



Announcement to Singapore Exchange

28 September 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 2015 SECURITYHOLDER REVIEW – PART 1

We attach Goodman Group’s 2015 Securityholder Review as released to the Australian Securities Exchange and sent to Securityholders.

Yours sincerely,

For Goodman Australia Finance Pty Limited

Carl Bicego
Company Secretary

A SUSTAINABLE BUSINESS

By sustaining growth in everything we do, we're truly adding value around the globe.

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DELIVERING VALUE

Goodman has performed strongly, delivering one of our best ever financial results.

p — 12

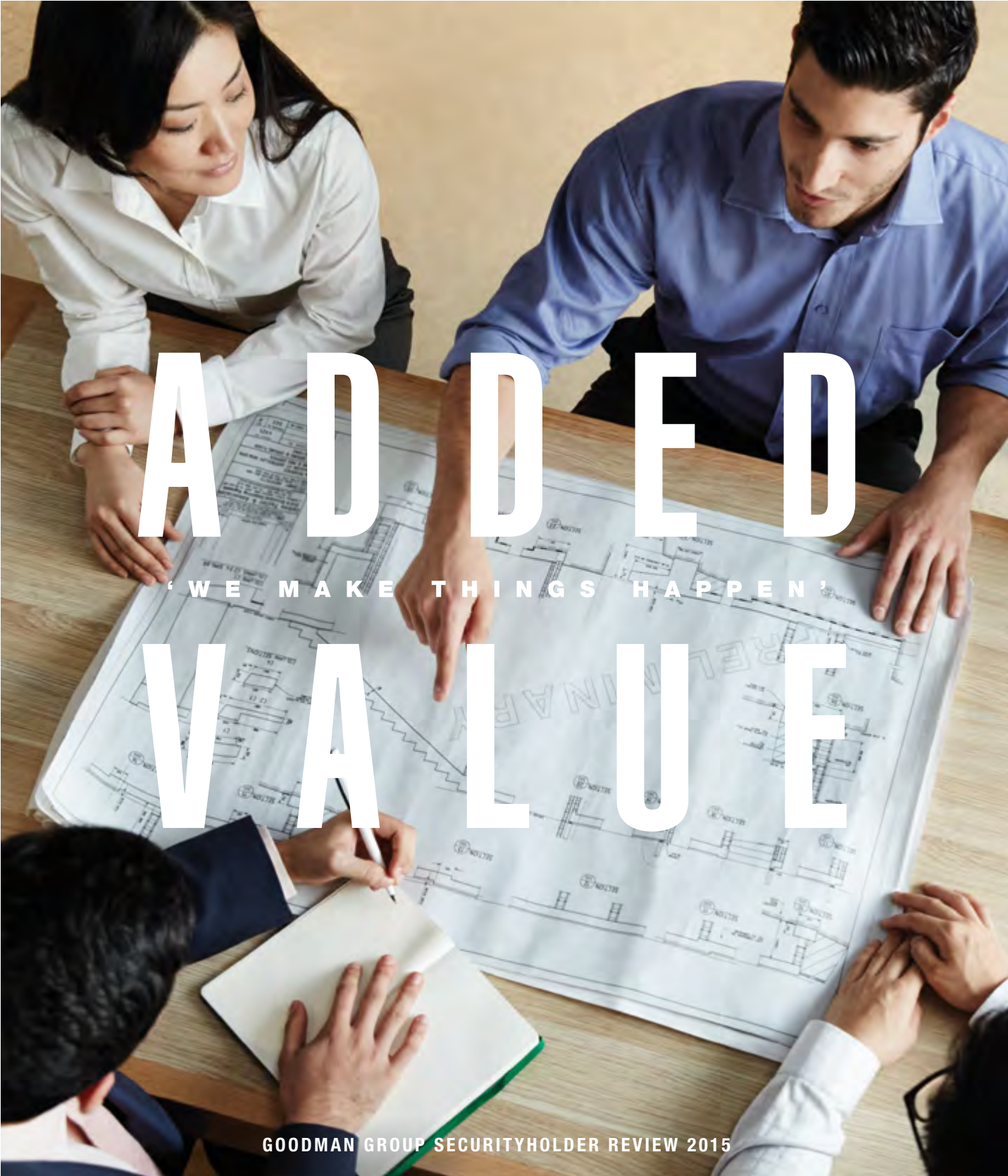
THE ADDED VALUE REPORT

Goodman's absolute focus is to add value in everything we do.

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Goodman



ADDED ‘WE MAKE THINGS HAPPEN’ VALUE

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in demand





**"IT'S ALL ABOUT BUILDING
A SUSTAINABLE BUSINESS"**

**MR. IAN FERRIER, AM
INDEPENDENT CHAIRMAN**

2015

was an outstanding year for Goodman, which saw the Group deliver \$653 million in operating profit, representing 9% growth on 2014. The result was earned in an environment marked by the low cost of money and strong demand for our e-commerce and logistics space around the world. This allowed Goodman to optimise its performance and also led to a significant contribution from the Group's urban renewal programme in Sydney.

