

Q3 FY2017 QUARTERLY OPERATIONAL UPDATE

7 June 2017



Shanghai, China

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SECTION 1 — QUARTERLY OPERATIONAL HIGHLIGHTS



Goodman Pudong Airport Logistics Park, Shanghai, China

QUARTERLY OPERATIONAL HIGHLIGHTS



- + Our business continues to benefit from the urbanisation of cities around the world and the concentration of consumers**
 - Changing consumer spending habits and technology are shaping the location of warehouse and distribution assets globally and being closer to the end consumer is vital

- + The Group has sold over \$6bn of assets over the past 3 years, concentrating its portfolio in large, wealthy consumer dominated cities around the world**
 - We believe demand will be strongest in these locations and scarcity of land will see higher value growth over time
 - Progress on asset sales continues in line with this strategy

- + Strong operating performance maintained, focus remains on sustainable long term growth**
 - Ongoing demand for prime industrial space across the global portfolio remains strong, reflecting the quality of the portfolio in gateway cities and customers
 - The development business remains a key focus with continued concentration on consumer dominated markets and infill sites
 - Performance fees from within the Partnerships expected to continue into future periods

QUARTERLY OPERATIONAL HIGHLIGHTS



+ Key highlights for the nine months to 31 March 2017 include

- \$2.1 billion of assets disposed (excluding urban renewal) to fund development pipeline
- \$2.1 billion of development commencements
- \$3.5 billion of development work in progress
- \$34.6 billion total assets under management
- 96% occupancy across the Group and Partnerships with positive rental reversions of 2.7%

+ Formalising financial policies in line with current operating practice

- The Group has been actively reducing financial leverage given its desire to run low gearing at this point in the property cycle
- Reduced Group gearing range to 0% - 25% from 25% - 35%
- Group Credit rating has increased one notch from S&P and Moodys to BBB+ and Baa1 respectively
- Bond and bank amendments provide enhanced financial and operational flexibility

+ Urban renewal sales continue to progress, settlements on track for over \$1 billion in FY2017

- Continued focus on planning and rezoning of future precincts

+ Reaffirm forecast FY2017 full year operating earnings per security of 43.1¹ cents, up 7.5% on FY2016

1. Operating EPS comprises profit attributable to Securityholders adjusted for property valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items

SNAPSHOT



1. % increases based on 30 June 2016 reported numbers

SECTION 2 – CAPITAL MANAGEMENT



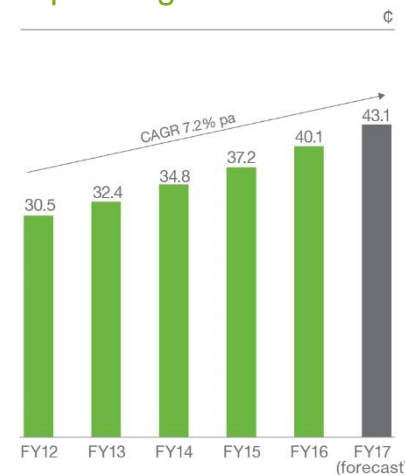
CAPITAL MANAGEMENT



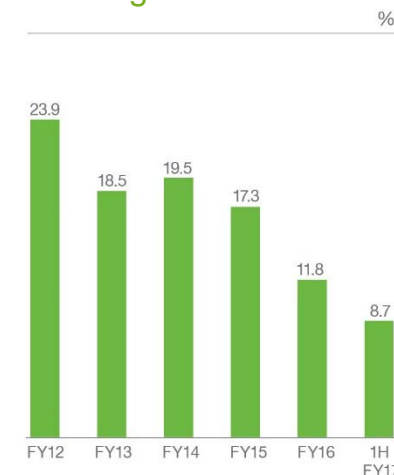
Improving operational flexibility, reduced gearing targets and increased Credit Rating

- + The Group has been actively reducing financial leverage in the business given its desire to run low gearing at this point in the property cycle
- + Group gearing range reduced to 0% - 25% (from 25% - 35%)
 - Formalising capital management strategy which has been operating in recent years
 - Gearing level will be determined with reference to mix of earnings and ratios consistent with credit rating
 - Consistent with practice in recent years
- + Bond and bank amendments provide enhanced financial and operational flexibility
 - Bond holders approved amendments to the terms on US\$1billion of the Group's 144a Bonds and the banks amended Common Terms for the facilities
 - Key amendments included tightening the leverage covenants by 5% and removing the unencumbered real property assets covenant
- + Financial Risk Management policy changes provide operational and balance sheet flexibility along with the ability to absorb changes in market volatility
- + Group Credit rating has increased one notch from S&P and Moody's to BBB+ and Baa1 respectively

Operating EPS



Gearing



SECTION 3 — QUARTERLY OPERATIONS



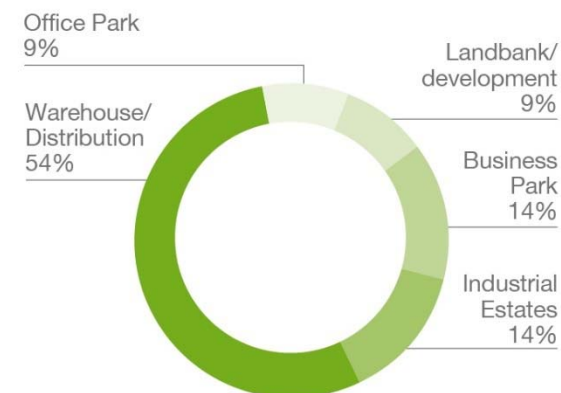
Goodman Logistics Center Fontana, Southern California, US.

