



Announcement to Singapore Exchange

14 August 2014

**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 2014 – 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 2014

14 August 2014



Strength in numbers+



\$26.8bn

Assets under management



Goodman Group

\$601m

operating profit

34.8 ¢

operating EPS

20.7 ¢

distributions per security

\$2.6bn

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 嘉民物流(香港)有限公司 (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 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, 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 5 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.
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Section 1+ Highlights



Highlights



+ Focused strategy delivering sustainable growth:

- Operating profit¹ of \$601 million, up 10% on FY2013
- Statutory accounting profit of \$657 million
- Operating EPS¹ of 34.8 cents², up 7% on FY2013
- Distribution per security of 20.7 cents, up 7% on FY2013
- FY2015 forecasting operating EPS of 36.9 cents up 6% on FY2014

+ Strength and diversity of our global operating platform

- Offshore platform contributing 56% of FY2014 operating EBIT
- Development WIP of \$2.6 billion across 76 projects in 11 countries
- External assets under management increased to \$22.4 billion across 15 managed vehicles for 57 capital partners³
- 73% of Goodman staff located in Goodman's international markets across 28 international offices
- Leveraging off quality management teams to drive global growth
- Recognised global brand across customers and capital partners
- Focused on quality of service and product and ensuring consistency globally

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 1,729.0 million which includes 8.0 million LTIP securities which have achieved the required performance hurdles and will vest equally in September 2014 and September 2015
3. Includes capital partners in unlisted managed vehicles (excludes GMT)

Highlights



+ Industrial property sector continuing to benefit from structural and cyclical changes

- Logistics continues to be a major beneficiary of global growth in e-commerce
- Customer demand in proven, quality logistics locations, with good fundamentals remains sound (developments 96% pre-committed on completion)
- Investor demand resulted in strengthening of asset pricing and a 40bps tightening in cap rates across the Group and managed funds
- Good progress on the urban renewal strategy in Australia with 35,000 residential lots identified
- Incremental long term value from urban renewal has the potential to be significant
- Capitalising on market demand for industrial properties with \$1.5 billion of assets disposed
- Capital re-deployed to development activities with a focus on asset total returns
- Capital partners willing to take on developments without pre-commitments in selected under supplied markets in order to gain access to product

+ Prudent capital management strategy

- Growth driven by leveraging entrepreneurial and operational expertise, not financial leverage
- Strength of balance sheet reflected in 19.5%¹ gearing, \$1.5 billion of liquidity covering maturities to December 2018
- Capital partnering, asset recycling, distribution reinvestment plan and 60% payout ratio ensures Group remains self funded
- Capital partners supporting future growth, undrawn debt and equity of \$4.5 billion²
- Increasing operating cash flow demonstrates quality of earnings

+ Positioned to deliver FY2015 forecast operating EPS of 36.9² cents (up 6% on FY2014)

- Forecast distribution of 22.2cents³ (up 7% on FY2014)
- Sustaining 6% growth outlook on top of FY2014's outperformance

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 \$46.3 million – refer to Note 8 of the Financial Statements

2. Fund investments are subject to Investment Committee approval

3. Calculated based on estimated weighted average diluted shares of 1,754 million

Highlights



Own	+ Occupancy maintained at 96% + Retention rate of 73% and WALE of 4.9 years + Like for like rental growth of 2.2% + Leased 3.0 million sqm across the platform equating to \$347.2 million of property income across the Group and managed funds
Develop	+ WIP of \$2.6 billion across 76 projects in 11 countries with a forecast yield on cost of 8.3% + Development commencements of \$2.5 billion with 57% pre-committed and 86% pre-sold to funds or third parties + Development completions of \$2.2 billion with 96% pre-committed and 93% pre-sold to funds or third parties + Increased development capital allocated to North America, Japan, China and Brazil in line with growth in development book to \$2.6 billion + Urban renewal projects continue to be realised in Australia and UK
Manage	+ Total assets under management (AUM) of \$26.8 billion, external AUM increased to \$22.4 billion (up 15% on FY2013) + Raised \$2.2 billion of new third party equity + Current year average total returns of managed funds in excess of 12% pa + Focus on recycling assets to fund new initiatives: disposed of \$1.8 billion of property assets and fund cornerstones across the Group and managed funds + \$4.5 billion¹ in undrawn debt and equity providing scope for Funds to participate in development opportunities from the Group and broader markets should they arise
Corporate	+ Grew operating profit by 10% and maintained gearing at 19.5%² (32% look through) + Proactively renewing banking facilities to market rates: procured debt facilities of \$5.1 billion with average term of 4 years across Group and managed funds + Asset recycling ensures portfolio is best positioned to deliver long term growth aspirations + Focused on delivering consistent and sustainable growth while maintaining a strong balance sheet + Disciplined approach to ensuring investments meet required investment hurdles and not just growing AUM

