



Announcement to Singapore Exchange

12 February 2015

**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’)**

**ANNOUNCEMENT OF GOODMAN GROUP RESULTS FOR THE HALF YEAR ENDED 31
DECEMBER 2014 – PART 2**

We attach the Goodman Group Results Investor Presentation.

Yours sincerely,

For Goodman Australia Finance Pty Limited

Carl Bicego
Company Secretary

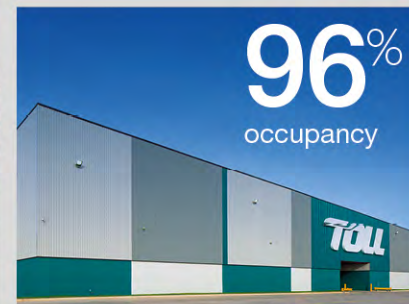
Results for the half year ended 31 December 2014

12 February 2015



2015

A positive year



96%
occupancy

\$29bn

Assets under management



Goodman Group

\$327m

operating profit

18.7¢

operating EPS

11.1¢

distributions per security

\$2.9bn

Development work in progress across
69 projects in 12 countries



Important notice and disclaimer

- + This document has been prepared by Goodman Group (Goodman Limited (ABN 69 000 123 071), Goodman Funds Management Limited (ABN 48 067 796 641; AFSL Number 223621) as the Responsible Entity for Goodman Industrial Trust (ARSN 091 213 839) and Goodman Logistics (HK) Limited (Company Number 1700359; ARBN 155911142 – A Hong Kong company with limited liability)). 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 the Goodman Group Financial Report for the half year ended 31 December 2014 and 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.
- + 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 property valuations resulting from fair value adjustments (refer Note 6 of the Financial Statements), derivative and foreign currency mark to market and other non-cash or non-recurring items. It is used consistently and without bias year on year for comparability. A reconciliation to statutory profit is provided in summary on page 10 of this Presentation and in detail on page 4 of the Directors' Report as announced on ASX and available from the Investor Centre at www.goodman.com.
- + This document 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. Neither the Group, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking-statements in this document will actually occur.
- + This document does not constitute an offer, invitation, solicitation, recommendation, advice or recommendation with respect to the issue, purchase, or sale of any stapled securities or other financial products in the Group.
- + This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "US person" (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act) (US Person)). Securities may not be offered or sold in the United States or to US Persons absent registration or an exemption from registration. The stapled securities of Goodman Group have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States.

Contents



- + Section 1 Highlights
- + Section 2 Results overview
- + Section 3 Operational performance
- + Section 4 Outlook and summary
- + Appendices - Results analysis
 - Investment
 - Development
 - Management
 - Capital management

Section 1+ Highlights



Highlights



+ Maintaining focused strategy delivering above expectation performance

- Operating profit¹ of \$327 million, up 10% on 1H FY14
- Statutory profit of \$513 million (1H FY14 \$160 million)
- Operating EPS¹ of 18.7 cents², up 9% on 1H FY14
- Distribution per security of 11.1 cents, up 7% on 1H FY14

+ Asset recycling continues to be a key feature across all markets

- Disposed of \$1.1 billion (1H FY14 \$0.7 billion) of investment properties across the Group and managed funds in the half
- Growth in asset valuations providing ongoing opportunities to rotate assets and recycle capital into development activities driving higher returns for investors
- Temporarily lowering income growth from funds but providing finance for developments and cornerstone funding

+ Robust real estate fundamentals

- Occupancy maintained at 96% across the Group and managed funds
- Development work in progress has increased to \$2.9 billion across 69 projects in 12 countries generating an 8.7% yield on cost
- Growth in asset valuations reflected in 20 bps compression in the Group's weighted average cap rate to 7.3%
- \$286 million of asset revaluations in the half, urban renewal contributing over 50%
- At this point in the cycle, favourable market conditions are driving average managed funds total returns of 15%

