GOODMAN GROUP

Q1 FY2018 QUARTERLY OPERATIONAL UPDATE

9 November 2017

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- This Presentation uses operating profit and operating EPS to present a clear view of the underlying profit from operations. Operating profit comprises profit attributable to Securityholders adjusted for profit on disposal of investment properties, net property valuations gains, non-property impairment losses, net gains/losses from the fair value movements on derivative financial instruments and unrealised fair value and foreign exchange movements on interest bearing liabilities and other non-cash adjustments or non-recurring items e.g. the share based payments expense associated with Goodman's Long Term Incentive Plan (LTIP). The calculation of fair value requires estimates and assumptions which are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable in the circumstances.

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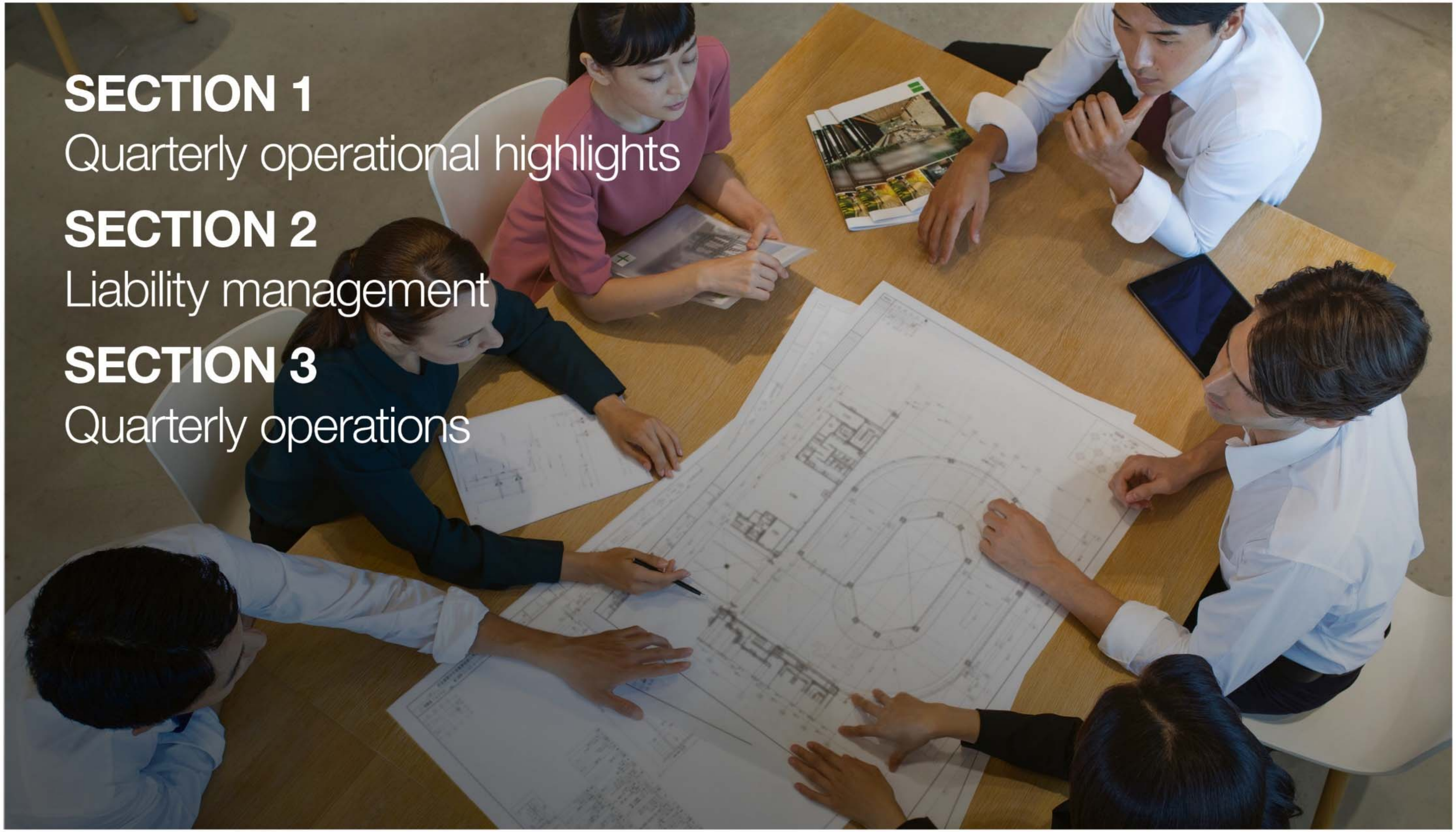


