



Announcement to Singapore Exchange

23 May 2017

**GBP250,000,000 9.75 PER CENT. NOTES DUE JULY 2018 (THE “NOTES”) ISSUED
PURSUANT TO THE USD 5 BILLION EURO MEDIUM TERM NOTE PROGRAMME (THE
“PROGRAMME”)**

**GOODMAN ANNOUNCES CHANGES TO ITS CAPITAL MANAGEMENT STRUCTURE AND
CONFIRMS RATING UPGRADES**

We attach an announcement made by Goodman Group as released to the Australian Securities Exchange.

Yours sincerely,

For Goodman Australia Finance Pty Limited

Carl Bicego
Company Secretary

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Goodman announces changes to its capital management structure and confirms rating upgrades

Date 23 May 2017

Release IMMEDIATE

Goodman Group (Goodman or Group) today announced a number of changes to its capital management structure and confirmed rating upgrades.

Key capital management highlights include:

- Improved credit rating from both S&P BBB+ and Moody's Baa1
- Lower gearing target confirmed, now 0-25% (from 25-35%)
- Certain US 144A bonds and banking covenants to be amended

As the exchange offer and consent solicitation for US\$1 billion of its US 144A bonds that mature in 2021 and 2022 has reached majority acceptance and certain US 144A bond and bank covenants have met the requirements to be amended, Goodman has formally reduced its gearing targets in its Financial Risk Management Policy (FRM) from 25-35% to 0-25%. This change brings the FRM in line with the Group's current operating practice.

Goodman Group's Chief Executive Officer Greg Goodman said: "As part of the Group's capital management strategy, Goodman has been focussed on reducing our financial leverage in the business to counterbalance our active earnings. These changes provide the Group with greater operational and balance sheet flexibility for the long term."

Key changes to the US 144A bond and bank covenants included tightening the leverage covenant by 5% and removing the unencumbered real property assets test.

As a result of its gearing policy changes, both S&P and Moody's have confirmed upgrades to Goodman's credit rating from BBB to BBB+ (S&P) and Baa2 to Baa1 (Moody's).

The level of the Group's gearing will be determined with reference to the mix of earnings and credit ratios consistent with the rating of the Group. There are no changes to the Forecast FY2017 Operating Earnings of the Group.

- Ends -

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About Goodman

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

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



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