1. Operating profit and operating EPS comprises profit attributable to security holders adjusted for property valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items
2. Calculated based on weighted average diluted securities of 1,749.2 million which includes 9.5 million LTIP securities which have achieved the required performance hurdles and will vest in September 2015 and September 2016

Highlights



+ Capital partners continue to support sector specialist model

- Assets under management have grown to \$29.4 billion on the back of development completions and growth in asset pricing
- \$1.5 billion of third party equity commitments raised in the 1H FY15
- Disciplined approach to capital deployment including developments in under supplied markets

+ Urban renewal projects

- \$500 million of sites now conditionally contracted
- Upside for the period arising from zoning changes and comparable sales, reflected in asset revaluations and expected to be a recurring theme
- Proceeds from sale of urban renewal projects provide long term funding for the Group and managed funds
- Pipeline of identified urban renewal sites remains in excess of 35,000 apartments

+ Operationally benefitting from global operating platform

- Foundation laid for future contribution from the US platform through the rollout of its \$1.8 billion development pipeline
- Disciplined and targeted approach to the Brazilian market resulting in 275,000 sqm of active developments
- Benefiting from improving business activity in New Zealand and United Kingdom
- Targeted China and Japan approach in terms of location and delivering sustainable returns
- Australian and European markets benefiting from the size and scale of operations
- Brand is recognised as a global leader

+ Forecast second half operating profit expected to be in line with first half, resulting in

- Forecast operating EPS of 37.2 cents, up 7% on FY14 and ahead of guidance
- Forecast distribution of 22.2 cents up 7% on FY14

Highlights



Own	+ High occupancy maintained at 96% + Retention rate of 75% and WALE of 4.8 years + Like for like rental growth at 2.6% and positive lease reversions of 3.4% on new leasing deals + Leased 1.7 million sqm across the global platform equating to \$179 million of property income across the Group and managed funds
Develop	+ WIP at \$2.9 billion across 69 projects in 12 countries with a forecast yield on cost of 8.7% + Development commitments of \$1.4 billion with 68% pre-committed and 60% pre-sold to funds or third parties + Development completions of \$1.3 billion with 85% pre-committed and 90% pre-sold to funds or third parties + Development capital increasing in line with increased EBIT contribution from the development business + Urban renewal projects being realised with benefit flowing through asset revaluations + Disciplined risk management practices applied to development activities, low gearing, capital recycling, capital partnering and constant monitoring of supply and demand
Manage	+ Total assets under management of \$29.4 billion, external assets under management increased to \$24.6 billion + Raised \$1.5 billion of new third party equity primarily for North America, China and Japan + Continued focus on asset recycling: disposed \$1.1 billion of property assets across the Group and managed funds + \$6.4 billion¹ in undrawn debt and equity providing opportunities for funds to participate in growth opportunities from the Group and broader market
Corporate	+ Grew operating profit by 10% and maintained gearing at 20.2%² (32.7% look through) + ICR 5.9 times (4.1 times look through) + Procured debt facilities of \$2.2 billion with an average term of 5.0 years across Group and managed funds securing current market rates + Distribution reinvestment remained active over the period raising \$45 million

1.

Fund investments are subject to Investment Committee approval

2.

Calculated as total interest bearing liabilities over total assets, both net of cash and fair values of cross currency swaps used to hedge foreign liabilities denominated in currencies other than those to which the proceeds are applied equating to \$121.6 million – refer to Note 8 of the Financial Statements

Section 2+

Results overview



Results overview



- + Operating results ahead of expectations and full year forecast:
 - 1H FY15 operating earnings 50% of revised FY15 forecast
 - Development business and sound property fundamentals driving overall outperformance
 - Benefiting from global platform with offshore earnings contributing 54% of operating EBIT
- + Investment EBIT contributing 51% of earnings, 49% Development and Management:
 - 57% Investment and 43% Development and Management on a look through basis
 - In response to earnings mix, maintaining low gearing and high liquidity
- + Statutory result impacted by \$286 million of unrealised property valuation gains including \$170 million on urban renewal sites where positive planning outcomes have been achieved
- + Net tangible assets increased 9% to \$3.15

