



Announcement to Singapore Exchange

11 August 2016

**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 2016 – 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
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RESULTS FOR THE YEAR ENDED 30 JUNE 2016

11 August 2016



HIGHLIGHTS

\$715m operating profit
40.1¢ operating eps
24.0¢ distribution per security

slide — 04

RESULTS OVERVIEW

Out performance maintained
for the full year.

slide — 08

OPERATIONAL PERFORMANCE

Macro themes transforming the
sector and driving growth are
expected to continue.

slide — 13

OUTLOOK

42.5¢ forecast operating eps
25.4¢ forecast distribution
per security.

slide — 19



Goodman Business Park, Japan

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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 property and intangible 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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Goodman

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SECTION 1 — HIGHLIGHTS



Goodman Logistics Center Fontana, USA

HIGHLIGHTS



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

- Operating profit¹ of \$715 million, up 9% on FY2015
- Operating EPS¹ of 40.1 cents², up 7.8% on FY2015
- Distribution per security of 24.0 cents, up 8% on FY2015
- FY2017 forecast operating EPS of 42.5 cents, up 6% on FY2016
- Statutory accounting profit of \$1,275 million contributing to 19% growth in net tangible assets per security

+ **Outperformance maintained for the full year and resulted from strength in:**

- The global operating platform with 59% of operating earnings coming from international operations
- Development business a key driver of overall outperformance consistent with stated strategy, funded through asset rotation
- Active management platform, driving higher transactional fees, particularly in the first half
- Valuation gains driven by cap rate compression and revaluations from urban renewal sites

+ **Long term strategy is unchanged and focus remains on building a strong, high quality business for the long term**

- Positioned to deliver 6% sustainable earnings growth in FY17, while further deleveraging
- Growing development book providing the best risk adjusted returns while remaining selective and focusing on gateway cities
- Remain focused on location and leverage off the growth in consumerism, the evolution of e-commerce and the urbanisation of our cities
- Maintaining a strong operating and financial position

+ **Remuneration elements enhanced to align to long term performance outcomes and strategy**

- Weighting incentives to the long term and capping of short term incentives for key management personnel with payment split into two equal instalments over twelve months

1. Operating profit and operating EPS comprises profit attributable to Securityholders adjusted for property and intangible 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 1,781.2 million which includes 10.9 million LTIP securities which have achieved the required performance hurdles and will vest in September 2016 and September 2017

HIGHLIGHTS



+ **Macro themes transforming the sector and driving growth are expected to continue**

- Growth in consumerism globally, the evolution of e-commerce and new enabling technologies
- Customer focus on cost efficiencies, rationalising operations, upgrading facilities and optimising supply chains
- E-retailers expanding their networks and seeking faster delivery solutions
- Resulting in the evolution and change of logistics markets in gateway cities
- Demand for industrial property as a sought after investment asset class

+ **Asset rotation remains a focus albeit at a slower rate into the future**

- \$2.2 billion disposed of in FY16 (excluding urban renewal sites)
- Asset sales across most regions with future asset rotation in Australia and China

+ **Capital management ensuring long term sustainability of earnings and financial flexibility**

- Strength of balance sheet reflected in the 11.8%¹ gearing, \$2.6 billion of liquidity to meet all near term obligations
- Urban renewal realisations emerging, in total \$2.1 billion of sites sold and conditionally contracted at 30 June 2016, with \$0.8 billion settled
- Group's resources and capital plan are calibrated to continue to target 6% EPS growth
- Further deleveraging expected in FY2017, reflecting growing development activity and settlement of urban renewal sites

+ **Forecast to deliver FY2017 operating EPS of 42.5² cents (up 6% on FY2016)**

- Forecast distribution of 25.4 cents per security (up 6% on FY2016) with payout ratio unchanged at 60%
- Sustainable growth in an otherwise “lower for longer” economic environment

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 \$258.2 million – refer to Note 13 of the Financial Statements

2. Calculated based on estimated weighted average diluted securities of 1,800 million which includes LTIP securities which have achieved the required performance hurdles