Financial highlights for the 2015 financial year (FY2015) include:

- + operating profit of \$653 million, a 9% increase on FY2014;
- + statutory profit of \$1,208 million, including \$710 million in revaluations that also contributed to a 20% increase in net tangible assets;
- + operating earnings per security (EPS) of 37.2 cents, up 7.1% on FY2014;
- + distribution per security of 22.2 cents, up 7% on FY2014;
- + total GMG Securityholder return (TSR) of 30% for FY2015, with average TSR of 20% over the last five years;
- + a strong financial position maintained, with balance sheet gearing of 17.3% and interest cover ratio of 6.0x; and
- + group liquidity at \$1.8 billion, covering maturities to December 2019.

Following on from a successful FY2015, we are well positioned to deliver FY2016 operating EPS of 39.4 cents, up 6% on FY2015.

EXPANSION

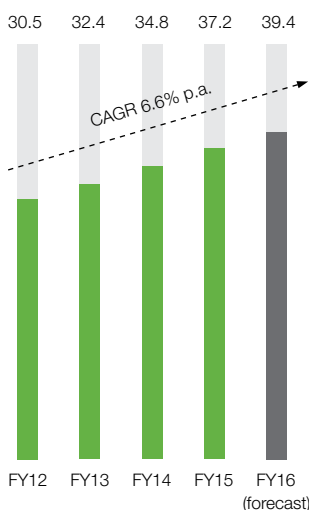
Goodman has expanded and strengthened its business across all markets and continued to grow its development work book. To improve the quality of its portfolio, the Group is reinvesting in its development pipeline. Taking advantage of the favourable market conditions and selling existing assets to fund development of higher grade assets, has enabled customers to be relocated to higher quality, more strategically located, modern industrial properties.

Recent expansion into the Americas has focused on the establishment of key capabilities to support Goodman's core own+develop+manage business model. Investment to fund the future growth of these businesses has been made across many areas including people, land banks, business processes and management oversight. This investment is structured to ensure that a consistent and differentiating quality of product and service is delivered for our customers and capital partners in these markets.

In the United States, we now have a team of over 30 people and a development pipeline of A\$2 billion across 12 sites. During the year, Canada Pension Plan Investment Board (CPPIB) increased their equity commitment to the Goodman North America Partnership (GNAP) by US\$500 million. In Brazil, the joint venture, WTGoodman comprises a team of 25 people with a development pipeline of US\$1.3 billion across four sites.

Urban renewal realisations are beginning to emerge with sites to the value of \$1.1 billion conditionally contracted as at 30 June 2015. This programme will be the most significant source of capital to fund future expansion and growth of the Group over the longer term.

Operating EPS (¢)



\$653_m

Operating profit

22.2_c

Distribution per security

\$1.8_{bn}

Liquidity



Hammer Group, Bedburg Logistics Centre, Germany.

Fisher & Paykel, West Industry Park, Melbourne, Australia.



A SUSTAINABLE AND PRUDENT BUSINESS

Despite the Group's growth and expansion, Goodman remains a prudently managed business, seeking to provide competitive and sustainable returns for all stakeholders. This is achieved through the efficient allocation of both human and capital resources to deliver a quality product and service for the long term.

One of our major global investors wrote to us and a number of other significant companies during the year highlighting the risks of "a short-termist phenomenon" that sees companies "underinvesting in innovation, skilled workforces or essential capital expenditures necessary to sustain long term growth". They urged us to join them to "invest in the future to lay the foundation for stronger, more sustainable and more stable economic growth".

These themes resonated very strongly with Goodman's Board, management and capital partners. One of the Group's key themes over the past several years has been sustainability, starting by setting competitive but realistic and sustainable long term return aspirations when communicating to investors and staff. This then enables Goodman to focus on developing the highest quality assets and partnering with the right capital to service customers globally. The Group seeks to deliver core real estate returns in partnerships designed to provide low volatility and stable income for the long term within an environment of high levels of governance.

For FY2015, the Group made a cash distribution of 22.2 cents per security, which totalled \$388.3 million, in the form of a trust distribution. A trust is not subject to tax in Australia as long as it distributes all of its taxable income to its investors. That income is then taxable in investors' hands. The components of the Trust's distribution reflect the sources of the Group's operating earnings being primarily, Australian income with other components reflecting the offshore activities of the Group. Australian resident Securityholders include 98% of the distribution in their taxable income.

Invest in the future to lay the foundation for stronger, more sustainable and more stable economic growth.