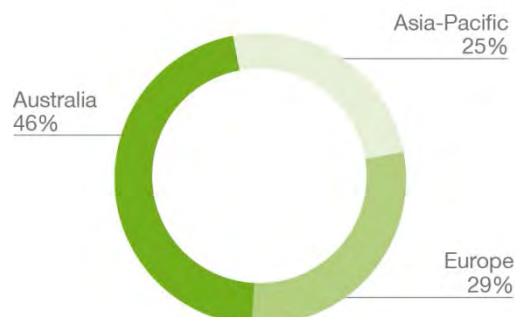
1H FY15	
Operating profit (\$m)	327.1
Statutory accounting profit (\$m)	512.7
Operating EPS (cents) ¹	18.7
Distribution per security (cents)	11.1

As at 31 Dec 2014	
NTA (\$)	3.15
Gearing (balance sheet) ² (%)	20.2
Available liquidity (\$b)	1.5
WACR (look through) (%)	7.3

Operating EBIT



Operating EBIT by geographic segment



1. Operating profit and operating EPS comprises profit attributable to security holders adjusted for property valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items and calculated based on weighted average securities of 1,749.2 million which includes 9.5 million LTIP securities which have achieved the required performance hurdles and will vest in September 2015 and September 2016
2. Calculated as total interest bearing liabilities over total assets, both net of cash and fair values of cross currency swaps used to hedge foreign liabilities denominated in currencies other than those to which the proceeds are applied equating to \$121.6 million – refer to Note 8 of the Financial Statements

Profit and loss



- + Half year operating profit of \$327 million:
 - Investment income in line with balance sheet initiatives with ROA > 7% maintained
 - Increasing asset values growing management earnings
 - Development volumes continue to increase, driving increased EBIT and average ROA circa 11%
 - Active earnings now contributing 49% of EBIT and offshore earnings contributing 54% of EBIT
 - Average exchange rates constant with the prior period resulting in minimal currency impact on operating profit
 - Statutory profit of \$513 million includes property valuations, derivative mark-to-markets and other non-cash or non-recurring items
 - Cap rate compression and revaluations from higher and better use projects contributing \$286 million in property revaluations
- + Operating EPS of 18.7 cents per security, up 9% on 1H FY14
- + DPS of 11.1 cents per security, up 7% on 1H FY14

Income statement

	1H FY14 \$M	1H FY15 \$M
Investment (look through) ¹	244.4	248.8
Management	57.5	59.7
Development	102.3	127.3
Unallocated operating expenses	(24.6)	(25.5)
Operating EBITDA (look through)¹	379.6	410.3
Operating EBIT (look through)¹	376.2	407.1
Look through interest and tax adjustment ¹	(57.8)	(53.4)
Operating EBIT	318.4	353.7
Net borrowing costs	(6.6)	(6.5)
Tax expense	(5.0)	(9.2)
Operating profit (pre minorities)	306.8	338.0
Minorities ²	(10.8)	(10.9)
Operating profit (post minorities)	296.0	327.1
Weighted average securities (million) ³	1,725.0	1,749.2
Operating EPS (cps)	17.2	18.7
Non operating items⁴		
Property valuations	98.9	286.0
Derivative and foreign currency mark to market	(219.3)	(76.4)
Other non-cash or non-recurring items	(15.2)	(24.0)
Statutory profit	160.4	512.7

1. Reflects adjustment to GMG proportionate share of managed funds' interest and tax
2. Includes Goodman PLUS Trust hybrid securities
3. Includes 9.5 million LTIP securities which have achieved the required performance hurdles and will vest in September 2015 and September 2016
4. Refer Appendix 1 slide 24