HIGHLIGHTS



Own

- + High occupancy maintained at 96%
- + Retention rate of 79% and WALE of 4.7 years
- + Like for like rental growth at 1.9% and positive lease reversions of 3.0% on new leasing deals
- + Leased 3.4 million sqm across the global platform equating to \$356.5 million of property income across the Group and managed Partnerships

Develop

- + WIP at \$3.4 billion across 81 projects in 14 countries with a forecast yield on cost of 7.8%
- + Development commencements of \$3.3 billion with 67% pre-committed and 72% pre-sold to Partnerships or third parties
- + Development completions of \$3.2 billion with 84% pre-committed and 80% pre-sold to Partnerships or third parties
- + Development capital decreasing as more developments are undertaken in the Partnerships
- + 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, investment partnering and constant monitoring of supply and demand

Manage

- + Total assets under management of \$34.1 billion, external assets under management increased to \$29.3 billion up 16% on 30 June 2015
- + Raised \$2.3 billion of new third party equity primarily for United Kingdom, China and Japan
- + Continued focus on asset rotation, disposed of \$2.2 billion of property assets across the Group and Partnerships
- + \$10.3 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 11.8%² (24.6% look through)
- + ICR 5.5 times (4.6 times look through)
- + Procured debt facilities of \$3.1 billion (predominantly re-financing) with an average term of 4.5 years across the Group and managed Partnerships securing current market rates
- + Distribution reinvestment plan turned off for the 2H FY2016 distribution

1. Partnership 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 \$258.2 million – refer to Note 13 of the Financial Statements

SECTION 2 — RESULTS OVERVIEW



Interchange Park, NSW, Australia

RESULTS OVERVIEW



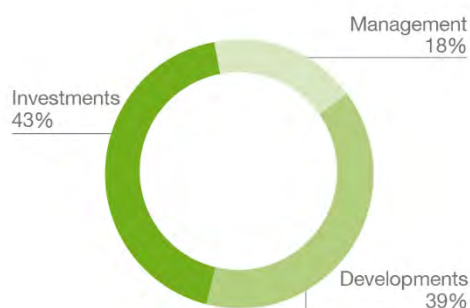
- + Outperformance maintained for the full year
 - Driven by global development and management contributions
 - Benefiting from global platform with offshore earnings contributing 59% of operating EBIT
- + Foreign currency translation of EBIT +6% offset by hedging costs in net borrowing costs
 - Lesser impact on balance sheet translation since June 2015
- + Statutory accounting profit of \$1,275 million
 - Includes property and intangible valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items
- + Net tangible assets increased 19% to \$4.10 per security
 - \$810 million of unrealised property valuation gains with urban renewal sites contributing approximately 33%

FY2016	
Operating profit (\$m)	714.5
Statutory accounting profit (\$m)	1,274.6
Operating EPS (cents) ¹	40.1
Distribution per security (cents)	24.0

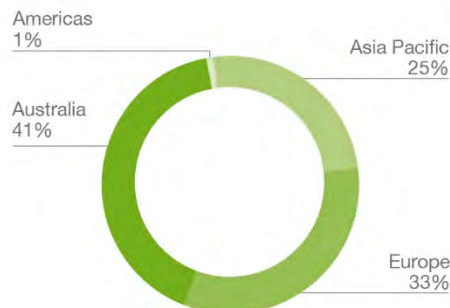
As at 30 June 2016	
NTA per security (\$)	4.10
Gearing (balance sheet) (%) ²	11.8
Available liquidity (\$b)	2.6
WACR (look through) (%)	6.4

1. Operating profit and operating EPS comprises profit attributable to Securityholders adjusted for property and intangible valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items and calculated based on weighted average securities of 1,781.2 million which includes 10.9 million LTIP securities which have achieved the required performance hurdles and will vest in September 2016 and September 2017
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 \$258.2 million – refer to Note 13 of the Financial Statements