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 debt capital market issuances equating to \$46.3 million – refer to Note 8 of the Financial Statements

Strength
in numbers+

Goodman⁺



Section 2+

Results overview



Results overview



+ Operating results above initial guidance:

- Stronger operating results from active parts of the business
- Property fundamentals remain sound
- Maintained liquidity and low gearing
- Positive lead indicators and enquiry levels moving into 2015

+ Investment EBIT contributing 54% of earnings with 46% from Development and Management:

- 60% Investment and 40% Development and Management on a look through basis

+ Statutory accounting profit of \$657.3 million

- Includes property valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items

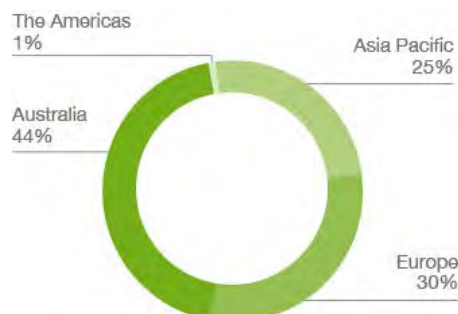
	FY2014
Operating profit (\$M)	601.1
Statutory accounting profit (\$M)	657.3
Operating EPS (cents) ¹	34.8
Distribution per security (cents)	20.7

	As at 30 June 2014
NTA per security (\$)	2.88
Gearing (balance sheet) (%) ²	19.5
Available liquidity (\$B)	1.5
WACR (look through) (%)	7.5

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 1,729.0 million which includes 8.0 million securities which have achieved the required performance hurdles and will vest equally in September 2014 and September 2015
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 \$46.3 million – refer to Note 8 of the Financial Statements

Profit and loss



- + Full year operating profit of \$601.1 million:
 - Investments reducing in line with balance sheet initiatives with ROA >7% and total returns of 11%
 - Balance sheet initiatives include the sale of properties to EPF in Australia and Europe and €110 million sell down of GELF units
 - Asset recycling has included rotation into lower yielding Asian markets and development activities
 - Transactional activity levels in the funds continue to be a key driver of management income and margins for the year
 - Development volumes increasing, driving increased EBIT and average ROA of 10%
 - Interest savings realised on refinanced bank loans in terms of fees and margins
 - Cap rate compression being realised across all markets
 - Weaker AUD impacting hedges which flows through statutory profit
 - Statutory profit of \$657.3 million includes property, valuations, derivative mark-to-markets and other non-cash or non-recurring items
- + Operating EPS of 34.8 cents per security up 7% on FY2013
- + DPS of 20.7 cents per security up 7% on FY2013

Income statement

	FY2013 \$m	FY2014 \$m
Investment (look through)	501.8	491.8
Management	108.6	117.1
Development	165.8	214.5
Unallocated operating expenses	(42.5)	(49.7)
Operating EBITDA (look through)	733.7	773.7
Operating EBIT (look through)	727.7	767.5
Look through interest and tax adjustment ¹	(118.7)	(105.6)
Operating EBIT	609.0	661.9
Net borrowing costs	(30.0)	(26.4)
Tax expense	(12.6)	(13.0)
Operating profit (pre minorities)	566.4	622.5
Minorities ²	(22.3)	(21.4)
Operating profit (post minorities)	544.1	601.1
Weighted average securities (million) ³	1,677.4	1,729.0
Operating EPS (cps)	32.4	34.8
Non operating items⁴		
Property valuations	(36.7)	172.4
Derivative and foreign currency mark to market	(293.0)	(78.4)
Other non-cash or non-recurring items	(53.4)	(37.8)
Statutory profit	161.0	657.3