Balance sheet



- + Strong balance sheet maintained:
 - 60% payout ratio of operating profit and DRP ensure the Group is sustainably funded for the long term
 - Realisation of urban renewal sites provide further long term funding
- + Stabilised investment properties and cornerstones increasing from cap rate compression and revaluation of higher and better use sites
- + Development holdings increasing on the back of increased activity in North America and Brazil
- + Lower closing AUD rates contributing to:
 - Statutory unrealised foreign exchange and derivative loss of \$76.4 million offset by movement in balance sheet and foreign currency translation reserve gain of \$167.0 million
 - Increasing gearing to 20.2%
 - Increase in NTA of 9% to \$3.15
- + \$1.5 billion of liquidity fully covering maturities to December 2018
- + Resulting in the following key metrics
 - Gearing of 20.2%³ (32.7% look through)

Balance sheet

	30 June 2014 \$M	31 Dec 2014 \$M
Stabilised investment properties	2,191	2,349
Fund cornerstones ¹	3,434	3,778
Development holdings	2,203	2,453
Intangibles	933	967
Cash	360	480
Other assets	283	375
Total assets	9,404	10,402
Interest bearing liabilities	(2,160)	(2,583)
Other liabilities	(1,013)	(1,035)
Total liabilities	(3,173)	(3,618)
Minorities	(326)	(326)
Net assets (post minorities)	5,905	6,458
Net asset value (\$)	3.42	3.70
Net tangible assets (\$)²	2.88	3.15
Balance sheet gearing ³ (%)	19.5	20.2

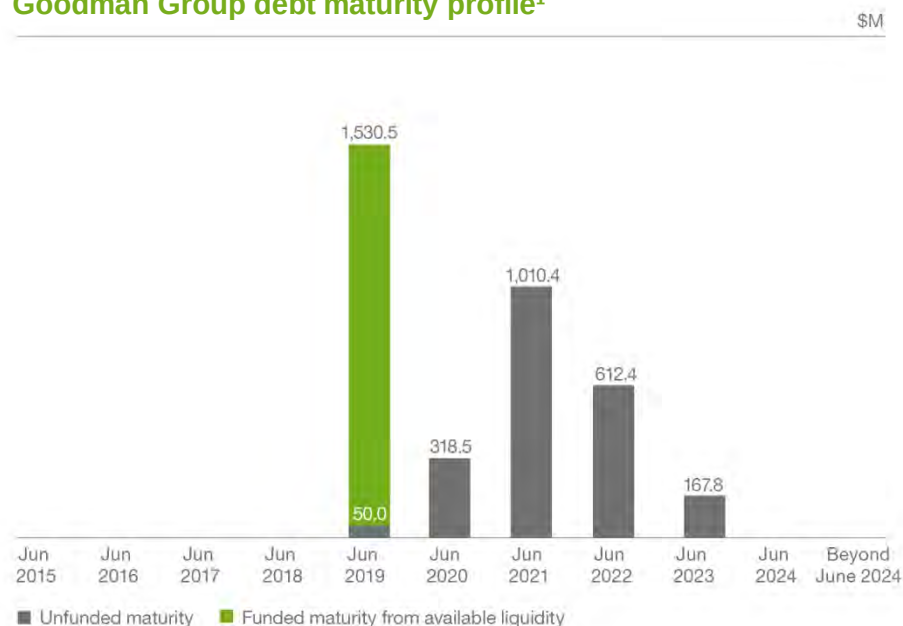
1. Includes Goodman's investments in its managed funds and other investments
2. Based on 1,745.5 million securities on issue
3. Gearing calculated as total interest bearing liabilities over total assets, both net of cash and fair values of cross currency swaps used to hedge foreign liabilities denominated in currencies other than those to which the proceeds are applied equating to \$121.6 million - refer to Note 8 of the Financial Statements