Operating EBIT



Operating EBIT by geographic segment



PROFIT AND LOSS



- + Statutory profit of \$1.3 billion, includes property and intangible 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 \$810 million in property revaluations
 - Revaluation of UK Business Parks management rights due to ABPP asset sales (\$204.6m devaluation)
 - Consolidation of Brazil operations
- + Full year operating profit of \$715 million
 - Investment income in line with balance sheet initiatives with cornerstone ROA of 6.4%
 - Asset performance and transactional activity levels growing management earnings
 - Development volumes and margin continue to increase with development ROA of 14%
 - Overheads up on the back of currency, consolidation of Brazil, more development in Partnerships with minimal underlying growth
 - Net borrowing costs up:
 - Lower portion of interest capitalised given increased amount of development in Partnerships
 - Impact of hedges resulting in higher borrowing costs which offsets EBIT translation
 - Tax expense increasing as a result of contributions from higher taxing jurisdictions and utilisation of tax losses
- + Operating EPS of 40.1 cents per security up 7.8% on FY2015
- + DPS of 24.0 cents per security up 8% on FY2015

Income statement

	FY2015 \$m	FY2016 \$m
Investment (look through)	500.6	513.1
Management	125.2	166.3
Development	256.6	366.1
Unallocated operating expenses	(52.7)	(52.6)
Operating EBITDA (look through)	829.7	992.9
Operating EBIT (look through)	823.1	985.2
Look through interest and tax adjustment ¹	(106.0)	(106.5)
Operating EBIT	717.1	878.7
Net borrowing costs	(21.4)	(88.9)
Tax expense	(21.0)	(55.2)
Operating profit (pre minorities)	674.7	734.6
Minorities ²	(21.2)	(20.1)
Operating profit (post minorities)	653.5	714.5
Weighted average securities (million) ³	1,754.7	1,781.2
Operating EPS (cps)	37.2	40.1
Non operating items⁴		
Property and intangible valuations	709.7	604.9
Derivative and foreign currency mark to market	(99.8)	81.5
Other non-cash or non-recurring items	(55.4)	(126.3)
Statutory profit	1,208.0	1,274.6

1. Reflects adjustment to GMG proportionate share of managed partnership's interest and tax
2. Goodman PLUS Trust hybrid securities
3. Includes 10.9 million securities which have achieved the required performance hurdles and will vest in September 2016 and September 2017
4. Refer Appendix 1 slide 25

BALANCE SHEET



- + Strong balance sheet maintained
 - Financial leverage reduced from receipt of urban renewal proceeds and revaluations
 - Gearing to remain low given earnings composition
- + Stabilised investment properties and cornerstones increasing from cap rate compression and revaluation of higher and better use sites
 - Key driver of 19% increase in NTA to \$4.10 per security
 - Settlement of urban renewal sites in stabilised investment properties partly offset by revaluation gains
- + Total property revaluations across the Group and Partnerships of \$2.6 billion with Goodman's share representing \$810 million
- + Development holdings reducing as developments transition into Partnerships
- + \$2.6 billion of liquidity fully covering maturities to June 2021
 - Gearing of 11.8%⁴ (24.6%⁵ look through) and includes consolidation of Brazilian loan facilities
 - Capacity to fund long term growth opportunities

Balance sheet

	FY2015 \$m	FY2016 \$m
Stabilised investment properties	2,710	2,553
Partnership cornerstones ¹	3,964	4,950
Development holdings ²	2,456	2,239
Intangibles	976	781
Cash	747	1,337
Other assets	410	528
Total assets	11,263	12,388
Interest bearing liabilities	(2,708)	(2,865)
Other liabilities	(1,178)	(1,129)
Total liabilities	(3,886)	(3,994)
Minorities	(326)	(326)
Net assets (post minorities)	7,051	8,068
Net asset value (\$)³	4.02	4.54
Net tangible assets (\$)³	3.46	4.10
Balance sheet gearing (%)⁴	17.3	11.8

