



Announcement to Singapore Exchange

13 August 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 FULL YEAR ENDED 30
JUNE 2015 – PART 2**

We attach the Goodman Group Results Investor Presentation.

Yours sincerely,

For Goodman Australia Finance Pty Limited

Carl Bicego
Company Secretary

Goodman Group

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Goodman Funds Management Limited | ABN 48 067 796 641 | AFSL Number 223621
as responsible entity of Goodman Industrial Trust | ARSN 091213 839

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Goodman Group

Results for the year ended 30 June 2015

13 August 2015



\$30.3bn
assets under management



Goodman Group

\$653m
operating profit

37.2¢
operating eps

22.2¢
distributions per security

1,101
dedicated people



\$3.1bn
development work in
progress across 76
projects in 11 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 year ended 30 June 2015 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 4 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 6 of the Directors' Report as announced on ASX and available from the Investor Centre at www.goodman.com.
- + 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
- + 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.
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Section 1+ Highlights



Highlights



+ **Focused strategy driving consistent and sustainable growth**

- Operating profit¹ of \$653 million, up 9% on FY2014
- Operating EPS¹ of 37.2 cents², up 7.1% on FY2014
- Distribution per security of 22.2 cents, up 7% on FY2014
- FY2016 forecast operating EPS of 39.4 cents, up 6% on FY2015
- Statutory accounting profit of \$1,208 million contributing to 20% growth in net tangible assets

+ **Asset rotation a key strategy to ensure long term self funding**

- Significant available capital looking for yield
- Asset sales program driving higher long term returns for capital partners through reinvestment into the development pipeline
- Disposed of \$1.9 billion (excluding urban renewal) of properties across the Group and managed partnerships to third parties
- Strength in asset pricing and increased development activity driving overall growth in assets under management

+ **Quality is at the forefront of all investment decisions and is reflected in**

- The stability of net property income and the customer base delivering that income
- The sustainability of long term earnings and the globally diversified platform producing those earnings
- Staff committed to executing the integrated business model
- Strength of the Group's financial position

1. Operating profit and 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

2. Calculated based on weighted average diluted securities of 1,754.7 million which includes 9.4 million LTIP securities which have achieved the required performance hurdles and will vest in September 2015 and September 2016

Highlights



+ Development led strategy providing the best risk adjusted returns

- Creating our own future deal flow
- Opportunity to access the best assets in the best markets for our managed partnerships
- Customer service model and relocations contributing to development work book
- Development WIP of \$3.1 billion across 76 projects generating an 8.8% yield on cost
- Current development enquiries indicate WIP will grow further in FY2016

+ Urban renewal realisations beginning to emerge

- \$1.1 billion of sites conditionally contracted at 30 June 2015
- \$110 million settled in July 2015 with further settlements occurring over the next 3 years
- Pipeline maintained in excess of 35,000 apartment sites across the Australian portfolio and expect to increase meaningfully over time
- Most significant source of capital to the Group over the longer term given current demand for re-zoned residential sites

+ Capital position ensuring long term sustainability of earnings and financial flexibility

- Strength of balance sheet reflected in the 17.3%¹ gearing, \$1.8 billion of liquidity covering maturities to December 2019
- Capital partnering and asset recycling ensures the Group remains self funded

+ Forecast to deliver FY2016 operating EPS of 39.4² cents (up 6% on FY2015)

- Forecast distribution of 23.8 cents
- Resource and capital plan are calibrated to continue to target 6% growth whilst further de-leveraging the balance sheet

1. 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 \$176.9 million – refer to Note 13 of the Financial Statements

2. Calculated based on estimated weighted average diluted securities of 1,785 million which includes LTIP securities which have achieved the required performance hurdles

