



25 July 2017

The Manager
Company Notices Section
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam,

GOODMAN GROUP (GOODMAN) – Dispatch of investor newsletter to Securityholders

Attached is the Goodman investor newsletter dispatched to Securityholders today and available on the Goodman website at www.goodman.com.

Please contact the undersigned in relation to any queries.

Yours sincerely

Carl Bicego
Company Secretary

Goodman Group

Goodman Limited | ABN 69 000 123 071

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

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Goodman Logistics (HK) Limited | Company No. 1700359 | ARBN 155 911 149 | a Hong Kong company with limited liability
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FINANCIAL FLEXIBILITY

Updates on recent capital management initiatives.

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DEVELOPMENT UPDATE

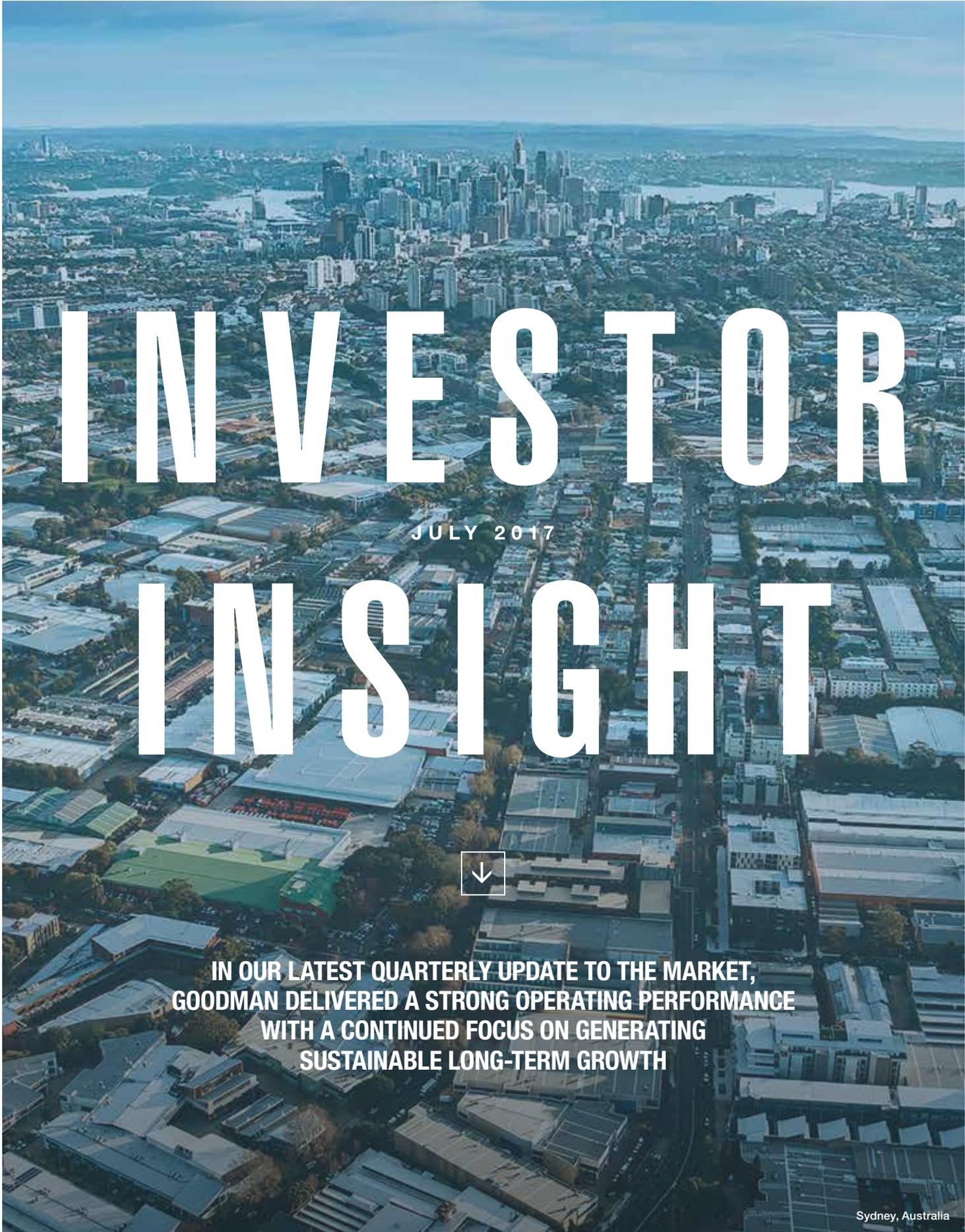
\$A3.5 billion development workbook across 75 projects.

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IN THE COMMUNITY

Raising funds in Australia and Hong Kong for those in need.