SECTION 1 - QUARTERLY OPERATIONAL HIGHLIGHTS

Goodman Logistics Center Fontana, California, USA

QUARTERLY OPERATIONAL HIGHLIGHTS

- **Key highlights for the three months to 30 September 2017 include**
  - $1.25 billion of asset sales executed as part of portfolio repositioning
  - $3.5 billion of development work in progress maintained with $0.5 billion of commencements
  - $33.9 billion total assets under management located in core markets
- **Continued disciplined execution of Group strategy to invest and develop in quality locations in major urban centres that is reflected in**
  - 98% occupancy levels across the Group and Partnerships
  - Positive rental reversions of 3.2%
  - 0.9 million sqm leased in the quarter, which equates to $116 million of property income across the global platform
- **Partnerships undertaking majority of WIP**
  - 77% of developments completed within Partnerships
  - Supports Partnership out-performance over the long term
  - Lower capital employed for the Group and higher return on assets (ROA)
  - Enhances diversification and risk management
- **Strong performance of Partnerships to support ongoing performance fees**
  - Transition to net investment via developments in core markets, will support growing management and investment revenues

QUARTERLY OPERATIONAL HIGHLIGHTS

- **Asset rotation and focus on gateway markets almost complete with a further $1.25 billion of asset sales in the quarter in line with guidance**
  - ABPP sale completed during the quarter for ~$800 million
  - China and Australia portfolios transacted post quarter end
  - Majority of remaining assets to be sold are from the European portfolio
- **Group's credit strongly endorsed through successful completion of bond tender and new issue**
  - US$850 million of 10.5 and 20 year, €500 million 8 year; 144A / RegS bond markets
  - 11.6 year weighted average expiry on new issuances
  - Group average weighted debt expiry increasing from 3.6 to 7.1 years
  - Lower funding costs following the repurchase of PLUS, part repurchase of US and UK denominated bonds and improved Group credit margin
- **Forecast to deliver FY 2018 operating earnings per security of 45.7[1] cents, up 6% on FY2017**

1. Operating EPS comprises profit attributable to Securityholders adjusted for property valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items

SNAPSHOT

KEY FACTS Q1 FY2018

OWN

TOTAL ASSETS UNDER MANAGEMENT	SQUARE METERS LEASED	OCCUPANCY
$33.9bn	0.9m	98%

DEVELOP

DEVELOPMENT WORK IN PROGRESS	DEVELOPMENT COMMENCEMENTS	DEVELOPMENT COMPLETIONS
$3.5bn	$0.5bn	$0.5bn

MANAGE

EXTERNAL ASSETS UNDER MANAGEMENT	ASSETS DISPOSED	DEVELOPMENT WITHIN PARTNERSHIPS
$30.2bn	$1.25bn	77%

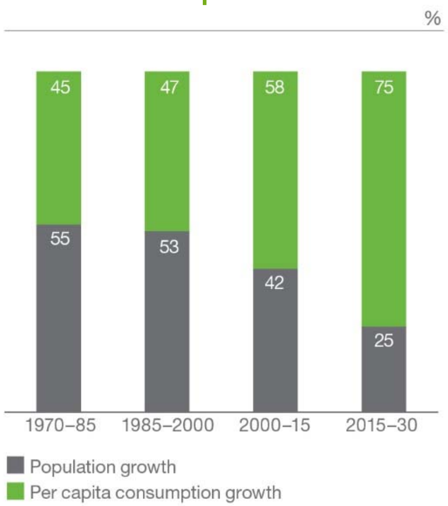
MACRO ENVIRONMENT FAVOURS LOGISTICS REAL ESTATE