Highlights



Own	+ Asset sales of \$1.9 billion across the Group and managed partnerships have reduced capital needs + High occupancy maintained at 96% + Retention rate of 74% and WALE of 4.8 years + Like for like rental growth at 2.5% and positive lease reversions of 4.7% on new leasing deals + Leased 3.4 million sqm across the global platform equating to \$385.5 million of property income across the Group and managed partnerships
Develop	+ WIP at \$3.1 billion across 76 projects in 11 countries with a forecast yield on cost of 8.8% + Development commencements of \$2.7 billion with 73% pre-committed and 62% pre-sold to partnerships or third parties + Development completions of \$2.5 billion with 91% pre-committed and 85% pre-sold to partnerships or third parties + Development capital increasing in line with increased EBIT contribution from the development business + Urban renewal projects progressing with benefit flowing through asset revaluations and relocation of customers + Disciplined risk management practices with Board oversight applied to development activities, low gearing, capital rotation, capital partnering and constant monitoring of supply and demand
Manage	+ Total assets under management of \$30.3 billion, external assets under management increased to \$25.2 billion + Raised \$1.8 billion of new third party equity primarily for North America, China and Japan + Continued focus on asset rotation: disposed of \$1.9 billion of property assets across the Group and managed partnerships + \$7.6 billion¹ in undrawn debt, equity and cash providing opportunities for partnerships to participate in growth opportunities from the Group and broader market
Corporate	+ Grew operating profit by 9% and reduced gearing to 17.3%² (30.0% look through) + ICR 6.0 times (4.4 times look through) + Procured debt facilities of \$5.7 billion (predominantly re-financing) with an average term of 4.5 years across Group and managed partnerships securing current market rates + Distribution reinvestment plan remained active over the period raising \$89 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 \$176.9 million – refer to Note 13 of the Financial Statements



Section 2+

Results overview



Results overview



- + Delivering sustainable operating results
 - Development contributions and sound property fundamentals driving overall performance
 - Benefiting from global platform with offshore earnings contributing 55% of operating EBIT
- + Investment EBIT contributing 51% of earnings with 49% from Development and Management
 - 57% Investment and 43% Development and Management on a look through basis
- + Statutory accounting profit of \$1.2 billion
 - Includes property valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items
- + Net tangible assets increased 20% to \$3.46 per security
 - \$710 million of unrealised property valuation gains with urban renewal sites contributing approximately 70%

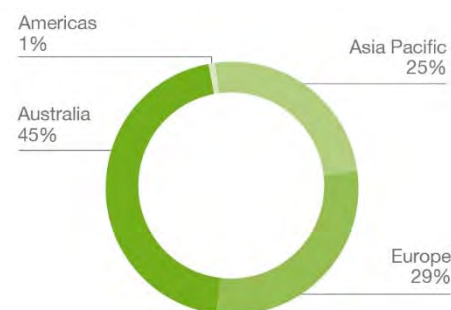
	FY2015
Operating profit (\$m)	653.5
Statutory accounting profit (\$m)	1,208.0
Operating EPS (cents) ¹	37.2
Distribution per security (cents)	22.2

	As at 30 June 2015
NTA per security (\$)	3.46
Gearing (balance sheet) (%) ²	17.3
Available liquidity (\$b)	1.8
WACR (look through) (%)	7.0

Operating EBIT



Operating EBIT by geographic segment



1. Operating profit and 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 and calculated based on weighted average securities of 1,754.7 million which includes 9.4 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 \$176.9 million – refer to Note 13 of the Financial Statements

Profit and loss



- + Statutory profit of \$1.2 billion, 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 sites contributing \$710 million in property revaluations
- + Full year operating profit of \$653 million
 - Investment income in line with balance sheet initiatives with ROA >7% maintained
 - Increasing asset values growing management earnings
 - Development volumes continuing to increase, driving increased EBIT and average ROA of 11%
 - Development earnings contributing 33% of EBIT, in response, management is maintaining lower gearing
 - Tax expense increasing as a result of contributions from higher taxing jurisdictions
- + Lower average AUD exchange rate resulting in higher EBIT and interest expense
 - 1% impact to overall EBIT from currency movements
- + Operating EPS of 37.2 cents per security up 7.1% on FY2014
- + DPS of 22.2 cents per security up 7% on FY2014