1. Reflects adjustment to GMG proportionate share of managed funds' interest and tax
2. Goodman PLUS Trust hybrid securities
3. Weighted average securities of 1,729.0 includes 8.0 million securities which have achieved the required performance hurdles and will vest equally in September 2014 and September 2015
4. Refer Appendix 1 slide 25

Balance sheet



- + Strong balance sheet maintained:
 - Consistent approach to pre-sold developments
 - Managed fund equity raisings and balance sheet recycling
- + Fund cornerstones increasing due to growth in assets under management, revaluations, foreign currency movements and fund equity commitments
- + Cap rate compression and foreign currency having a positive contribution to net tangible assets
- + Development holdings increasing on the back of increased activity in Japan, China, North America and Brazil
- + \$1.5 billion of liquidity covering maturities to CY2018
- + Resulting in the following key metrics:
 - Gearing of 19.5%³ (32.0% look through)
 - NTA of \$2.88 per security²
- + 7% growth in NTA during the year

Balance sheet

	FY2013 \$m	FY2014 \$m
Stabilised investment properties	2,090	2,191
Fund cornerstones ¹	3,086	3,434
Development holdings	1,848	2,203
Intangibles	891	933
Cash	645	360
Other assets	331	283
Total assets	8,891	9,404
Interest bearing liabilities	(2,250)	(2,160)
Other liabilities	(805)	(1,013)
Total liabilities	(3,055)	(3,173)
Minorities	(332)	(326)
Net assets (post minorities)	5,504	5,905
Net asset value (\$)	3.21	3.42
Net tangible assets (\$)²	2.69	2.88
Balance sheet gearing (%) ³	18.5	19.5

1. Includes Goodman's investments in its managed funds and other investments
2. Based on 1,727.7 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 \$46.3 million - refer to Note 8 of the Financial Statements