- Macro structural factors continue to positively impact demand for logistics real estate
  - Growing consumer demand in urban centres as consumption per capita increases significantly[1]
  - Disruption from rapid changes in technology, rise of e-commerce and support of omni-channel distribution

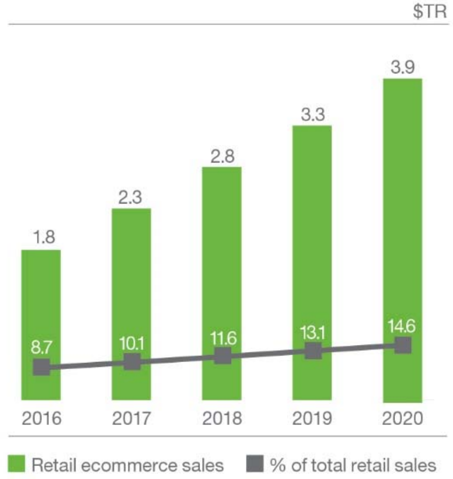
- E-commerce market participants are disrupting traditional retail – access to industrial real estate is a key differentiator for this industry
  - Consumers continue to drive worldwide retail spending, with expectations of 20% growth to US$27 trillion by 2020[2].
  - E-commerce sales are expected to grow at three times the rate of traditional sales, increasing by more than 60% in the next three years[2] to reach US$3.9 trillion by 2020[2]
  - Traditional retail is increasingly adapting to include e-commerce and associated logistics requirements
  - Strategically located industrial real estate in close proximity to consumers is a key differentiator for capturing market share and to meet the growing demands and expectations for same day delivery

- The deliberate repositioning of our business has positioned the Group for this transition
  - Land in prime locations is very hard to replicate, driving higher rents
  - Modern warehouses must be capable of handling increased volumes and new technologies
  - The portfolio is now concentrated in consumer dominated urban centres

Global consumption[1]



Global retail e-commerce sales[2]



1. Source: Urban world: The Global Consumers to watch, McKinsey Global Institute April 2016
2. Source: eMarketer: Worldwide Retail and Ecommerce Sales: eMarketer's Estimates for 2016–2021

SECTION 2 - LIABILITY MANAGEMENT

Port Botany Industrial Estate, NSW, Australia

LIABILITY MANAGEMENT

- Over the past few years the Group has been implementing a robust capital management framework, which includes a revised Financial Risk Management (FRM) policy. This provides;
  - Stronger balance sheet which has been reflected in higher credit ratings
  - Enhanced flexibility through amended covenants
  - Diversified sources of funding that increases available options through the cycle
  - Long term debt sources to stabilise the funding base
- The Group has delivered consistent performance over a long period in order to gain significant credibility in the debt capital markets and with ratings agencies
  - Group Credit rating has increased one notch from S&P and Moody's to BBB+ and Baa1 respectively due to the amended FRM policy
- The Group has been actively reducing financial leverage in the business given its desire to run low gearing at this point in the property cycle
  - Group target gearing range reduced to 0% - 25% (from 25% - 35%) and reflective of existing practice
  - Gearing level will be determined with reference to mix of earnings and ratios consistent with credit rating
- Bond and bank amendments provide enhanced flexibility, to continue to pursue our strategies for divestment and re-deployment of capital in the current market
  - Key amendments included tightening the leverage covenants and completely removing the unencumbered real property assets covenant
- FRM policy changes provide operational and balance sheet flexibility whilst maintaining the ability to absorb changes in market conditions