Income statement

	FY2014 \$m	FY2015 \$m
Investment (look through)	491.8	500.6
Management	117.1	125.2
Development	214.5	256.6
Unallocated operating expenses	(49.7)	(52.7)
Operating EBITDA (look through)	773.7	829.7
Operating EBIT (look through)	767.5	823.1
Look through interest and tax adjustment ¹	(105.6)	(106.0)
Operating EBIT	661.9	717.1
Net borrowing costs	(26.4)	(21.4)
Tax expense	(13.0)	(21.0)
Operating profit (pre minorities)	622.5	674.7
Minorities ²	(21.4)	(21.2)
Operating profit (post minorities)	601.1	653.5
Weighted average securities (million) ³	1,729.0	1,754.7
Operating EPS (cps)	34.8	37.2
Non operating items⁴		
Property valuations	172.4	709.7
Derivative and foreign currency mark to market	(78.4)	(99.8)
Other non-cash or non-recurring items	(37.8)	(55.4)
Statutory profit	657.3	1,208.0

1. Reflects adjustment to GMG proportionate share of managed partnership's interest and tax
2. Goodman PLUS Trust hybrid securities
3. Includes 9.4 million securities which have achieved the required performance hurdles and will vest in September 2015 and September 2016
4. Refer Appendix 1 slide 25

Balance sheet



- + Strong balance sheet maintained
 - Financial leverage reduced given earnings mix
 - 60% pay out ratio of operating EPS
 - Self financing business over the long term
- + Stabilised investment properties and cornerstones increasing from cap rate compression, revaluation of higher and better use sites and year end exchange rates
 - Key driver of 20% increase in NTA to \$3.46 per security
- + Development holdings increasing off the back of increased activity levels and year end exchange rates
- + Lower closing AUD rates contributing to
 - Statutory unrealised foreign exchange and derivative loss of \$99.8 million offset by movement in balance sheet and foreign currency translation reserve gain of \$204.3 million
 - 4% increase in foreign currency denominated net assets
- + \$1.8 billion of liquidity fully covering maturities to December 2019
- + Resulting in the following key metrics
 - Gearing of 17.3%⁴ (30.0%⁵ look through)

Balance sheet

	FY2014 \$m	FY2015 \$m
Stabilised investment properties	2,191	2,710
Partnership cornerstones ¹	3,434	3,964
Development holdings ²	2,203	2,456
Intangibles	933	976
Cash	360	747
Other assets	283	410
Total assets	9,404	11,263
Interest bearing liabilities	(2,160)	(2,708)
Other liabilities	(1,013)	(1,178)
Total liabilities	(3,173)	(3,886)
Minorities	(326)	(326)
Net assets (post minorities)	5,905	7,051
Net asset value (\$) ³	3.42	4.02
Net tangible assets (\$) ³	2.88	3.46
Balance sheet gearing (%) ⁴	19.5	17.3