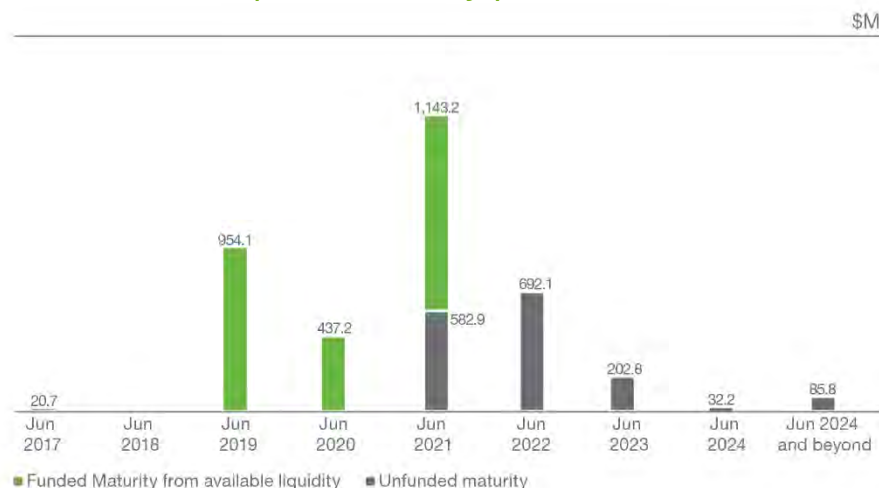
1. Includes Goodman's investments in its managed Partnerships and other investments
2. Includes inventories investment properties under development and investments in managed partnerships which have a principle focus on development
3. Based on 1,778.3 million securities on issue
4. Gearing calculated 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 \$258.2 million (2015: \$176.9 million) - refer to Note 13 of the Financial Statements
5. Based on \$3.2 billion of Group and proportionate share of managed Partnerships' net debt on total assets including managed Partnerships proportionate share of total assets of \$13.0 billion

GROUP LIQUIDITY POSITION



- + Capital structure and hedge strategies have enabled the Group to withstand foreign currency volatility
- + Cash and available lines of credit of \$2,555 million as at 30 June 2016
 - \$1,337 million cash
 - \$1,218 million available lines
- + Average debt maturity profile of 4.4 years
- + Strong operating cash flow of \$830 million benefiting from reducing development inventories and positive net investing cash flows
- + ICR at 5.5 times (4.6 times look through)
- + Debt markets remain open to the Group and managed Partnerships
 - \$0.3 billion through debt capital markets with an average debt expiry of 9.9 years
 - \$2.8 billion of bank facilities (predominantly refinancing) with an average expiry of 3.7 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 and future obligations
 - Providing the Group 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 79% and WALE of 4.7 years
 - Like for like rental growth of 1.9%
- + Capital allocation to direct investments and cornerstone investments impacted by asset sales
 - Result includes full period effect of \$4.1 billion of asset sales across the Group and managed Partnerships over the last two years
 - Temporarily lowering income growth but providing funding for development activities, driving higher total returns
- + Overall income return on cornerstone investments at 6.4%
 - Direct investments yield lower given increasing asset values, including higher and better use valuations
 - Group's total investment return on assets at 18.7%
- + Average FX movements resulting in 5% uplift in cornerstone EBIT
- + In total sold and conditionally contracted \$2.1 billion of urban renewal sites with \$1.0 billion sold and conditionally contracted in FY2016
 - \$1.6 billion Group and \$0.5 billion Partnerships
 - \$0.8 billion settled, with a further \$1.0 billion of settlements in FY17
- + Goodman share of property valuation gains of \$810 million
 - Urban renewal sites contributing to 33% of the gains

Investment (\$m)	FY2015	FY2016
Direct	145.9	141.5
Cornerstones	354.7	371.6
Look through EBITDA	500.6	513.1

Key metrics ¹	FY2015	FY2016
WACR (%)	7.0	6.4
WALE (yrs)	4.8	4.7
Customer retention (%)	74	79
Occupancy (%)	96	96