Goodman has various strategies it uses to ensure sound and prudent financial governance. We continue to maintain a low risk approach to development by effectively deploying various strategies and policies to help manage these processes and the execution is made possible by the close relationships that the Group has built with both customers and capital partners. With \$2.5 billion of developments completed this year, very little is undertaken speculatively, 91% of all developments were pre-committed prior to completion and 85% of all completions were for Goodman's partnerships or third parties. Notwithstanding this, we acknowledge that there is risk in development and our capital management strategy is to lower our financial leverage to help further offset this risk.

The Group's hedging and insurance policies are also examples of strong governance and risk mitigation. Goodman is an Australian group reporting and quoted on the Australian Securities Exchange (ASX) in Australian dollars. As a result, the Group seeks to undertake a conservative hedging policy to foreign currency risk management. Goodman's policy is to hedge between 70% and 95% of foreign currency denominated assets and as at 30 June 2015, was in the middle of this band at 82%. As a property company, the Group also seeks to minimise any volatility that arises as a result of interest rate movements. Goodman's policy is to ensure between 60% and 100% of current year interest rates are fixed and the Group currently has 94% hedged over the next 12 months.

A further example of prudent governance is the robust insurance programme that Goodman has in place around the world that protects the Group financially against unforeseen events, such as the hail storms that created significant damage to properties in western Sydney in April this year. These processes and policies, and the relationships we have built through all stakeholders, not only protect the Group financially but also provide us with the ability to quickly respond to our customers' needs, mitigating further loss and damage.

The Group's remuneration policy is focused on ensuring that it attracts, motivates and retains the best quality staff necessary to operate a global business of Goodman's size and scale. With an approximate voluntary turnover of 4% per annum, Goodman is very proud of the high levels of staff retention achieved and recognises that the design of a competitive remuneration policy is vital in delivering the Group's long-term goals. The remuneration policies have been designed to encourage and reward superior performance that is aligned with the business strategy and to provide compelling incentives for high performing executives to remain employed with Goodman.

Goodman is a global business operating in 16 countries, with offshore earnings contributing 55% of operating EBIT. The Board believes that given the Group's global presence, scale and integrated business model, the remuneration levels for select senior executive roles should be referenced alongside international competitors, rather than more locally focused businesses. In the opinion of the Board, this is absolutely necessary to ensure the Group retains the skilled and experienced employees required to perform and deliver in Goodman's global operation.

16

Countries

32

Offices

The Board also considers that in relation to incentive compensation, a significant component of total remuneration should be delivered through equity plans. This approach encourages long-term decision making and promotes strong alignment between the interests of Securityholders and employees. It is an appropriate model of incentivising and rewarding the Group Chief Executive Officer and other senior executives.

In addition to this, every Goodman staff member has some form of ownership in the business through participation in the Group's Long Term Incentive Plan. The Board believes that this is an important aspect of working at Goodman and is a unique offering to employees. The outcome of this is the significant results that the Group has continued to deliver, along with enabling the investment made in developing quality staff to be truly realised.

It is Goodman's absolute focus to add value in everything it does. It is the quality of its people and properties and its prudent financial management and the high level of service it strives to provide its customers and investors that defines the Group's competitive advantage. I am proud of the outstanding result that has been delivered this year and would like to thank staff for their hard work and dedication and our Securityholders, customers and capital partners for your ongoing support.



MR. IAN FERRIER, AM
INDEPENDENT CHAIRMAN

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I am proud of the outstanding result that has been delivered this year and would like to thank staff for their hard work and dedication and our Securityholders, customers and capital partners for your ongoing support.

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MR. IAN FERRIER, AM
INDEPENDENT CHAIRMAN







DELIVERING VALUE

GREGORY GOODMAN
GROUP CHIEF EXECUTIVE OFFICER

am pleased to report on the Group's activities and achievements for the 2015 financial year. Goodman has performed strongly, delivering one of our best ever financial results. This reflects the focus the team has had on delivering to our business strategy, including the value we strive to add for all of our stakeholders and the sustainable long-term business we are building. Goodman is all about delivering value. This is highlighted

by the quality of our product and service offering, the high standards of service we aspire to and the skill and dedication of our people. It is also evident in our enduring customer relationships around the world and our significant capital partnerships with global investor groups.

Goodman delivered operating EPS growth of 7.1% for the year, reflecting the strong underlying operating performance across our business and the customer demand for modern, well-located logistics and business space. Our demonstrated ability to provide flexible and diverse property solutions ensured we were well positioned to take advantage of the best opportunities in proven logistics locations globally and capitalise on the continued momentum in all of our operating regions. The Group was able to grow its operating earnings while at the same time lowering financial leverage, reducing gearing to further strengthen its balance sheet. This is a key point of difference and provides Goodman with significant financial and operational flexibility for future years.