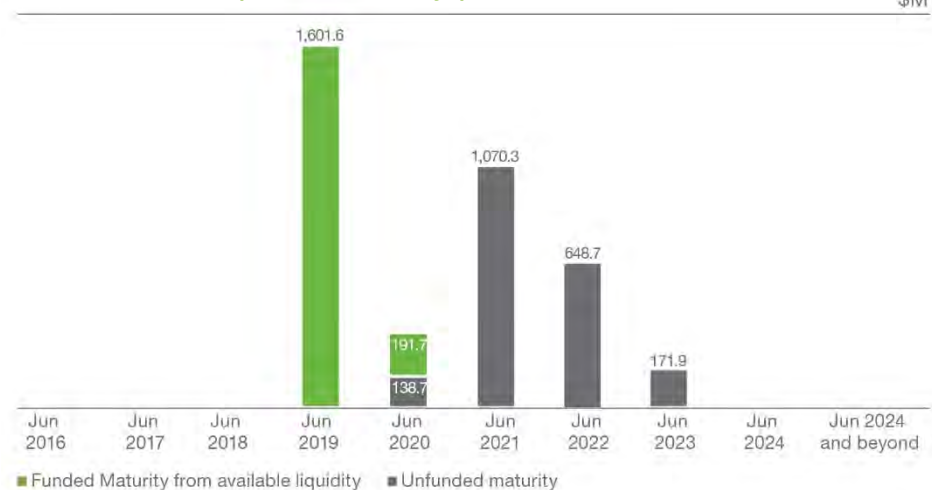
1. Includes Goodman's investments in its managed partnerships and other investments
2. Includes inventory, investment properties under development and investments in managed partnerships which have a principle focus on development
3. Based on 1,753.0 million securities on issue
4. Gearing calculated 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 \$176.9 million - refer to Note 13 of the Financial Statements
5. Based on \$4.9 billion of Group and proportionate share of managed partnerships' debt

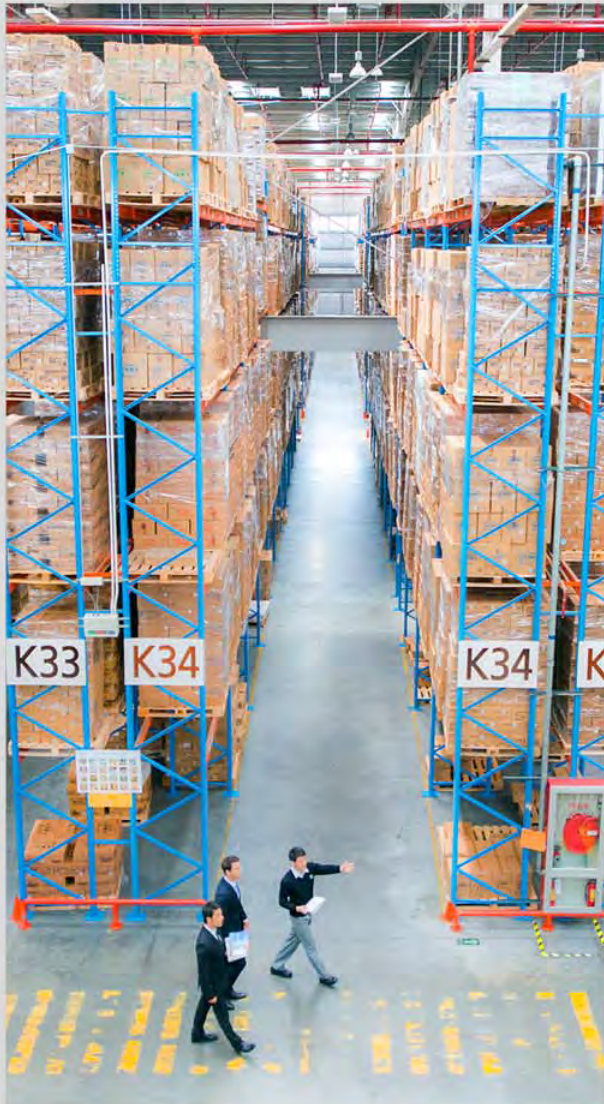
Group liquidity position



- + Capital structure and hedge strategies have enabled the Group to withstand foreign currency volatility
- + Goodman Group has cash and available lines of credit of \$1,793 million as at 30 June 2015
 - \$747 million cash
 - \$1,046 million available lines
- + Average debt maturity profile of 4.7 years
- + Strong operating cash flow achieved for FY2015 despite increased allocation to inventory
- + ICR at 6.0 times (4.4 times look through)
- + Debt markets remain open to the Group and managed partnerships
 - \$0.8 billion through debt capital markets with an average debt expiry of 7.6 years
 - \$4.9 billion of bank facilities (predominantly refinancing) with an average expiry of 3.9 years
- + Stable and sustainable ratings across the Group
 - BBB Stable / Baa2 Stable outlook for GMG
- + Preserve liquidity and balance sheet capacity given current development volume
 - Providing Goodman with considerable financial flexibility for future periods