Group liquidity position



- + Capital structure and hedge strategies have enabled the Group to withstand foreign currency volatility
- + Goodman Group has cash and available lines of credit of \$1,531 million at 31 December 2014:
 - \$480 million cash
 - \$1,051 million available lines
- + Significant covenant headroom maintained
- + Average debt maturity profile of 5.2 years
- + ICR at 5.9 times (4.1 times look through)
- + Debt markets remain open to the Group and managed funds:
 - \$0.6 billion through debt capital markets with an average expiry of 6.9 years
 - \$1.6 billion of bank facilities with an average expiry of 4.3 years
- + Continued favourable outlook by credit agencies
 - GELF's credit rating upgraded to Baa2 by Moody's

Goodman Group debt maturity profile¹



1. Includes total available credit facilities



Section 3+

Operational performance



Investment



- + Property fundamentals remain robust reflecting quality of the portfolio and customers:
 - Maintained occupancy at 96%
 - Retention remains high at 75%
 - WALE of 4.8 years
 - Like for like rental growth of 2.6%
- + Direct investments and cornerstone investments impacted by asset recycling initiatives
 - \$1.1 billion of asset disposals across the Group and managed funds
- + Asset recycling initiatives used to fund growth opportunities
- + Further asset recycling initiatives contracted or under due diligence include
 - Urban renewal projects totalling \$500 million
 - Further asset sales in Europe, Australia and UK
- + Overall return on direct assets and cornerstones maintained above 7% despite increasing asset values

Investment (\$m)	1H FY14	1H FY15
Direct	77.2	74.7
Cornerstones	167.2	174.1
Look through EBITDA	244.4	248.8

Key metrics ¹	1H FY14	1H FY15
WACR (%)	7.8	7.3
WALE (yrs)	4.9	4.8
Customer retention (%)	77	75
Occupancy (%)	96	96

1. Key metrics shown in the above table relate to Goodman and managed fund properties

Development



- + Development WIP at \$2.9 billion
 - Contribution from America's at 19% of WIP
- + Structural changes remain a key driver of development volumes
 - Improved business activity in UK and NZ will contribute to higher development volumes in 2H FY15
- + Increasing development risk profile paying dividends
 - EBIT up 24% compared with the same period last year
 - Development revenue from WIP increasing to 11%
- + Overall development risk being mitigated through:
 - Speculative developments undertaken in supply constrained markets which are proven logistic locations
 - Speculative projects have higher embedded margins
 - Capital partnering approach in our larger markets of the US, Brazil, Japan and China
 - 90% of completions sold to third parties or funds
- + Enquiry levels remain strong over speculative developments
 - Goodman Mizue, Tokyo, Japan, 100% leased prior to completion (59,000 sqm)
 - Goodman Citylink, Langfang, China, 100% leased prior to completion (100,000 sqm)
- + Appropriate allowances in development feasibilities to cover reasonable letting up periods

Development (\$M)	1H FY14	1H FY15
Revenue	132.8	157.8
EBITDA	102.3	127.3

Key metrics	1H FY14	1H FY15
Work in progress (\$bn)	2.6	2.9
Work in progress (million sqm)	1.9	2.4
Number of developments	63	69
Development for third parties or funds (%)	88	76
Pre-commitment (%)	71	61
Yield (%)	8.4	8.7

Work in progress (end value)	\$B
Opening (June 2014)	2.6
Completions	(1.3)
Commitments	1.4
FX	0.2
Closing (December 2014)	2.9

Management



- + Average managed fund total returns of 15%
- + External assets under management of \$24.6 billion increased 10% on 30 June 2014
- + Development completions organically growing assets under management
- + Raised \$1.5 billion in new third party equity
- + Active asset management focusing on the following:
 - Development led approach to accessing investment properties
 - Asset recycling for reinvestment into high growth opportunities
 - Improved net property income prospects by focusing on A-grade locations in land constrained markets
 - Improving overall property portfolio quality and performance
- + Opportunities for funds to participate in growth opportunities
 - \$1.2 billion in undrawn debt facilities
 - \$5.2 billion in undrawn equity¹