Group liquidity position

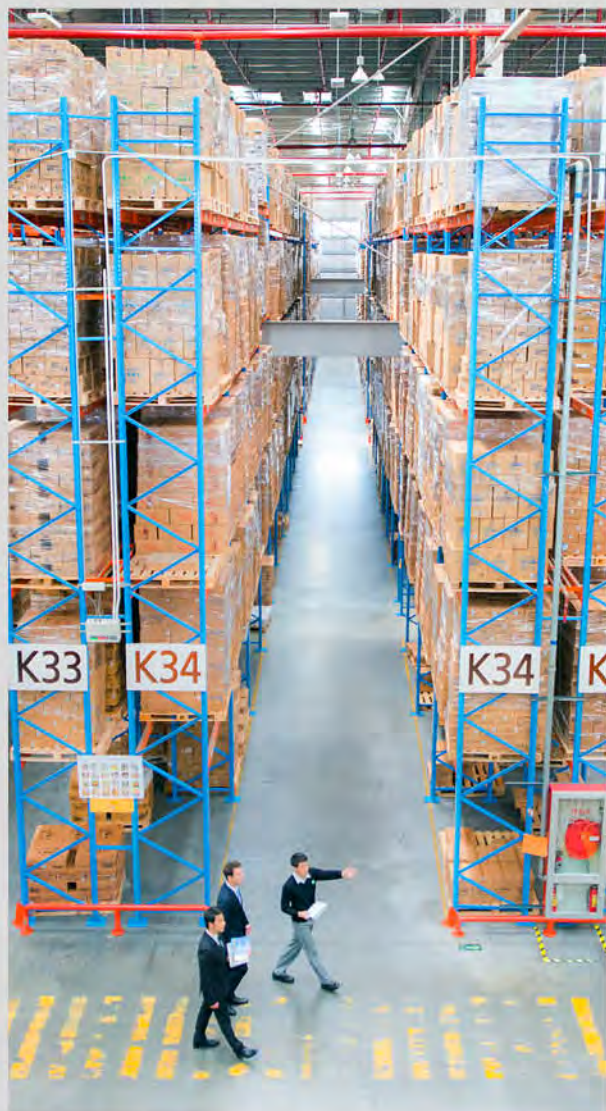


- + Goodman Group has cash and available lines of credit of \$1.5 billion at 30 June 2014:
 - \$359.9 million cash
 - \$1,112.9 million available lines
- + Significant covenant headroom maintained
- + Average debt maturity profile of 5.4 years
- + ICR at 5.9 times (3.6 times look through)
- + Successfully refinanced \$1.1 billion of the Group's revolving bank debt facilities, with reductions in margins and fees
- + Debt markets remain open to the Group and managed funds throughout the year:
 - \$0.8 billion through debt capital markets with an average expiry of 10.5 years
 - \$5.1 billion of bank facilities raised or refinanced with an average expiry of 4.0 years
- + Favourable outlook by rating agencies
 - S&P revised GMG's 'BBB' credit rating outlook to 'Positive' from 'Stable'
 - GELF's credit rating upgraded to 'BBB' by S&P
 - GHKLF obtained 'BBB+' credit rating from S&P



Strength in numbers+

Goodman



Section 3+

Operational
performance



Investment



- + Property fundamentals remain stable reflecting quality of the portfolio and customers:
 - Maintained occupancy at 96%
 - Retention remains high at 73%
 - WALE of 4.9 years
 - Like for like rental growth of 2.2%
 - Reversions of 5.8% on new leasing deals
- + Customer demand contributing to sound property fundamentals across the entire portfolio
- + Direct investments and cornerstone investments reduced in line with FY2013 asset recycling initiatives
 - Includes the sale of properties to EPF in Australia and Europe and the €110 million sell down of GELF units
- + Evidence of cap rate compression resulting in positive property revaluations
- + Current year average total returns of managed funds in excess of 12%pa

Investment (\$m)	FY2013	FY2014
Direct	158.6	152.1
Cornerstones	343.2	339.7
Look through EBITDA	501.8	491.8

Key metrics ¹	FY2013	FY2014
WACR (%)	7.9	7.5
WALE (yrs)	4.7	4.9
Customer retention (%)	77	73
Occupancy (%)	96	96

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

Development



- + Development demand driven by structural changes:
 - E-commerce, supply chain efficiencies, building obsolescence, 3PL consolidation
- + Development volumes increasing, reflecting our development led investment strategy at this point in the cycle
 - 96% pre-committed on completion supporting confidence in markets where we are developing without customer pre-commitments
 - Developments backed by capital partners with 91% of all developments pre-funded
 - Development capabilities provide access to investment product when competition for A grade assets is strong
- + Developments without customer pre-commitments undertaken in proven logistics locations, exhibiting low vacancy and where demand is high
- + Development margins improving, reflecting developments being held on balance sheet until completion
- + Higher and better use opportunities being realised on the back of urban renewal strategy
- + Incremental long term value from urban renewal has the potential to be significant

Development (\$m)	FY2013	FY2014
Revenue	207.8	276.5
EBITDA	165.8	214.5

Key metrics	FY2013	FY2014
Work in progress (\$b)	2.3	2.6
Work in progress (million sqm)	1.9	2.2
Number of developments	69	76
Development for third parties or funds (%)	92	91
Pre-commitment (%)	72	53
Yield (%)	8.8	8.3

Work in progress (end value)	\$b
Opening (June 2013)	2.3
Completions	2.2
Commitments	2.5
FX	-
Closing (June 2014)	2.6