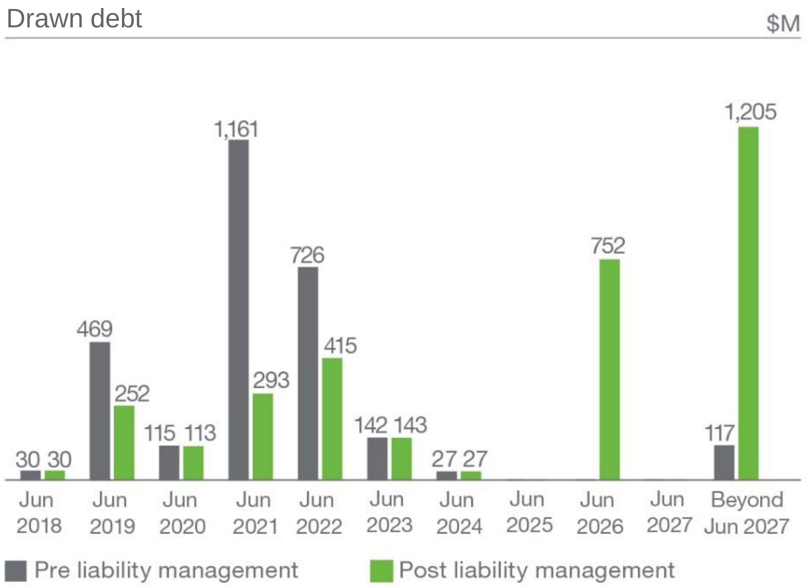
LIABILITY MANAGEMENT

Significant capital management exercise undertaken during the quarter

+ Extended debt maturity profile for the long term to ensure the Group has the ability to continue to operate efficiently and invest through the cycle mitigating volatility in capital markets
  - Repurchased shorter dated bonds and hybrids worth A$1.7bn and issued new Bonds in USD and EUR in the 144A / RegS market worth A$1.8bn, across 8, 10.5 and 20 year terms. Weighted average debt expiry of new bonds was 11.6 years
  - Replaces old bonds and PLUS hybrid notes that were issued in different market conditions
+ The capital management exercise has materially extended the Group's debt maturity profile and reduced overall cost of debt
  - Provides capacity to absorb short term dilution from the asset sales program and locked in certainty of funding for the long term
  - Structure provides natural currency hedging
+ As a result, weighted average debt maturity has increased from 3.6 years to 7.1 years and weighted average cost of debt decreased

LIABILITY MANAGEMENT

Debt Maturity Profile Pre / Post Liability Management



Transaction Summary

Type	Size	Maturity
New issue	EUR500m	2025
New issue	US525m	2028
New issue	US325m	2037
Repurchase	(US325m)	2020
Tender	(US325m)	2021
Tender	(GBP129m)	2018
Tender	(US220m)	2022

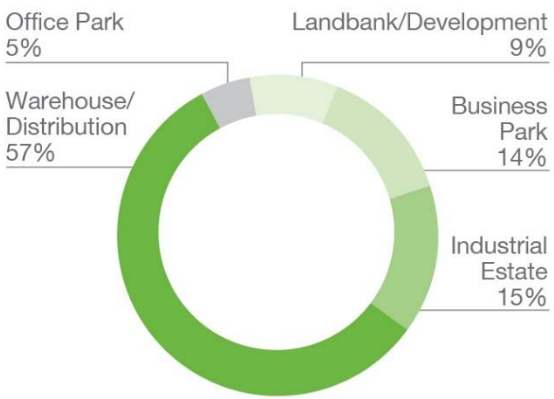
SECTION 3 - QUARTERLY OPERATIONS

Goodman Ichikawa, Tokyo, Japan

QUARTERLY OPERATIONS - OWN

+ Underlying property fundamentals in our global portfolio remain sound
  - Leased 0.9 million sqm across the platform over the period equating to $116 million of annual net property income
  - Maintained occupancy at 98%
  - Retention remains high at 78%
  - WALE of 4.8 years
  - Positive reversions of 3.2% per annum on new leasing deals
  - On track for strong like for like NPI growth
+ $1.25 billion of asset sales completed in the quarter (excluding urban renewal sites) across the Group and Partnerships
  - Assets located across Australia, China, Continental Europe and UK
  - Improving quality of the portfolio and income being generated
+ Demand and pricing for industrial assets remains strong
+ Continue to target sites / assets in infill locations or gateway cities

