are actively undertaking planning on longer-term opportunities.

Goodman continues to experience sound underlying property fundamentals across its business, which is reflected in the quality and location of our portfolio of 427 properties and the ability of our Property Services teams to provide solutions for a diverse range of customer needs. We have achieved strong leasing results in the financial year to date, with 2.3 million sqm leased across the Group and Partnerships globally, which represents \$239 million in net property income. A positive feature of our leasing success has been the level of pre-leasing activity on our uncommitted developments in markets such as China, Japan and the United Kingdom, which has seen 82% of developments pre-committed on completion. Our leasing results have underpinned stable occupancy of 96% across the total portfolio, with a 76% retention rate showing the value of Goodman's customer service offering.



Our total assets under management have increased to \$33.2 billion, up 9.3% since 30 June 2015, mainly due to \$2.2 billion of development completions and higher property valuations of our existing assets. With the current low growth environment driving the ongoing demand and stronger pricing of property assets, we expect further valuation gains to feature in the Group's second half financial results through to 30 June 2016.

In Brazil, Goodman has strengthened its presence by securing 100% ownership of the operating management platform. This was achieved following the agreement of commercial terms between Goodman and WTorre to split their respective interests in the assets of the WTGoodman Brazilian joint venture. As a result, this business is now fully owned by Goodman Group and will operate under the Goodman brand in Brazil. It is our intention to grow the Brazil business with external capital, in line with our Partnership model around the world. Our focus remains on undertaking selective developments in São Paulo and Rio de Janeiro, and also targeted investment or value add opportunities.

2.3m
Sqm of space leased

427

properties under management



18_m

sqm of industrial and business
space under management



1,750

customers globally
(approximately)





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Over the past 10 years, Amazon has become one of Goodman's largest customers globally, with our two businesses working together in partnership to expand Amazon's global operations.

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GREG GOODMAN
GROUP CEO

DELIVERING QUALITY SOLUTIONS

Goodman Commerce Center Eastvale, Southern California, US



REGIONAL ACTIVITIES

15th lease with Amazon globally

In May, our US team secured a new lease with Amazon for a 1,033,192 square feet (96,000 sqm) logistics facility at Goodman Commerce Center Eastvale. This is Goodman's first leasing deal with Amazon in the US and the 15th lease we have signed with Amazon globally, building on a partnership that now spans 10 years. It reflects our world-class expertise in managing and developing tailored logistics and warehousing solutions for a range of customers, which has provided us with a deep understanding of the unique requirements of the e-commerce sector.

Goodman's Group CEO, Greg Goodman said, "Over the past 10 years, Amazon has become one of Goodman's largest customers globally, with our two businesses working together in partnership to expand Amazon's global operations. To date we have developed a total of 13 modern fulfilment centres across Germany, France, Poland and the United Kingdom, with Amazon currently occupying a total of more than 1 million sqm of space across five countries, which now includes the US."

Our team in Continental Europe has also successfully renewed leases with Amazon in France and Germany for almost 200,000 sqm across three properties on 10 year fixed terms. Goodman will separately extend Amazon's current 70,000 sqm facility at Saran in France, with the development of a new 13,500 sqm sorting centre.

Saran Logistics Centre, France



ONS



Official opening of Goodman Business Park, Chiba Newtown, Japan



Official opening of Fonterra Centre, Auckland, New Zealand



The Honourable Steven Ciobo MP, the Minister for Trade and Investment of Australia at the official opening of Goodman Qingpu Centre, Shanghai, China



We recently held opening ceremonies for some of our newly completed, high profile developments, showcasing the quality of our properties and the locations we are providing for our customers. These include:

Goodman Qingpu Centre, Shanghai, China

On 13 April, Goodman Qingpu Centre was formally declared open by the Honourable Steven Ciobo MP, the Minister for Trade and Investment of Australia, together with representatives of the Shanghai Municipal Commission of Commerce, as part of Australia Week in China. The new landmark industrial and business development is Goodman's first three-storey distribution facility in China and covers a total area of more than 110,000 sqm. The new development achieved 97% occupancy on completion, attracting customers, JD.com, China's leading e-commerce company; Shanghai Kuichun Industry, a nationwide distributor of imported food and beverage products; and Kintetsu World Express, a leading Japanese distribution and supply chain company.

The Honourable Steven Ciobo MP, the Minister for Trade and Investment of Australia, said, "I am pleased to be here today to open the Goodman Qingpu Centre, a landmark development which showcases Goodman's innovation and success in China. It exemplifies the efforts of Australian companies in building closer relationships with China through trade, investment and business links."

Stage 1 of Goodman Business Park, Chiba Newtown, Japan

Goodman Business Park is a large-scale, master-planned logistics and business park in the Greater Tokyo area, which will have a fully built-out completion value of US\$1.5 billion. Stage 1 consists of a modern 116,000 sqm four-storey, multi-customer logistics facility. It was 65% pre-leased on completion, with 100% of the space now leased. A ceremony was held onsite in early April to mark the opening of Stage 1 and was attended by Mr. Kensaku Morita, Governor of Chiba Prefecture and Mr Masanao Itakura, Mayor of Inzai City. Goodman has subsequently commenced the development of Stage 2 of the project, which will comprise a further 125,000 sqm of high specification, multi-customer logistics space.