Goodman Group debt maturity profile





Section 3+

Operational performance



Investment



- + Property fundamentals remain sound reflecting the quality of the portfolio and customers
 - Maintained occupancy at 96%
 - Retention remains high at 74%
 - WALE of 4.8 years
 - Like for like rental growth of 2.5%
- + Capital allocation to direct investments and cornerstone investments impacted by asset sales
 - \$1.9 billion of asset sales across the Group and managed partnerships
 - Temporarily lowering income growth but providing funding for developments
- + Overall return on direct assets and cornerstones maintained above 7% despite increasing asset values
- + Cornerstone investment total average returns in excess of 16% across Goodman's managed partnerships

Investment (\$m)	FY2014	FY2015
Direct	152.1	145.9
Cornerstones	339.7	354.7
Look through EBITDA	491.8	500.6

Key metrics ¹	FY2014	FY2015
WACR (%)	7.5	7.0
WALE (yrs)	4.9	4.8
Customer retention (%)	73	74
Occupancy (%)	96	96

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

Development



- + Development WIP at \$3.1 billion
 - Active contributions from all markets
- + Increased development volumes driving 20% increase in development EBITDA
 - Development revenue from WIP increasing to 12%
 - Increased contribution from fee for service developments, two thirds of development activity
- + Overall development risk being mitigated through
 - Speculative developments being undertaken in supply constrained markets which are proven logistic locations
 - Speculative projects have higher embedded margins
 - Capital partnering approach in the US, Brazil, Japan and China
 - 91% pre-committed and 85% pre-sold on completion
 - Board oversight on overall development exposure
- + Lower AUD increasing WIP at June 2015. Average exchange rates for the year relatively constant compared to FY2014

Development (\$M)	FY2014	FY2015
Revenue	276.5	327.8
EBITDA	214.5	256.6

Key metrics	FY2014	FY2015
Work in progress (\$b)	2.6	3.1
Work in progress (million sqm)	2.2	2.2
Number of developments	76	76
Development for third parties or partnerships (%)	91	71
Pre-commitment (%)	53	65
Yield (%)	8.3	8.8

Work in progress (end value)	\$B
Opening (June 2014)	2.6
Completions	2.5
Commitments	2.7
FX	0.3
Closing (June 2015)	3.1