Our strategic focus continues to be on improving the quality of our properties and the income we derive from them. Having one of the most geographically diversified operating platforms globally and a specialist industrial focus, has enabled Goodman to take advantage of the strong pricing for high yielding industrial assets and the significant available liquidity in the current low growth environment. In turn, we have selectively sold properties across the Group and our managed partnerships, disposing of \$1.9 billion of investment properties (excluding urban renewal sites), mainly in Australia, Continental Europe and the United Kingdom. The capital realised from asset sales is being reinvested into our development business to finance new projects across Goodman's global development work book. This approach is adding considerable value, with development providing the best risk adjusted returns at this point in the property cycle. Our development expertise means we can deliver new logistics space at a forecast yield on cost of 8.8% and replace existing assets with Goodman's own high quality development product. This allows us to enhance overall portfolio and income quality and drive higher investment returns.

The merit of our strategic approach was demonstrated by the strong performance of Goodman's development activities during the year, which saw our development work book grow to \$3.1 billion and ensured we continued to be one of the largest developers of industrial property globally. This was driven by higher development volumes and customer demand for well-located and designed logistics space to help achieve greater operating efficiencies, particularly across the logistics sector, with factors such as supply chain consolidation and building obsolescence providing ongoing opportunities to add value. Importantly, we have maintained a low risk approach to our development activities, undertaking projects without pre-commitments only in selected markets and proven, quality logistics locations, with low vacancy rates and where demand for assets is high. On this basis, Goodman achieved a 91% pre-commitment for development completions in the 2015 financial year.

Highlighting the growth in our development activities during the year, in Australia we worked closely with customers to provide relocation solutions in proven logistics locations as a result of the change in use of traditional industrial sites, securing new projects on behalf of customers in South and Western Sydney. This reflects the Group's dominant market position, with an Australian portfolio of over 200 properties and access to a sizeable land bank, we can provide our customers with a range of flexible solutions to cater for their changing business requirements.

Our New Zealand business experienced higher development volumes as a result of the sustained economic growth, with a number of development projects announced, including at Auckland's Viaduct Quarter and Highbrook Business Park.

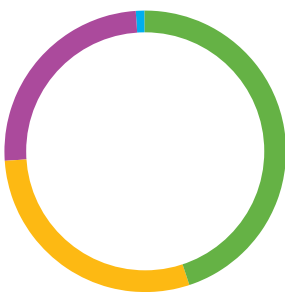
Goodman continued the measured roll-out of its development-led approach in markets such as China, where we maintained development volumes at around 650,000 sqm, taking advantage of the limited supply of logistics space in strategic locations around the major markets of Shanghai and Beijing. The growth in the level of recurring business with customers, particularly in the e-commerce and logistics sectors, has been a positive trend. This includes expanded relationships with French sport apparel and equipment retailer, Decathlon and logistics services provider, Best Logistics.

\$3.1 bn

Development work in progress



Operating EBIT by geographic segment



- Australia 45%
- Europe 29%
- Asia Pacific 25%
- The Americas 1%

Japan continues to experience an undersupply of prime logistics space and our targeted development-led approach, which focuses on the most strategic locations, ensured we achieved strong leasing success during the year. Our developments at Goodman Mizue and Goodman Ichikawa at Tokyo Bay were both 100% pre-leased prior to completion. The buoyant customer demand also saw our Japan team commence the 116,527 sqm first phase of development for Goodman Business Park Chiba, a new large-scale, masterplanned, multi-use logistics and business park. On completion, the overall project will have an expected value in excess of US\$1 billion.

In the United Kingdom, Goodman is benefiting from higher development volumes, driven by improving economic conditions. Increased customer confidence and growing business activity levels are being reflected in the new developments being undertaken in proven, core markets and our logistics and business park teams securing new pre-committed opportunities during the year. The Group's business in Europe completed another solid year and was named "Number One Developer in Europe" by PropertyEU magazine for the fourth consecutive year, having completed nearly two million sqm of development in the period from 2012 to 2014. This result was mainly driven by Goodman's leading position as the top developer for e-commerce logistics, and from the growth in the automotive, retail and third party logistics sectors. The large majority of development projects were pre-leased before the start of construction.



In the US, good progress was made on the roll-out of Goodman's \$2 billion development pipeline, taking advantage of the lack of quality space available in proven logistics locations in the Southern California, New Jersey and Pennsylvania markets. The team completed and signed a long-term lease for the 1.6 million sq ft (approximately 150,000 sqm) Goodman Logistics Center Rancho Cucamonga, in the Inland Empire market of Southern California, securing the customer, Georgia-Pacific, in one of the largest logistics leasing deals completed in Southern California in the past 10 years. Post 30 June 2015, we commenced the development of our 73 hectare site at Eastvale in the Inland Empire market, while we also continue to work through planning on prime land sites in New Jersey and Pennsylvania.

In Brazil, our focus remains on selective pre-committed opportunities. Through our WTGoodman joint venture, we secured two prime built-to-suit development opportunities, totalling 219,000 sqm, including a 74,000 sqm facility at International Business Park in Rio de Janeiro for the International Olympic Committee.