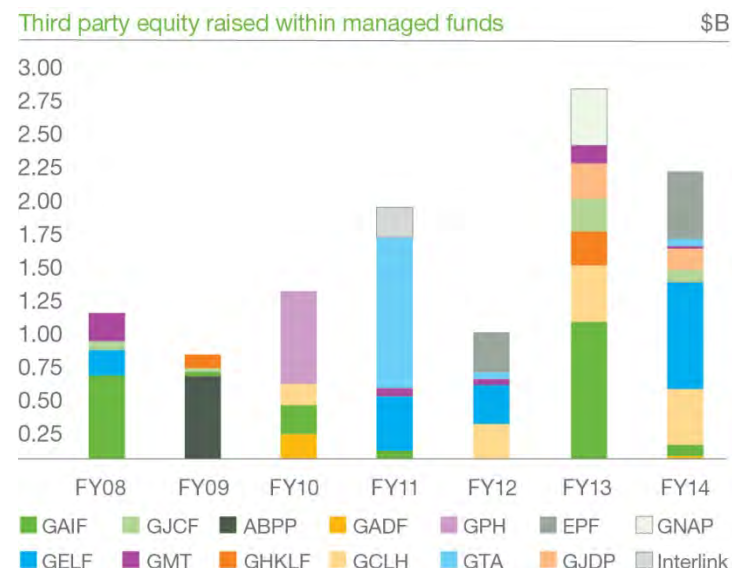
Management



- + External assets under management (AUM) of \$22.4 billion, up 15% on FY2013
- + Development completions have organically grown AUM
- + Size and scale has resulted in strong margins across the management business
 - Transactional activities are a key driver of revenue and EBIT growth
- + Raised \$2.2 billion in new third party equity
- + Global capital partners and customers attracted to sector specialist and development capabilities
- + Continuing to pursue further long term debt capital market alternatives in managed funds
 - GMT NZ\$100 million senior unsecured 7 year bond
 - GHKLF inaugural US\$400 million 10 year Euro Medium Term Note issuance rated BBB+ by S&P
- + Opportunities for managed funds to participate in growth opportunities
 - \$1.1 billion in undrawn debt facilities
 - \$3.4 billion¹ in undrawn equity

Management (\$m)	FY2013	FY2014
Management income ²	181.5	205.9
EBITDA	108.6	117.1

Key metrics	FY2013	FY2014
Number of managed vehicles	14	15
External AUM (end of period) (\$B)	19.5	22.4



1. Fund investments are subject to Investment Committee approval
 2. Includes gross up of property outgoings of \$18.1 million (2013: \$15.6 million)

Management - AUM



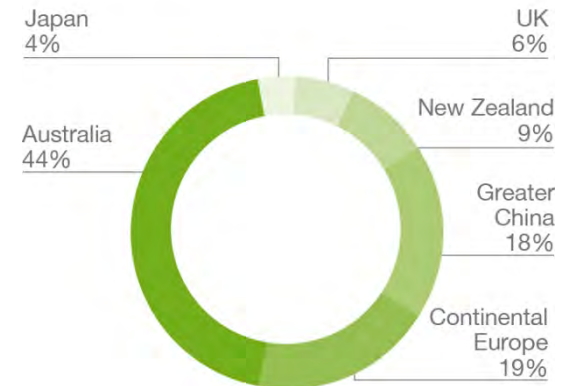
+ Major new initiatives completed during the year include:

- Raised €550 million for GELF, with Goodman selling a further €110 million of its cornerstone investment to meet investor demand
- Establishment of KWASA Goodman Germany partnership, with EPF on a 70:30 split with an initial equity commitment of €500 million
- US\$100 million GJCF equity raising oversubscribed and a further US\$300 million closed in August 2014
- Goodman and ADIC expand GJDP equity allocation to US\$800 million
- GCLH extended to 2019, with an additional \$US500 million equity commitment from Goodman and CPPIB taking total equity for the partnership to \$1.5 billion
- CPPIB increased equity target to GNAP by US\$500 million in July 2014