Fonterra Centre, Auckland, New Zealand

The new 16,000 sqm Fonterra Centre is a 5 Green Star designed campus style office building developed for leading multinational dairy company, Fonterra. It was opened in February with a blessing ceremony that included Ngati Whatua Orakei (local Maori tribe), Fonterra, Goodman and Fletcher staff, together with representatives from the project consultants and contractors.



ROBUST DEVELOPMENT



Zalando at Lahr, Germany



Clipper Logistics at Northampton, United Kingdom



JD.com at Huiyang, China

DEVELOPMENT UPDATE

Some of our recent developments include:

- + 30,668 sqm warehouse facility for global diversified consumer products company, Spectrum Brands, at Moorabbin Airport business park precinct, Melbourne.
- + 5,040 sqm warehouse expansion for Coda Group, a leading New Zealand freight management business, in Auckland, New Zealand.
- + 106,900 sqm fulfilment centre for JD.com, China's largest online direct sales company, at Huiyang, China.
- + 51,000 sqm logistics facility, 100% pre-leased to a Japanese third party logistics provider, in Kobe, Japan.
- + 48,200 sqm logistics facility for automotive group, BMW, at Landshut, Germany.
- + 130,000 sqm e-commerce logistics facility for Europe's leading online fashion provider, Zalando, at Lahr, Germany.
- + 61,700 sqm European distribution centre for logistics services provider, Nabuurs Supply Chain Solutions, at Arnhem-Nijmegen in the Netherlands.
- + 30,100 sqm warehouse for global lifestyle brand, Ted Baker, at Derby, United Kingdom.
- + 28,318 sqm logistics distribution centre for leading UK retail logistics solutions provider, Clipper Logistics, at Northampton, United Kingdom.

DEVELOPMENT ACTIVITY



Goodman Hong Kong office



SUSTAINABILITY

GOODMAN HONG KONG'S SUSTAINABLE MOVE

Goodman Hong Kong recently moved into their new activity based work space, which is the most recent location to be designed and built adopting Goodman's Space to Work principles. It provides a mix of internal and external meeting rooms, collaborative and private spaces, together with formal and informal areas.

The new office has been designed and built to a LEED Gold Standard (Commercial Interiors) and incorporates LED lighting with motion sensors, reverse osmosis water filters, an air purification system, with locally sourced and sustainable materials used in the fit-out.





Goodman Interlink Magic Mile Run 2016



The Fred Hollows Foundation

IN THE COMMUNITY

COUNT US IN! STEPPING UP FOR SEPTEMBER

The Goodman Foundation is the exclusive 2016 global partner for Cerebral Palsy Alliance's major fundraising initiative, Steptember. The new partnership builds on our ongoing global support of Steptember since 2014 and we're proudly promoting this as "Count Us In", an inclusive and engaging campaign created to encourage our staff and business partners, such as customers, agents and suppliers to make a meaningful difference. To participate, register on the Steptember website at www.steptember.org.au

MAGIC MILE RUN REACHES ANOTHER MILESTONE

Goodman held its fifth annual Goodman Interlink Magic Mile Run in early March, raising over HK\$1 million (A\$167,000) for its charity partner Feeding Hong Kong! This will go directly toward supporting the delivery of 200,000 more meals to local Hong Kong families in need.

PARTNERING WITH THE FRED HOLLOWES FOUNDATION

The Goodman Foundation has partnered with The Fred Hollows Foundation in China for a targeted project to restore sight and change the lives of over 85,000 people in Xingtang County, Hebei Province. Working alongside the Xingtang County Health Bureau, our partnership with The Fred Hollows Foundation will focus on 350 townships and villages to provide support eye care services, through awareness raising, screening, referral and treatment.

MAKING A DIFFERENCE WITH SOS CHILDREN'S VILLAGES IN POLAND

SOS Children's Villages in Krasnik is home to 70 orphaned or abandoned children. These children need daily transportation to school, to attend after-school activities and some even need to travel long distances for medical services. To meet the village's need for additional and safe transport, Goodman has funded the purchase of a brand new 9-seater mini-van.

FARESHARE KITCHEN GARDEN TAKES OFF AT MOORABBIN!

The Goodman Foundation, in conjunction with Moorabbin Airport Corporation (MAC), has been working to build a kitchen garden for food rescue charity, FareShare. MAC has donated 3,000 sqm of land, to build an enormous vegetable garden with the generous help of our suppliers. The garden is expected to provide over seven tonnes of fresh produce each year and contributes to FareShare's preparation of over 25,000 meals every week for people in need.

SECURITYHOLDER INFORMATION

UPCOMING KEY DATES

24 June 2016	Announcement of estimated full year distribution
29 June 2016	Ex-distribution date
30 June 2016	Record date for the full year distribution
11 August 2016	Announcement of full year results
26 August 2016	Distribution payment date
17 November 2016	Annual General Meeting

Note: Future dates may be subject to change.

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