Our increased development activities and higher asset pricing strongly influenced the growth in the Group's total assets under management, which increased by 13% during the year to \$30.3 billion. This was predominantly the result of \$2.5 billion of development completions and \$1.5 billion of asset revaluations across Goodman's portfolio, with significant valuation increases contributed by Goodman urban renewal sites in Australia.

We accelerated the pace in the roll-out of the Group's urban renewal strategy over the last 12 months, taking advantage of this significant long-term opportunity for our business. We continued to work through our current urban renewal pipeline in Sydney and Melbourne, achieving positive planning outcomes on a number of sites. As a result, \$1.1 billion of sites have been conditionally contracted for sale. While the Group has maintained its current urban renewal pipeline at more than 35,000 apartments, we see further opportunities to increase this meaningfully over time through the ongoing evolution of urban renewal precincts and as new sites are identified across our portfolio.

\$30.3bn

Total assets under management

Goodman experienced robust operating activity across its stabilised property portfolio during the year. Our customer focused approach and commitment to managing and maintaining our properties to a high standard, were reflected in the strong leasing results achieved, and the high occupancy and customer retention levels maintained.

Goodman's contemporary approach to its managed partnerships, investment offering and leading development capability are attractive to global investor groups and provide Goodman with a key competitive advantage. This ensured we retained the strong ongoing support of investment partners during the year, with Goodman raising \$1.8 billion of new third party equity, primarily for our platforms in North America, China and Japan. Our managed partnerships are benefiting from the investor demand for high yielding industrial assets, with selective asset rotation and the prudent management of capital on behalf of investment partners providing access to quality opportunities not typically available on the market. In turn, our managed partnerships are well positioned to maximise investment returns and create long-term value for capital partners.

The scope of the operating activities and strategic initiatives undertaken by Goodman in the 2015 financial year has delivered a strong performance across its business globally. This has resulted in full year operating EPS of 37.2 cents, up 7.1% on FY2014 and operating profit of \$653 million, representing an increase of 9% compared with the same period last year and consistent with the upgraded earnings guidance announced in February.

The total distribution paid for the full year was 22.2 cents per security, consisting of an 11.1 cent distribution in each half year period.

GROUP OPERATIONS

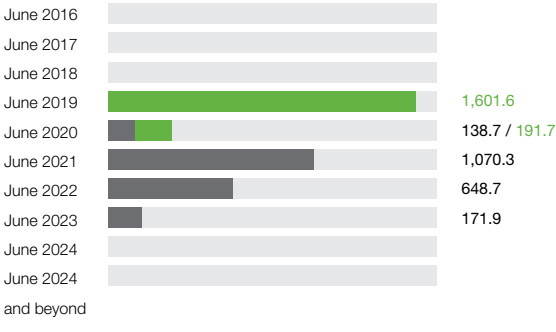
Goodman's operations achieved an operating EBIT of \$717 million, or an 8% increase compared with the same period last year, as a result of the organic growth and increased scale from Goodman's existing markets. The Group's active development and management businesses contributed 33% and 16% of operating EBIT respectively, which was driven by strong activity stemming from the limited supply of quality space and investor demand for high performing industrial assets. The growing contribution from development was a key factor in the Group's earnings outperformance for the year. Goodman's property investment activities contributed 51% to operating EBIT, with the earnings composition in line with expectations.

The contribution to earnings by Goodman's international operations was 55%, reflecting the significant growth experienced in these markets and highlighting the value of the Group's geographically diversified operating platform.

Further information on the Group's operations for the 2015 financial year is available on pages 22 to 33 of this Securityholder Review.

Debt maturity profile (\$M)

- Funded maturity from available liquidity
- Unfunded maturity



Goodman Interlink, Hong Kong.





CAPITAL MANAGEMENT

Goodman is committed to maintaining its sound financial position as a platform for delivering sustainable growth and competitive returns on a “through the cycle” basis. We are well positioned in the current operating environment to capitalise on the favourable market conditions by continuing to sell assets and focus on our development activities to deliver growth in investment returns. By reinvesting capital from asset sales to fund our development activities across the Group and managed partnerships at this point in the property cycle, we are able to minimise the amount of new capital required and reduce Goodman's financial leverage.

Our growing development work book means that the Group will retain its focus on reducing financial leverage and maximising available capital to reflect the increased earnings contribution from development. This ensures we are appropriately positioned to fund these activities, absorb any changes in market volatility and take advantage of growth opportunities over the longer term.

As a result, our gearing was 17.3% at year end, compared with 19.5% as at 30 June 2014 and is expected to reduce further. Coupled with available liquidity of \$1.8 billion, this is providing Goodman with considerable financial flexibility for future periods.