Total AUM by type



QUARTERLY OPERATIONS - LEASING[1]

Across the Group and Partnerships:

- 0.9 million sqm leased during the period
- Reversions of 3.2% on leasing transactions
- High occupancy across the portfolio, increased to 98%

Region	Leasing area (sqm)	Annual NPI ($M)	Average lease term (years)
Australia / New Zealand	299,619	41.4	4.6
Asia	311,221	49.6	3.1
UK / Continental Europe	313,233	24.9	2.9
Total	**924,073**	**115.9**	**3.6**

1. Leasing for stabilised properties only

QUARTERLY OPERATIONS - OWN

Costco, Goodman Commerce Centre, Eastvale, USA

Customer	Costco
Transaction Type	Ground lease
Lettable area	16.1 acres
Contracted owner	GNAP
Description	+ 158,000 sqft retail warehouse plus a 30 vehicle gas station + Will form part of the 205 acre mixed use development comprising logistics, business park and retail + Scheduled to open by the end of 2018

JD.com, Landport Logistics Estate, Tianjin, China

Customer	JD.com
Transaction Type	Lease
Lettable area	28,021 sqm
Contracted owner	GCLP
Description	+ Strategically located in Landport Logistics Park, a key logistics hub in northern Tianjin + Lease renewal across three units within the estate

Kuehne + Nagel, Tiel Logistics Centre, Netherlands

Customer	Keuhne + Nagel
Transaction Type	Lease
Lettable area	56,625 sqm
Contracted owner	GEP
Description	+ Located in Tiel, a prime well established logistics park 35km west of Nijmegen and 80km east of Rotterdam, 80km north of Eindhoven Airport + Good access to major infrastructure, amenities and the national road network

QUARTERLY OPERATIONS - DEVELOP

- Development WIP of $3.5 billion across 76 projects with a forecast yield on cost of 7.7%
- Development commencements of $0.5 billion with 55% pre-committed and 90% developed for Partnerships or third parties
- Development completions of $0.5 billion with 87% pre-committed and 66% developed for Partnerships or third parties
- Development workbook continues to be supported by
  - Growth in e-commerce and changing consumer spending
  - Customers seeking efficiencies in their supply chain networks
  - Structural undersupply
- North America increased contribution to developments with $203 million of commencements in the quarter

Development WIP

Work in progress as at 30 September 2017

QUARTERLY OPERATIONS - DEVELOP

Goodman

Q1 FY18 Developments	Completions	Commencements	Work in progress
Value ($m)	516	486	3,482
Area (m sqm)	501	300	2,214
Yield (%)	8.1	7.8	7.7
Pre-committed (%)	87	55	62
Weighted Average Lease Term (years)	11.6	8.5	9.5
Development for Third Parties or Partnerships (%)	66	90	77
Australia / New Zealand (%) of WIP	22	12	21
Asia (%) of WIP	18	17	27
Americas (%) of WIP	-	42	24
Europe (%) of WIP	60	29	28

Work in progress by region	On balance sheet end value $m	Partnerships end value $m	Total end value $m	Partnerships % of total	Pre committed % of total
Australia / New Zealand	54	687	741	93	71
Asia	119	818	937	87	28
Americas	-	822	822	100	69
Europe	622	360	982	37	83
Total	**795**	**2,687**	**3,482**	**77**	**62**

QUARTERLY OPERATIONS - DEVELOP

Cdiscount, Saint Marde, France

Lettable area	24,000 sqm
Contracted owner	GEP
Location	Saint Marde, France
Customer	Cdiscount
Description	+ 24,000 sqm expansion space adjacent to an existing 90,000sqm facility that completed in October 2015 + The site is located 30km North of Paris and is only 10km from Charles-de-Gaulle airport + Completion expected early 2018

syncreon Technology, Carlise, Central PA, USA

Lettable area	93,634 sqm
Contracted owner	GNAP
Location	Carlisle, Central Pennsylvania
Customer	syncreon Technology (3PL)
Description	+ 7 year pre-commit to building 1 at Goodman Logistics Centre, Carlisle + Provides direct access to Interstate 81, one of the major transportation networks servicing the Greater Northeast + syncreon will utilise the building for the distribution and storage of various technology devices + Completion expected early 2018