Management (\$M)	1H FY14	1H FY15
Management income ²	97.6	105.0
EBITDA	57.5	59.7

Key metrics	1H FY14	1H FY15
Number of managed vehicles	15	15
External AUM (end of period \$B)	21.6	24.6

1. Fund investments are subject to Investment Committee approval
 2. Includes gross up of property outgoings of \$8.7million (1H FY14: \$8.6 million)

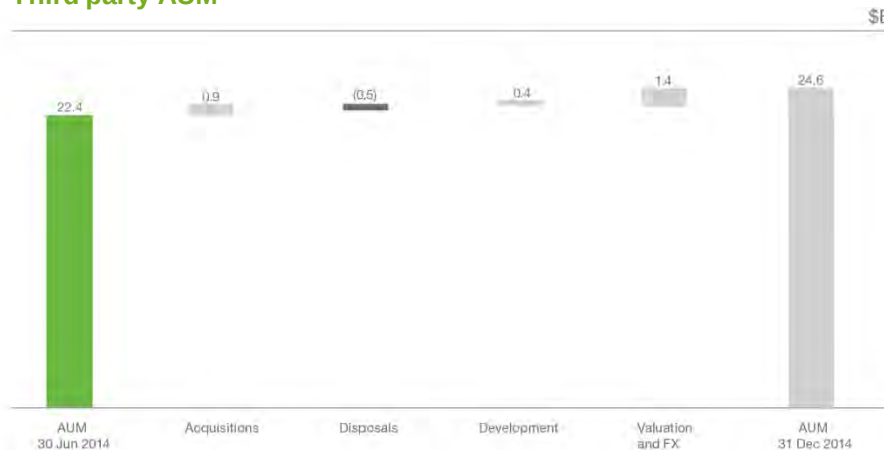
Management – AUM



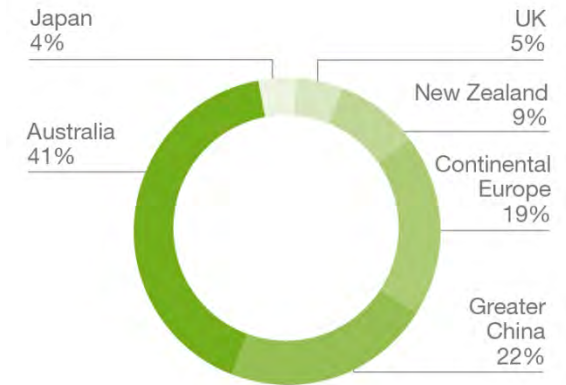
+ Major achievements during the half year include:

- CPPIB increased equity commitment to GNAP by US\$500 million
- Commitment of a further US\$500 million for GCLH taking total equity for that fund to US\$2.0 billion
- ¥23 billion equity raised by GJCF for new acquisitions
- Established a NZ\$500 million strategic partnership in New Zealand with GIC, investing in the Viaduct Harbour precinct of Auckland, subject to regulatory approval
- Managed funds continue to pursue alternate sources of debt funding to extend maturities and provide flexibility
- GELF successfully priced its second 7 year €400 million Eurobond issue at an annual coupon of 1.75%
- GELF's credit rating upgraded to Baa2 by Moody's