During the year, we also continued to focus on diversifying our debt funding sources and demonstrated our ongoing access to global debt capital markets. Across the Group and managed partnerships, we procured \$5.7 billion of debt facilities, predominantly to refinance existing facilities, achieving an average term of 4.5 years at current market rates. Furthermore, the Group has focused on maintaining its stable and sustainable long-term corporate credit rating with debt rating agencies, Standard & Poor's and Moody's Investor Services (Moody's) at 'BBB stable' and 'Baa2 stable' respectively. Separately during the year, Goodman European Logistics Fund (GELF) had its credit rating upgraded to 'Baa2' by Moody's.

17.3%

Gearing

OUTLOOK

Goodman has completed a very successful year, reflecting the quality business we are building for the long term. We are well placed to capitalise on our position as a leading industrial property group, with a strong platform in place for FY2016 and future periods, to deliver sustainable earnings growth and create long-term value for all of our stakeholders.

The Group is taking advantage of the demand for prime industrial property and selectively undertaking high quality growth opportunities in key logistics markets globally. The prevailing market conditions continue to provide Goodman with attractive opportunities to improve asset and income quality across its portfolio, which is core to our business strategy. This is being facilitated by our geographically diversified operating platform and skilled team of people, enabling Goodman to realise targeted opportunities to rotate assets, including from our urban renewal initiatives, and reinvest significant capital into the development activities of the Group and our managed partnerships. This will provide our business with considerable future financial flexibility, while maintaining a strong balance sheet.

For FY2016, Goodman expects the strength of its development activities and access to a significant pipeline of opportunities, demand from investment partners and the ability to deliver modern and efficient property solutions for its global customer base to be key drivers of earnings. The Group is forecasting full year operating earnings per security of 39.4 cents, up 6% on FY2015 and a distribution of 23.8 cents per security.

On behalf of the Board and executive management team, I would like to thank all of our customers, capital partners and Securityholders for their ongoing support. In particular, I would like to thank our team of people around the world for their outstanding contribution to Goodman's strong performance over the last year. It is their ongoing dedication and commitment to delivering quality and creating value for all of our stakeholders, which is fundamental to driving the sustainable long-term growth and success of our business.



GREGORY GOODMAN
GROUP CHIEF EXECUTIVE OFFICER



Intermarché, Poznan II Logistics Centre, Poland.





DELIV

QUA



ERING

TY

ADDING VALUE TO THE PORTFOLIO

PROPERTY INVESTMENT

The value of Goodman's investment portfolio was \$6.7 billion at 30 June 2015, which compares with \$5.6 billion for the same period last year and consists of the Group's ownership interest in 411 prime industrial and business space properties across 16 countries. The composition of the portfolio reflects the Group's direct property investments valued at \$2.7 billion and is represented by 31 properties located in key markets across Australia, the United Kingdom (UK) and Europe. Furthermore, the investment portfolio includes \$4.0 billion of the Group's cornerstone investments in its managed partnerships and other financial investments.

Growth in our total assets under management was the key driver in the higher value of the overall investment portfolio. This was mainly as a result of development completions and positive revaluations, across both our direct property investments and the Group's proportionate share of its cornerstone investments in its managed partnerships. A significant feature of our direct property investments is the number of sites that have been included as part of the Group's urban renewal strategy, which provides a substantial opportunity to return capital to the Group over the long term. The growth of the investment portfolio was offset by a number of asset rotation initiatives undertaken during the year, which included the disposal of the majority of the Group's UK property assets and selective asset sales across our managed partnerships, predominantly in Australia and New Zealand, in addition to the UK.

A customer focused approach

The performance of the Group's overall investment portfolio over the 12 month period reflected the robust property fundamentals and solid operating activity experienced during the year. Our customer focused offering, size and scale of our quality portfolio, active asset management and diverse global operating platform are key components of Goodman's business. They provide Goodman with the capability to meet the unique needs of our customers, while benefiting from the ongoing global demand for quality industrial property and business space. This saw Goodman lease 3.4 million sqm of space, equating to \$386 million of net property income, with occupancy maintained at a high 96% and like-for-like rental growth of 2.5%.

As an active asset manager, Goodman continually assesses opportunities to add value across its portfolio. This includes seeking opportunities to reposition assets to enhance performance, such as through higher and better use outcomes or rotating assets where, for example, value has been maximised. During the year, Goodman focused on improving the quality of its properties and income, taking advantage of higher asset pricing to selectively sell assets across the Group and its managed partnerships. This achieved \$1.9 billion in sale proceeds, with the capital being reinvested to provide funding for Goodman's high quality development work book.

411

Properties

\$6.7^{bn}

Value of Goodman's
investment portfolio

3.4^m

Sqm of space leased

Goodman Mizue, Tokyo, Japan.