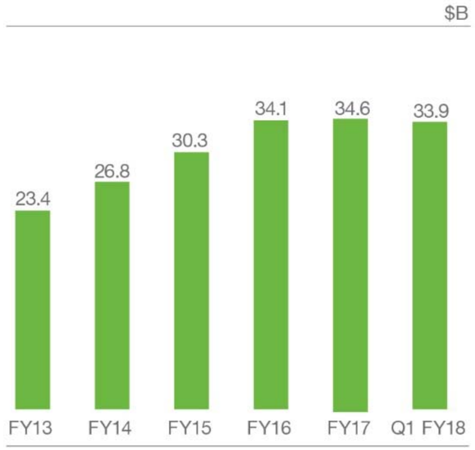
Chinese 3PL, Goodman Boluo Logistics Park, China

Lettable area	86,818 sqm
Contracted owner	GCLP
Location	Boluo, Huizhou
Customer	Chinese 3PL
Description	+ Phase 1 is a 51,404sqm facility 100% leased to e-commerce related customers + Commencement of phase 2 with a 86,818sqm warehouse + Pre-commit secured to a Chinese 3PL, for 17,152sqm over 5 years + Completion expected November 2018

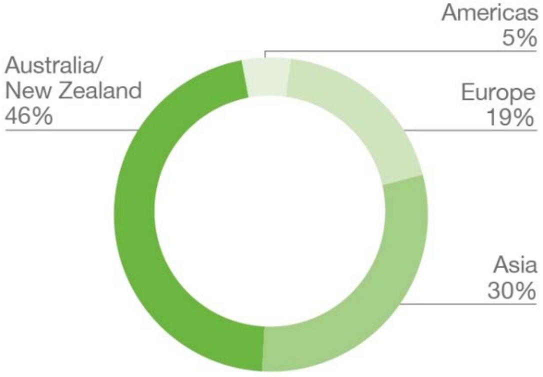
QUARTERLY OPERATIONS - MANAGE

+ External AUM of $30.2 billion
  – Development work book and revaluations offsetting asset sale
+ Completion of sale of ABPP
+ Dilutionary effect from asset sales expected to moderate as targeted program reaches completion and the Partnerships move to net investment
  – Income growth and strength in asset pricing expected to lead to performance fees in future periods
  – Lower interests costs will mitigate some dilution
+ Brazil Partnership in advanced documentation
  – Develop to hold strategy with a ~$1 billion equity commitment

Total AUM



Total AUM by geography



MANAGEMENT PLATFORM[1]

	GAIP	GHKLP	GEP	GAP	GCLP	GMT	GJCP	GNAP	GUKP
Total assets	$6.9bn	$4.7bn	$4.6bn	$3.6bn	$3.0bn	$2.4bn	$2.1bn	$1.3bn	$0.3bn[2]
GMG co-investment	27.9%	20.0%	20.4%	19.9%	20.0%	21.1%	17.3%	55.0%	33.3%
GMG co-investment	$1.3bn	$0.7bn	$0.5bn	$0.6bn	$0.5bn	$0.3bn	$0.2bn	$0.7bn	$0.1bn
Number of properties	95	12	117	36	33	13	12	7	2
Occupancy	97%	99%	98%	98%	99%	98%	100%	100%	100%
Weighted average lease expiry[3]	5.0 years	2.8 years	5.2 years	4.5 years	3.5 years	5.8 years	3.4 years	5.4 years	7.6 years

1. As at 30 September 2017
2. Built out end value A$
3. WALE of leased portfolio to next break as at 30 September 2017


Goodman
THANK YOU