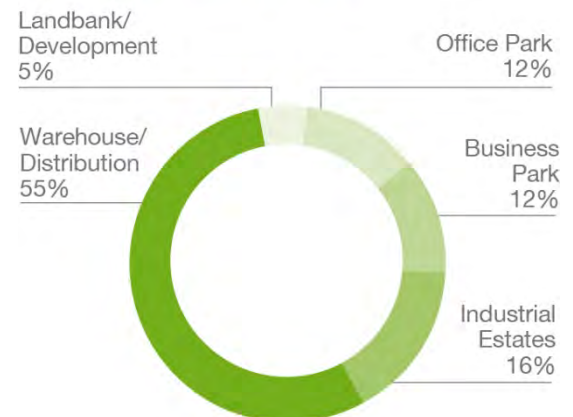
Assets under management



Third party AUM by region



Third party AUM by type



Management platform



	GAIF	GTA	GELF	GHKLF	GMT ¹	ABPP	EPF	GCLH	GJCF ²
									
Total assets	\$5.7bn	\$3.4bn	\$3.2bn	\$2.9bn	\$2.0bn	\$1.6bn	\$1.1bn	\$1.1bn	\$1.0bn
GMG co-investment	27.5%	19.9%	20.4%	20.0%	17.6% ³	43.1%	38.0%	20.0%	23.0% ³
GMG co-investment	\$0.9bn	\$0.4bn	\$0.4bn	\$0.4bn	\$0.2bn ³	\$0.4bn	\$0.2bn	\$0.2bn	\$0.1bn ³
Number of properties	115	56	104	13	19 ³	20	18	16	11
Occupancy	95%	96%	96% ⁴	99%	97%	91%	100%	98%	100%
Weighted average lease expiry ⁵	5.9 years	4.3 years	5.0 years ⁴	3.0 years	5.5 years	5.4 years	7.4 years	3.1 years	3.6 years
WACR	7.8%	7.7%	7.4%	6.0%	7.9%	7.8%	7.2%	8.4%	5.4%
Gearing ⁶	36.4%	34.9%	37.8%	21.0%	36.0%	27.3%	40.9%	4.1%	47.5%
Weighted average debt expiry	4.4 years	3.8 years	3.1 years	6.5 years	3.5 years	1.8 years	4.2 years	2.6 years	4.2 years
Total shareholder return ⁷	13.4%	15.3%	8.1%	26.0%	11.6% ⁸	15.5% ⁹	8.6% ⁹	15.3%	10.5%

1. As at 31 March 2014 (as disclosed to the New Zealand stock exchange on 14 May 2014)

2. As at 31 May 2014

3. As at 30 June 2014

4. Includes current developments

5. WALE of leased portfolio to next break as at 30 June 2014

6. Gearing calculated as total interest bearing liabilities over total assets, both net of cash

7. Return based on managed funds latest year end audited financial statements

8. Based on cash distributions and net asset values, rather than reference to the listed share price

9. Total returns to 30 June 2014 for ABPP and EPF



Section 4+

Outlook and summary



Strategy and outlook



Strategy

- + Australian listed, leading global industrial property operator and fund manager
- + Focus on execution of a consistent and clearly enunciated strategy
- + Customer service focus and asset management capabilities are key to business model
- + Capabilities in major markets with focus on execution and quality of product and service
- + Building economies of scale in new markets to deliver incremental growth into FY2015 and beyond
- + Demand for core, high quality, stable yielding industrial real estate remains strong from global pension and sovereign funds, with Goodman's development capabilities a key differentiator for capital partners
- + Structural change continuing to drive development demand: e-commerce, supply chain efficiencies, 3PL consolidation, building obsolescence
- + 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
- + Focus remains on matching developments to third party capital
- + 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, selective speculative developments in under supplied markets and growing contribution from the Americas
- + Mix between investment earnings and active earnings trending to 50:50 split
- + Asset recycling to feature given continued demand of real estate assets
- + Fund total returns to remain strong for our investors
- + Urban renewal to incrementally drive long term value for the Group
- + Experienced management team aligned to long term sustainable earnings and growth
- + Positioned to deliver FY2015 forecast operating EPS of 36.9 cents (up 6% on FY2014) and a forecast distribution of 22.2 cents (up 7% on FY2015)