ADDING VALUE THROUGH QUALITY DEVELOPMENTS IN STRATEGIC LOCATIONS

PROPERTY DEVELOPMENT

Goodman's development business performed strongly in FY2015. This reflected growing volumes in line with the prudent development-led approach we are implementing at this point in the property cycle. We are benefitting from the ongoing structural changes taking place across our sector globally, including the high demand for e-commerce and logistics space, which is driving customer demand for greater efficiencies and returns from their property solutions. This continued to be a key driver of the significant development activity we experienced during the year, with our focus on targeting the best quality projects in proven locations in our operating regions around the world. As a result, we commenced \$2.7 billion of new developments across 71 projects in 11 countries. Our expertise and development capability enable us to deliver new development product at a forecast yield on cost of 8.8%, which is below current replacement cost and provides Goodman with a strong competitive advantage. We achieved an average lease term of 10.5 years on these new developments with 73% pre-committed, demonstrating our commitment to a low risk development approach.

Via Varejo, Campo Grande, Rio de Janeiro, Brazil.



\$2.7_{bn}

New development
commencements

76

Developments currently
underway globally



Commenced developments include:

- + in Sydney, two facilities for a combined 58,000 sqm on behalf of global logistics services provider, DHL Supply Chain;
- + a 27,781 sqm warehouse in Brisbane for leading express delivery company, TNT;
- + in Auckland, New Zealand, a 16,735 sqm head office for IT systems and process provider, Datacom;
- + a 76,294 sqm built-to-suit facility, comprising two warehouses, in Nanjing, China for logistics services provider, Best Logistics;
- + in Tokyo, Japan, phase 1 of Goodman Business Park Chiba, comprising a 116,527 sqm ramp-up logistics facility, which is 25% pre-committed to third party logistics provider, SBS Logicom;
- + a 61,323 sqm warehouse in Walsrode, Germany for online furniture retailer, Home24;
- + a 55,236 sqm warehouse for multinational retailer, Carrefour, near Lille, France;
- + at Fontana in Southern California, United States, a 59,217 sqm logistics centre; and
- + a 145,392 sqm built-to-suit facility for Brazilian retail group, Via Varejo, in Rio de Janeiro, Brazil.

Development work in progress as at 30 June 2015



Australia 21%	Brazil 9%
Greater China 19%	New Zealand 9%
UK 16%	Japan 8%
Continental Europe 15%	North America 3%

Reinvesting sale proceeds to fund development activities

With one of the largest and most diversified industrial development work books globally, Goodman remains in a strong position to capitalise on the customer demand for high quality and well-located logistics space. This is evident in the growth in our development work in progress to \$3.1 billion at 30 June 2015 from \$2.6 billion last year, with active projects underway in all of Goodman's operating regions. We are currently undertaking 76 projects in 11 countries, equating to 2.2 million sqm of new logistics space. The ability to reinvest proceeds from the sale of assets to fund Goodman's development activities is a point of differentiation, which uniquely positions the Group to increasingly self-finance its development business. This is consistent with our prudent approach to development and focus on maintaining a strong balance sheet position. In proven undersupplied markets where we are rolling out our selective development-led strategy, such as in the United States, Brazil, Japan and China, our capital partnering approach further highlights our commitment to mitigating risk.

\$10_{bn}

Development pipeline

Goodman Logistics Center Rancho Cucamonga, Southern California, US.





For the year, Goodman delivered 2.1 million sqm of new space across 71 projects globally, with a combined value of \$2.5 billion. Developments completed during the year include:

- + a 46,366 sqm distribution centre in Brisbane for international logistics provider, DB Schenker;
- + in Melbourne, a 24,059 sqm warehouse for paper and packaging supplier, BJ Ball;
- + in Auckland, New Zealand, a 10,150 sqm warehouse for automotive group, Ford;
- + a 37,767 sqm built-to-suit facility in Yanjiao, China for global sport apparel and equipment retailer, Decathlon;
- + in Tokyo, Japan, two multi-customer ramp-up logistics and distribution facilities for a combined 123,000 sqm;
- + a 27,616 sqm fulfilment centre in Halle, Germany for leading integrated e-commerce solutions provider, eBay Enterprise;
- + in Konin, Poland, a 38,950 sqm logistics centre for Polish grocery retail brand, market-Detal;
- + a 30,000 sqm logistics facility for French express parcel business, GeoPost in Hinckley, United Kingdom; and
- + at Rancho Cucamonga in Southern California, United States, a 148,699 sqm logistics centre.

During the year, Goodman replenished its controlled land inventory, predominantly in the United States and China. As a result, our development pipeline was maintained at over \$10 billion and is capable of delivering a forecast gross lettable area of more than 7 million sqm. This ensures Goodman remains well positioned to roll-out its growing development business and capitalise on the strong investor demand for prime logistics and business space, while effectively servicing the diverse property needs of our customers globally.