QUARTERLY OPERATIONS — OWN



- + Underlying property fundamentals in our global portfolio remain sound
 - Leased 2.5 million sqm across the platform over the period equating to \$296 million of annual net property income
 - Maintained occupancy at 96%
 - Retention remains high at 81%
 - WALE of 4.7 years
 - Positive reversions of 2.7% per annum on new leasing deals
- + \$0.2 billion of asset sales completed in the quarter (excluding urban renewal sites) across the Group and Partnerships
 - Selective rotation of assets continued but expected to moderate as targeted program reaches completion
- + Continued disciplined execution of Group strategy to invest and develop in quality locations in major urban centres
- + Targeting sites / assets in infill locations or core gateway city markets

Total AUM by type



LEASING¹



Across the Group and Partnership platform:

- + 2.5 million sqm leased for 9 months to 31 March 2017, representing \$296 million of net property income
- + Positive reversions of 2.7% on new leasing deals
- + Occupancy maintained at 96%

Region	Leasing area (sqm)	Net annual rent (A\$m)	Average lease term (years)
Australia	915,284	119.2	4.1
New Zealand	155,575	32.2	7.1
Asia	676,218	93.2	3.4
UK	56,909	8.5	6.0
Europe	661,714	43.4	3.6
Total	2,465,700	296.5	4.3

1. Leasing for investment properties only and excludes developments for the nine months to 31 March 2017

QUARTERLY OPERATIONS – OWN



Goodman Jinxi Logistics Centre, Kunshan, China

Customer	Schenker
Transaction Type	Lease
Lettable area	27,100 sqm
Contracted owner	GCLP
Description	<ul style="list-style-type: none"> + Located in Jinxi Eco-Industrial Park, a major industrial park close to the boundary of western Shanghai + Warehouse 2 leased to Schenker who uses the space to service GAP



Mönchengladbach, Germany

Customer	ESPRIT
Transaction Type	Development / Lease
Lettable area	133,000 sqm
Contracted owner	GEP
Description	<ul style="list-style-type: none"> + 80,000 sqm expansion to the existing 53,000 sqm facility + Located in Regiopark, Mönchengladbach, a significant location for textile and fashion logistics in Western Germany + Key ecommerce distribution hub



Goodman Interlink, Hong Kong

Customer	DHL
Transaction Type	Lease
Lettable area	38,329 sqm
Contracted owner	GHKLP
Description	<ul style="list-style-type: none"> + Lease renewal for a total of 3 floors, all with ramp access + Warehouse and distribution building in Hong Kong. Located at Tsing Yi in the heart of the ports district and adjacent to the Stonecutters Bridge

QUARTERLY OPERATIONS — DEVELOP



- + Development workbook of \$3.5 billion across 75 projects with a forecast yield on cost of 7.7%
 - Development WIP of \$3.5 billion with 67% pre-committed and 78% pre-sold to Partnerships or third parties at 31 March 2017
 - Development completions of \$2.0 billion with 86% pre-committed and 80% pre-sold to Partnerships or third parties for the nine months to 31 March 2017
 - Development commencements of \$2.1 billion with 59% pre-committed and 65% pre-sold to Partnerships or third parties for the nine months to 31 March 2017

- + Prudent approach to development maintained
 - Capital partnering of development projects in most markets
 - Limiting speculative development to supply constrained, proven logistics locations given strengthening demand
 - New commitments are being selectively targeted within the gateway city strategy

- + Structural and cyclical themes continue to provide positive tailwinds
 - Growth in ecommerce and changing consumer spending
 - Customers seeking efficiencies in their supply chain networks

Development WIP (\$bn)



Work in progress as at 31 March 2017



DEVELOPMENT



Q3 FY17 Developments	Completions	Commencements	Work in progress
Value (\$m)	2.0	2.1	3.5
Area (m sqm)	1.7	1.7	2.5
Yield (%)	8.0	7.6	7.7
Pre-committed (%)	86	59	67
Weighted Average Lease Term (years)	8.6	9.7	9.9
Development for Third Parties or Partnerships (%)	80	65	78
Australia / New Zealand (%) of WIP	29	18	24
Asia (%) of WIP	32	30	28
Americas (%) of WIP	9	0	13
Europe (%) of WIP	30	52	35