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

DEVELOPMENT



- + Development WIP at \$3.4 billion
 - Europe and North America key contributors to increased revenue, representing 52% of commencements
 - \$1 billion of completions and commencements in the 4th quarter
- + Development revenue from average WIP increasing to 14%
 - Driven by strong margins from falling cap rates
 - Performance fees from developments completed in Partnerships and for third parties
- + Continuing trend of Partnerships adopting a develop to hold strategy
 - Resulting in a higher return on equity for the Group
 - Current split, 60% in Partnerships and 40% on balance sheet
- + Development yield on cost driven by geographic mix of developments
 - High embedded margin given current weighted average cap rates
- + Average FX movements resulting in 10% uplift in EBIT
 - Higher developments completed in Partnerships resulting in lower capitalised interest and operating expenses
 - FX movement contributing to higher operating expense
- + Development risk continues to be mitigated through
 - Investment partnering approach in most markets
 - Limiting speculative development to supply constrained markets
 - Adopting low financial leverage and rotating assets

Development (\$M)	FY2015	FY2016
Revenue	327.8	464.1
EBITDA	256.6	366.1

Key metrics	FY2015	FY2016
Work in progress (\$b)	3.1	3.4
Work in progress (million sqm)	2.2	2.5
Number of developments	76	81
Development for third parties or Partnerships (%)	71	74
Pre-commitment (%)	65	68
Yield (%)	8.8	7.8

Work in progress (end value)	\$B
Opening (June 2015)	3.1
Completions	3.2
Commencements	3.4
FX	0.1
Closing (June 2016)	3.4

MANAGEMENT



- + Strong management returns driven by
 - Increasing asset values which are growing management earnings
 - Transactional activity levels a recurring theme and includes performance fees
- + Average managed Partnership total returns exceeding 20%
- + Average FX movements resulting in 7% uplift in EBIT
- + External assets under management (AUM) of \$29.3 billion up 16% on FY2015
- + Raised \$2.3 billion in new third party equity for the UK, China and Japan
- + Opportunity for Partnerships to participate in growth opportunities
 - \$2.7 billion in undrawn debt facilities and cash
 - \$7.6¹ billion in undrawn equity

Management (\$M)	FY2015	FY2016
Management income ²	215.7	259.7
EBITDA	125.2	166.3

Key metrics	FY2015	FY2016
Number of managed Partnerships	16	16
External AUM (end of period) (\$B)	25.2	29.3

Third party equity raised within Partnerships



1. Partnership investments are subject to Investment Committee approval
 2. Includes gross up of property outgoings of \$15.1 million (2015: \$17.0 million)

MANAGEMENT — AUM



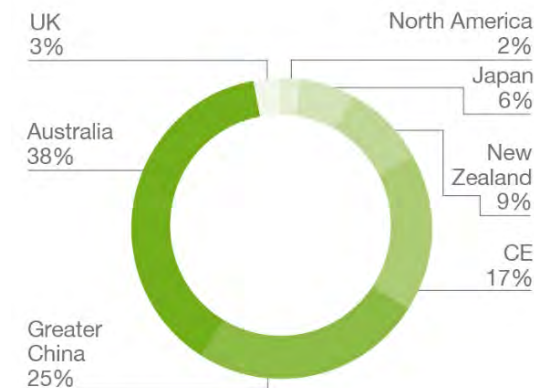
+ Major achievements completed during the year include

- Commitment of a further US\$1.25 billion and acquisition of a portfolio of projects by GCLP
- GCLP develop to hold strategy in line with investment partners objectives as the Partnership matures and gains critical scale
- Launch of £1 billion Goodman UK Partnership adopting a develop to hold strategy
- Extended GADP with CPPIB for a further 5 years, core long term hold strategy
- Extended GEP for a further 10 years, with reduced liquidity commitments
- Commitments of US\$200 million equity for GJCP
- \$1.9 billion of asset sales across managed Partnerships
- Debt markets remain open to the Partnerships with \$2.4 billion raised and refinanced with an average debt expiry of 4.5 years