96%

Overall occupancy

1,850

Customers globally

Top 20 global customers (by net income¹)

Customer	%
Japan Post (Toll Group)	4.0
Decathlon	2.5
Deutsche Post (DHL)	2.2
Amazon	2.0
DB Schenker	1.6
Linfox	1.3
Wesfarmers	1.3
Carrefour	1.2
Kuehne + Nagel	1.2
Recall	1.2
Grays Online	1.1
Metcash	1.1
Best Logistics	1.1
Woolworths	1.0
Georgia-Pacific	0.9
Coca-Cola Amatil	0.8
Zalando	0.7
Nippon Express	0.7
CEVA Logistics	0.7
Equinix	0.6

1. Includes the Group's share of net property income from its cornerstone investments across its managed fund platform.

A TEAM FOCUSED ON DELIVERING QUALITY CUSTOMER SERVICE

PROPERTY SERVICES

The dedication and commitment of Goodman's property services teams around the world are key to delivering the highest standards of service and ensuring that the needs of our more than 1,850 customers were catered for throughout the year. With responsibility for managing 17.6 million sqm of space, equivalent to \$30.3 billion of total assets under management, our teams are focused on the presentation of our quality portfolio of 411 industrial and business space properties, ensuring they are well maintained and operating efficiently.

The success of Goodman's service offering is built on the effective day-to-day management of our global customer relationships. The proactive approach of our teams ensures that we are responsive to the diverse property needs of our customers and able to identify opportunities that meet their changing business requirements. Over the last 12 months, we were able to add value for our customers, through the size and scale of our portfolio and our active asset management approach to deliver a range of property solutions. Across our operating regions, this included consolidating space to achieve operating efficiencies, upgrading and expanding existing properties and relocating customers within our portfolio. The hard work of our teams is reflected in the substantial leasing activity over the full year period, with more than 3.4 million sqm of space leased.

Building existing and developing new customer relationships

A total of 354 new leases were completed for existing and new customers in our property portfolio globally, with a total of 393 leases renewed on behalf of existing customers. This activity resulted in overall occupancy being maintained at a high 96% and a customer retention rate of 74%.

Significantly, we welcomed a number of new customers during the year, while building on our existing customer relationships, including Kuehne + Nagel, Deutsche Post (DHL), Sinotrans, Japan Post (Toll Group), UPS, IKEA, Coca-Cola Amatil, Vipshop, Woolworths and BMW.

LEVERAGING STRONG RELATIONSHIPS

MANAGED PARTNERSHIPS

Goodman retained the strong support of its capital partner relationships over the last 12 months, reflecting the demand for prime industrial assets and the attractiveness of the Group's specialist industrial product offering and development capability. We successfully raised \$1.8 billion of new third party equity during the year, predominantly for North America, China and Japan, where we are executing a prudent development-led strategy with known customer demand. Our managed partnerships performed strongly over the year, providing our global investment partners with access to high quality growth opportunities not typically available on the market, coupled with targeted asset selection and rotation to drive investment returns and long-term value creation. Through the focused delivery of their investment strategies, our managed partnerships achieved on average a total return in excess of 16% over the last 12 months.

Third party assets under management increased to \$25.2 billion at 30 June 2015 compared with \$22.4 billion last year. This was primarily the result of positive asset revaluations, driven by strengthening industrial asset pricing globally, together with a number of developments completed by Goodman during the year. Our managed partnerships also completed a number of initiatives to diversify debt funding sources and lengthen debt maturity profiles, providing available investment capacity of \$7.6 billion in undrawn equity, debt and cash. Combined with sale proceeds from ongoing asset rotation initiatives, Goodman's managed partnerships are well positioned to participate in a broad range of growth opportunities in future years.



Red Bull, Sydney Corporate Park, Australia.

New strategic partnership created

In New Zealand, a new strategic partnership was established between Goodman Property Trust (GMT) and Singapore's sovereign wealth fund, GIC, to co-invest in Auckland's Viaduct Quarter. The partnership will initially own a portfolio of assets comprised of GMT's existing assets and valued at NZ\$313 million, with a mandate to grow the partnership to NZ\$500 million over time. GIC will acquire a 49% interest in the initial portfolio, with GMT retaining a 51% share and all future investments will be made on the same basis.

New capital raised

In Japan, ¥23 billion of new equity was raised by Goodman Japan Core Fund, enabling it to fund the acquisition of current and future development completions from Goodman Japan Development Partnership.

In China, Goodman and CPPIB increased the equity commitment to their Goodman China Logistics Holding joint venture by US\$500 million, taking the total equity for the partnership to US\$2 billion. Similarly in the US, CPPIB increased its equity commitment to Goodman North America Partnership (GNAP) by an additional US\$500 million.

In Europe, Goodman European Logistics Fund (GELF) successfully priced an inaugural €500 million Eurobond issue on a five year term, with proceeds used to repay existing debt facilities. Separately, in New Zealand, GMT successfully completed a US Private Placement debt issue, securing US\$120 million of long-term funding with a weighted average term of 12.3 years, to increase the diversity and tenor of its debt facilities. GMT also extended its retail bond programme, issuing a new NZ\$100 million senior, secured seven year bond.

\$7.6_{bn}

Available investment capacity

>16%

Average total managed partnership returns