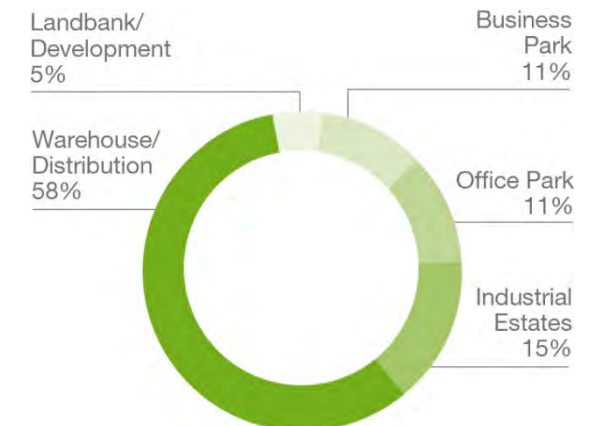
Third party AUM



Third party AUM by region



Third party AUM by type



Management platform



	GAIF	GTA	GELF	GHKLF	GMT ¹	GCLH	ABBP	EPF	GJCF ²
									
Total assets	\$6.0bn	\$3.6bn	\$3.6bn	\$3.5bn	\$2.1bn	\$1.7bn	\$1.2bn	\$1.2bn	\$1.1bn ³
GMG co-investment	27.5%	19.9%	20.4%	20.0%	17.8% ³	20.0%	43.1%	37.4%	22.8%
GMG co-investment	\$1.0bn	\$0.4bn	\$0.4bn	\$0.5bn	\$0.2bn ³	\$0.3bn	\$0.3bn	\$0.3bn	\$0.1bn
Number of properties	116	60	109	14	17 ³	22	9	19	12 ³
Occupancy	96%	96%	98%	99%	97%	92%	93%	100%	100%
Weighted average lease expiry ⁵	5.8 years	4.2 years	5.0 years ⁴	2.7 years	5.5 years	3.6 years	4.8 years	7.1 years	3.1 years
WACR	7.6%	7.3%	7.2%	6.0%	7.9%	8.5%	7.4%	7.1%	5.2%
Gearing ⁶	37.4%	34.9%	36.3%	23.5%	36.5%	9.4%	25.4%	39.7%	33.5%
Weighted average debt expiry	4.8 years	3.7 years	4.9 years	6.0 years	3.5 years	2.1 years	2.5 years	3.8 years	3.7 years

1. As at 30 September 2014 (as disclosed to the New Zealand stock exchange on 12 November 2014)
2. As at 30 November 2014
3. As at 31 December 2014
4. Includes current developments
5. WALE of leased portfolio to next break as at 31 December 2014
6. Gearing calculated as total interest bearing liabilities over total assets, both net of cash, GCLH is excluding net of cash

Section 4+

Outlook and summary



Strategy and outlook



Strategy

- + Australian listed, leading global industrial property operator and fund manager
- + Rotating assets to fund development opportunities which in turn is improving property portfolio quality and performance
- + Globally diversified operating platform across key logistics markets managed by a highly skilled entrepreneurial team of people
- + Customer service focus and asset management capabilities are key to business model
- + Delivering significant benefit from global platform and differing timing of economic cycles
- + Demand for core, high quality, stable yielding industrial real estate remains strong from capital partners, with Goodman's development capabilities a key differentiator
- + Structural change continuing to drive development demand along with the need for customers to realise operating efficiencies
- + Focus on cost containment ensuring overheads remain in line with growth outlook - efficiencies key driver
- + Cross selling of customers, capital partners and business processes across global platform

Capital management

- + Low gearing providing appropriate risk adjusted returns and growth outlook
- + Controlled and managed approach to development work book. Developments undertaken in proven locations, adopting a capital partner approach with appropriate embedded margins
- + Maintain gearing below 25% providing financial flexibility and funding of long term growth opportunities

Outlook

- + Increasing development earnings on the back of a growing work book, and growing contribution from the Americas
- + Asset recycling to be maintained around \$2 billion annually, given continued demand of real estate assets, providing long term funding of growth
- + Fund total returns to remain strong for our investors
- + Urban renewal to incrementally drive long term value and funding for the Group
- + Positioned to deliver FY2015 forecast operating EPS of 37.2 cents (up 7% on FY2014) and a forecast distribution of 22.2 cents (up 7% on FY2014)