Work in progress by region	On balance sheet end value \$m	Partnerships end value \$m	Total end value \$m	Partnerships % of total	Pre committed % of total
Australia / New Zealand	38	774	812	95	79
Asia	55	927	982	94	25
Americas	-	444	444	100	80
Europe	680	545	1,225	45	88
Total	773	2,690	3,463	78	67

QUARTERLY OPERATIONS — DEVELOP



Lyons Park, Coventry, West Midlands, UK

Lettable area	43,378 sqm
Contracted owner	GUKP
Location	Lyons Park, Coventry
Customer	Amazon
Description	<ul style="list-style-type: none"> + Located just off the A45 trunk road which connects the M42 and M1 motorways + The facility forms part of Amazon's Regional Distribution Centres network in the UK + Completion is expected in October 2017



Moorburger Bogen, Hamburg, Germany

Lettable area	34,984 sqm
Contracted owner	GMG
Location	Hamburg, Germany
Customer	Speculative
Description	<ul style="list-style-type: none"> + Land from Hamburg Port Authority + This will be Goodman's third speculative development in the Hamburg Port area after successfully pursuing and leasing 2 previous projects in the Port area + Plans are to develop three units in one phase



Goodman Logistics Centre, Santa Fe Springs, USA

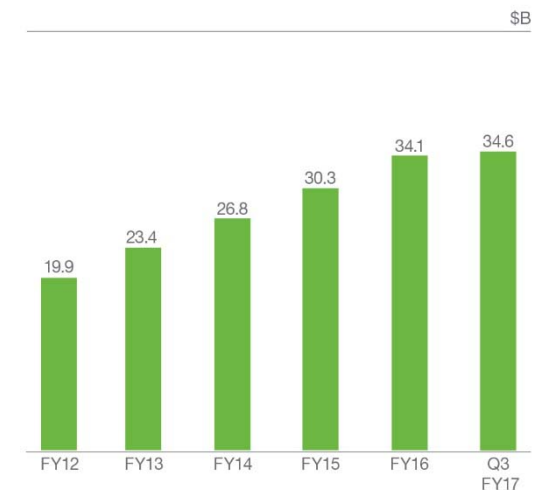
Lettable area	27,451 sqm
Contracted owner	GNAP
Location	Santa Fe Springs, California, USA
Customer	E-commerce customer
Description	<ul style="list-style-type: none"> + Building one of a three building logistics distribution estate totalling ~113,000 sqm + Strategically positioned within Los Angeles infill logistics market + 22 miles from the Port of LA, Long Beach and 15 miles from Downtown LA

QUARTERLY OPERATIONS — MANAGE

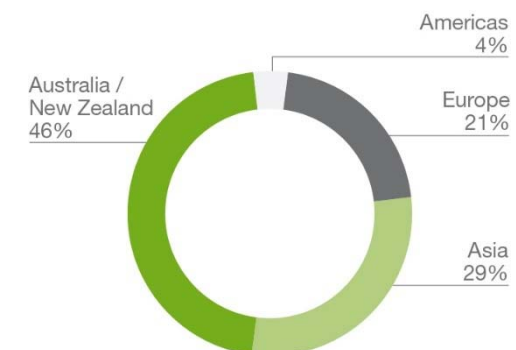


- + External AUM of \$30.0 billion
 - Development work book and revaluations offsetting asset sales
- + \$2.1 billion of asset rotation completed year to date (excluding urban renewal) enhancing the quality of the portfolios
 - Primary funding source of developments
 - Assets predominantly located across Australia, Japan, New Zealand and UK
- + Management income growth across the Partnerships continues to be driven by transactional activities and strength in asset pricing
 - Expected to be leading to performance fees in future periods
- + \$10.3 billion in undrawn debt and equity providing the Partnerships with selective growth opportunities

Total AUM (\$bn)







Total AUM by geography



MANAGEMENT PLATFORM¹



	GAIP	GHKLP	GEP	GAP	GCLP	GMT	GJCP ²	GNAP	GUKP
									
Total assets	\$6.8bn	\$4.7bn	\$4.0bn	\$3.8bn	\$2.8bn	\$2.3bn	\$1.9bn	\$1.3bn	\$0.3bn ³
GMG co-investment	\$1.2bn	\$0.7bn	\$0.5bn	\$0.6bn	\$0.4bn	\$0.3bn	\$0.2bn ¹	\$0.7bn	\$0.1bn
GMG co-investment	27.5%	20.0%	20.4%	19.9%	20.0%	21.0%	16.7% ¹	55.0%	33.3%
Number of properties	95	12	112	38	31	13	11	7	3
Occupancy	95%	98%	97%	98%	94%	98%	100%	97%	100%
Weighted average lease expiry ⁴	4.9 years	2.5 years	5.1 years	4.6 years	3.7 years	5.8 years	3.5 years	5.8 years	8.1 years

1. As at 31 March 2017
2. As at 28 February 2017
3. Built out end value A\$
4. WALE of leased portfolio to next break as at 31 March 2017

Q3 FY17 QUARTERLY OPERATIONAL UPDATE