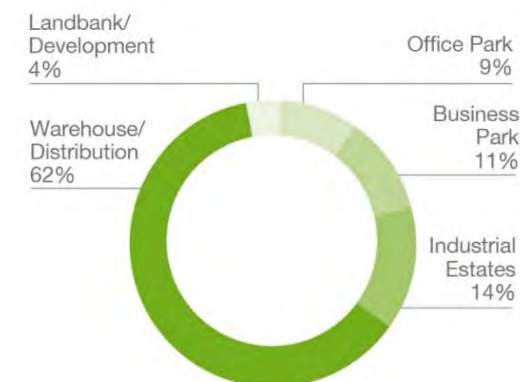
Assets under management



Third party AUM by region



Third party AUM by type



MANAGEMENT PLATFORM



	GAIP	GHKLP	GAP	GEP	GCLP	GMT ¹	GJCP ⁵	GNAP	ABPP
									
Total assets	\$6.7bn	\$4.7bn	\$3.9bn	\$3.8bn	\$2.6bn	\$2.4bn	\$1.9bn	\$1.1bn	\$0.9bn
GMG co-investment	\$1.2bn	\$0.8bn	\$0.5bn	\$0.5bn	\$0.4bn	\$0.3bn ²	\$0.2bn ²	\$0.6bn	\$0.3bn
GMG co-investment	27.5%	20.0%	19.9%	20.4%	20.0%	20.7% ²	20.0% ²	55.0%	43.1%
Number of properties	109	13	58	101	27	16	13	5	6
Occupancy	96%	99%	96%	99%	91%	97%	100%	96%	90%
Weighted average lease expiry ³	5.0 years	2.4 years	4.6 years	5.4 years	3.9 years	5.7 years	4.1 years	6.8 years	5.0 years
WACR	6.7%	5.4%	6.7%	6.3%	8.1%	6.9%	5.0%	4.3%	6.5%
Gearing ⁴	32.4%	12.6%	25.8%	33.1%	5.9%	33.9% ⁶	41.7%	n/a	30.3%
Weighted average debt expiry	4.4 years	5.5 years	4.3 years	3.4 years	1.2 years	5.1 years	6.9 years	n/a	1.0 years
Total shareholder return ⁸	23.2%	28.0%	29.5%	10.9%	8.1%	17.2% ⁷	10.4%	n/a	21.6%

1. As at 31 March 2016 (as disclosed to the New Zealand stock exchange in May 2016)
2. As at 30 June 2016
3. WALE of leased portfolio to next break as at 30 June 2016
4. Gearing calculated as total interest bearing liabilities over total assets, both net of cash
5. As at 31 May 2016

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

SECTION 4 — STRATEGY AND OUTLOOK



STRATEGY AND OUTLOOK



Strategy

- + Australian listed, leading global industrial property operator and investment manager
- + Global platform in gateway cities generating long term returns with a focus on quality locations
- + Capital partnering approach focused on long term returns, performance and return on equity
- + 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 and returns at this point in the cycle
- + Structural change continuing to drive development demand along with the need for customers to realise operating efficiencies
- + Urbanisation of gateway cities driving long term value of quality locations

Capital management

- + Low gearing and longer tenor for Group and Partnerships providing appropriate risk adjusted returns and growth outlook
- + Controlled and managed approach to development work book. Developments undertaken in proven locations, adopting a investment partner approach with appropriate embedded margins
- + Gearing trending down providing financial flexibility and funding of long term growth opportunities
- + Capital structure and hedging strategies minimising foreign currency volatility

Outlook

- + Improving asset and income quality across the portfolio through targeted asset rotation initiatives, albeit at a slower rate
- + Balance sheet gearing continuing to fall as proceeds from urban renewal transactions settle
- + Developments volumes expected to remain consistent, driven by the structural changes impacting the industrial property sector
- + A strong development business, coupled with demand from investors seeking high quality, well located industrial assets, will continue to support the organic growth in AUM
- + Positive investment total returns from the Partnerships given their active and flexible structure
- + Urban renewal pipeline of 35,000 apartments across the Australian portfolio maintained, with the focus on planning and rezoning of future precincts
- + Positioned to deliver FY2017 forecast operating EPS of 42.5 cents (up 6% on FY2016) and a forecast full year distribution of 25.4 cents per security (up 6% on FY2016)