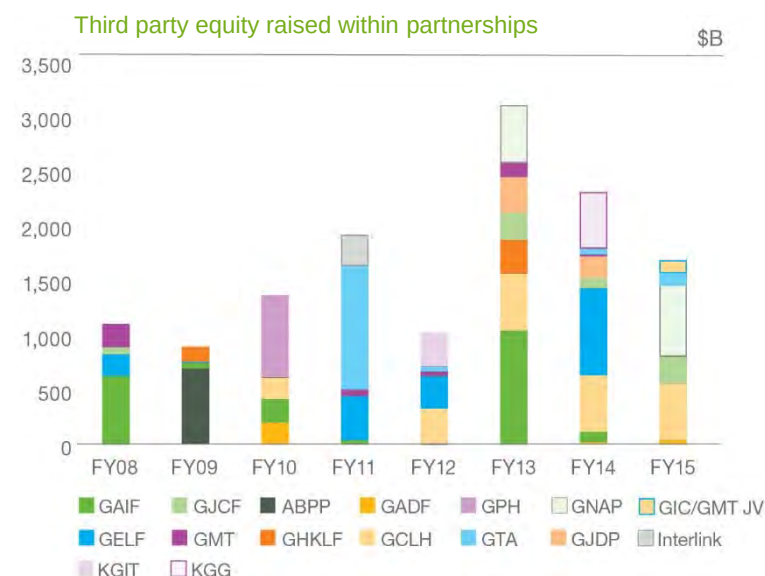
Management



- + Average managed partnership total returns exceeding 16%
- + Increasing asset values growing management earnings
 - Transactional activity levels consistent with FY2014
 - Strong margins resulting from increased size and scale
- + External assets under management (AUM) of \$25.2 billion up 13% on FY2014
- + Raised \$1.8 billion in new third party equity
- + Opportunity for partnerships to participate in growth opportunities
 - \$2.5 billion in undrawn debt facilities and cash
 - \$5.1¹ billion in undrawn equity
- + Lower AUD increasing AUM at June 2015. Average exchange rates for the year relatively constant compared to FY2014

Management (\$M)	FY2014	FY2015
Management income ²	205.9	215.7
EBITDA	117.1	125.2

Key metrics	FY2014	FY2015
Number of managed partnerships	15	16
External AUM (end of period) (\$B)	22.4	25.2



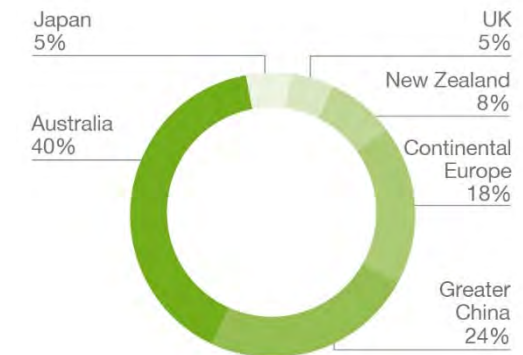
1. Fund investments are subject to Investment Committee approval
 2. Includes gross up of property outgoings of \$17.0 million (2014: \$18.1 million)

Management - AUM

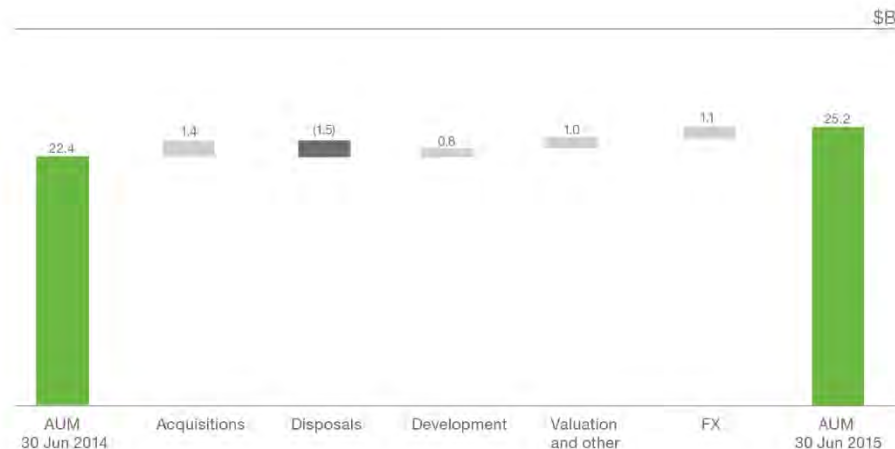


- + Major achievements completed during the year include
 - CPPIB increased equity commitment to GNAP by US\$500 million
 - Commitment of a further US\$500 million for GCLH taking total equity for the partnership to US\$2.0 billion
 - ¥23 billion equity raised by GJCF for new acquisitions
 - Established a NZ\$500 million strategic partnership in New Zealand between GMT and GIC
 - Australian partnerships outperformed IPD core fund index by 600bps
 - Progressing partnership initiatives in UK and Brazil

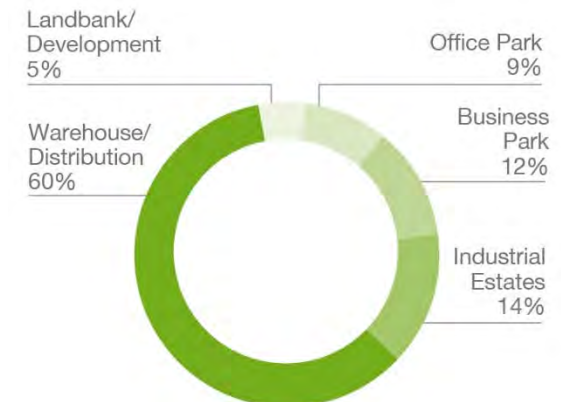
Third party AUM by region



Assets under management



Third party AUM by type



Management platform



	GAIF	GHLKF	GTA	GELF	GCLH	GMT ¹	GJCF ²	EPF	ABPP
									
Total assets	\$6.2bn	\$3.9bn	\$3.6bn	\$3.6bn	\$2.1bn	\$1.9bn	\$1.4bn	\$1.2bn	\$1.2bn
GMG co-investment	27.5%	20.0%	19.9%	20.4%	20.0%	18.0% ³	22.4% ³	37.5%	43.1%
GMG co-investment	\$1.0bn	\$0.6bn	\$0.5bn	\$0.4bn	\$0.3bn	\$0.2bn ³	\$0.2bn ³	\$0.3bn	\$0.3bn
Number of properties	116	14	56	95	23	16 ³	13	19	7
Occupancy	96%	99%	96%	98%	96%	96%	100%	100%	98%
Weighted average lease expiry ⁴	5.3 years	2.5 years	4.1 years	4.9 years	4.0 years	5.1 years	4.1 years	7.1 years	5.6 years
WACR	7.4%	6.0%	7.3%	6.9%	8.5%	7.5%	5.1%	6.7%	6.8%
Gearing ⁵	36.4%	21.5%	30.8%	32.6%	1.0%	34.2% ⁸	44.8%	39.4%	31.4%
Weighted average debt expiry	4.9 years	6.1 years	3.8 years	4.4 years	2.2 years	4.9 years	5.1 years	4.7 years	2.0 years
Total shareholder return ⁶	16.2%	20.6%	16.9%	13.0%	11.9%	14.4% ⁷	16.0%	13.5%	26.0%

1. As at 31 March 2015 (as disclosed to the New Zealand stock exchange on 20 May 2015)
2. As at 31 May 2015
3. As at 30 June 2015
4. WALE of leased portfolio to next break
5. Gearing calculated as total interest bearing liabilities over total assets, both net of cash

6. Return based on managed partnerships latest year end audited financial statements
7. Based on cash distributions and net asset values, rather than reference to the listed share price
8. On a proportionately consolidated basis including the trusts interest in the Viaduct Joint Venture



Section 4+

Strategy and outlook



Strategy and outlook



Strategy

- + Australian listed, leading global industrial property operator and fund manager
- + Delivering significant benefit from opportunities in the global platform
- + Globally diversified operating platform across key logistics markets managed by a skilled team of people
- + Cross selling of customers, capital partners and processes across global platform through our integrated business model
- + Customer service focus and delivering quality asset management capabilities are key to business model
- + Rotating assets to fund development opportunities which in turn is improving property portfolio quality and performance
- + Development capabilities a key differentiator providing access to the best quality assets
- + Structural change continuing to drive development demand along with the need for customers to realise operating efficiencies

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
- + Gearing trending down 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 rotation to be a consistent theme given continued demand for real estate assets, providing long term funding of growth
- + Partnership total returns to remain strong for our capital partners and Securityholders
- + Urban renewal to incrementally drive long term value and long term funding for the Group
- + Positioned to deliver FY2016 forecast operating EPS of 39.4 cents (up 6% on FY2015) and a forecast distribution of 23.8 cents