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INVESTOR

JULY 2017

INSIGHT

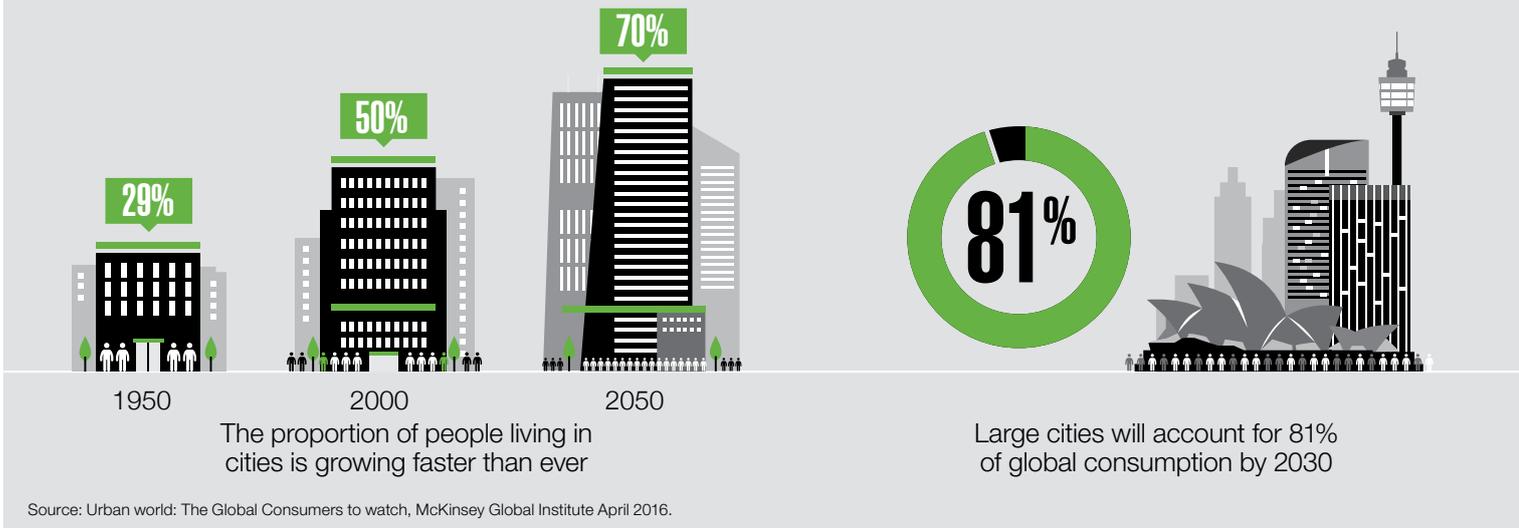


**IN OUR LATEST QUARTERLY UPDATE TO THE MARKET,
GOODMAN DELIVERED A STRONG OPERATING PERFORMANCE
WITH A CONTINUED FOCUS ON GENERATING
SUSTAINABLE LONG-TERM GROWTH**

STRATEGY AND OPERATIONAL UPDATE



URBANISATION OF GATEWAY CITIES AROUND THE WORLD IS DRIVING BUSINESS DECISIONS



URBANISATION D



// We're continuing to realise the benefits of our strategy which has consistently been to invest and develop in quality locations, close to the consumer. We believe demand for quality industrial properties will be strongest in these locations and scarcity of land will see higher values, supporting sustainable long-term growth.

//
 GREG GOODMAN,
 GOODMAN GROUP CEO

Shanghai, China

\$23
 trillion
 (USD)



In 2030, global consumption will have increased by \$23 trillion

We are positioning our properties close to areas of high population growth

Offering our customers quality properties close to consumers

RIVING BUSINESS



OUR GATEWAY CITY STRATEGY

At Goodman, the quality and location of our properties have always been key factors in making investment decisions and they define the composition of our overall global property portfolio.

We focus on investing in and developing high quality industrial properties in strategic locations, in and around major gateway cities globally. It is in these locations, where demand is strong and transformational changes in our industry are driving significant opportunities for our business.

The macro themes currently driving demand for modern, well located logistics space include:

- + Greater urbanisation of our cities.
- + The growth in consumerism.
- + The evolution of e-commerce and enabling technologies, which is changing consumer behaviour.
- + Our customers' focus on getting more value from their property solutions and achieving cost efficiencies through supply chain efficiencies.

KEY FACTS — FOR THE NINE MONTHS TO 31 MARCH 2017

OWN

TOTAL ASSETS UNDER MANAGEMENT

\$34.6^{bn}

Assets under management (AUM) saw valuation growth across the portfolio for our existing properties but this was offset by the asset sales. Total AUM includes assets held directly on the Group's balance sheet and within Partnerships.

SQUARE METERS LEASED

2.5^m 

2.5 million square metres of property was leased over the period equating to A\$296 million of annual net property income.

OCCUPANCY



Our occupancy levels were maintained at 96% and importantly retention rates remained high at 81%, demonstrating the quality and location of our assets.

DEVELOP

DEVELOPMENT WORK IN PROGRESS

\$3.5^{bn} 

Our A\$3.5 billion development work in progress is spread across our regions with 35% in Europe, 28% in Asia, 24% in Australia and New Zealand and 13% in the Americas.

DEVELOPMENT COMMENCEMENTS

\$2.1^{bn} 

New developments are being selectively targeted within our gateway cities, with 65% pre-sold to Partnerships or third parties.

DEVELOPMENT COMPLETIONS

\$2.0^{bn} 

We have maintained our prudent approach to development with 86% of our development completions pre-leased to customers.

MANAGE

EXTERNAL ASSETS UNDER MANAGEMENT

\$30.0^{bn}

External assets under management have remained steady at A\$30 billion with the Group continuing to balance the strategic asset rotation program with its strong development workbook.

ASSETS DISPOSED

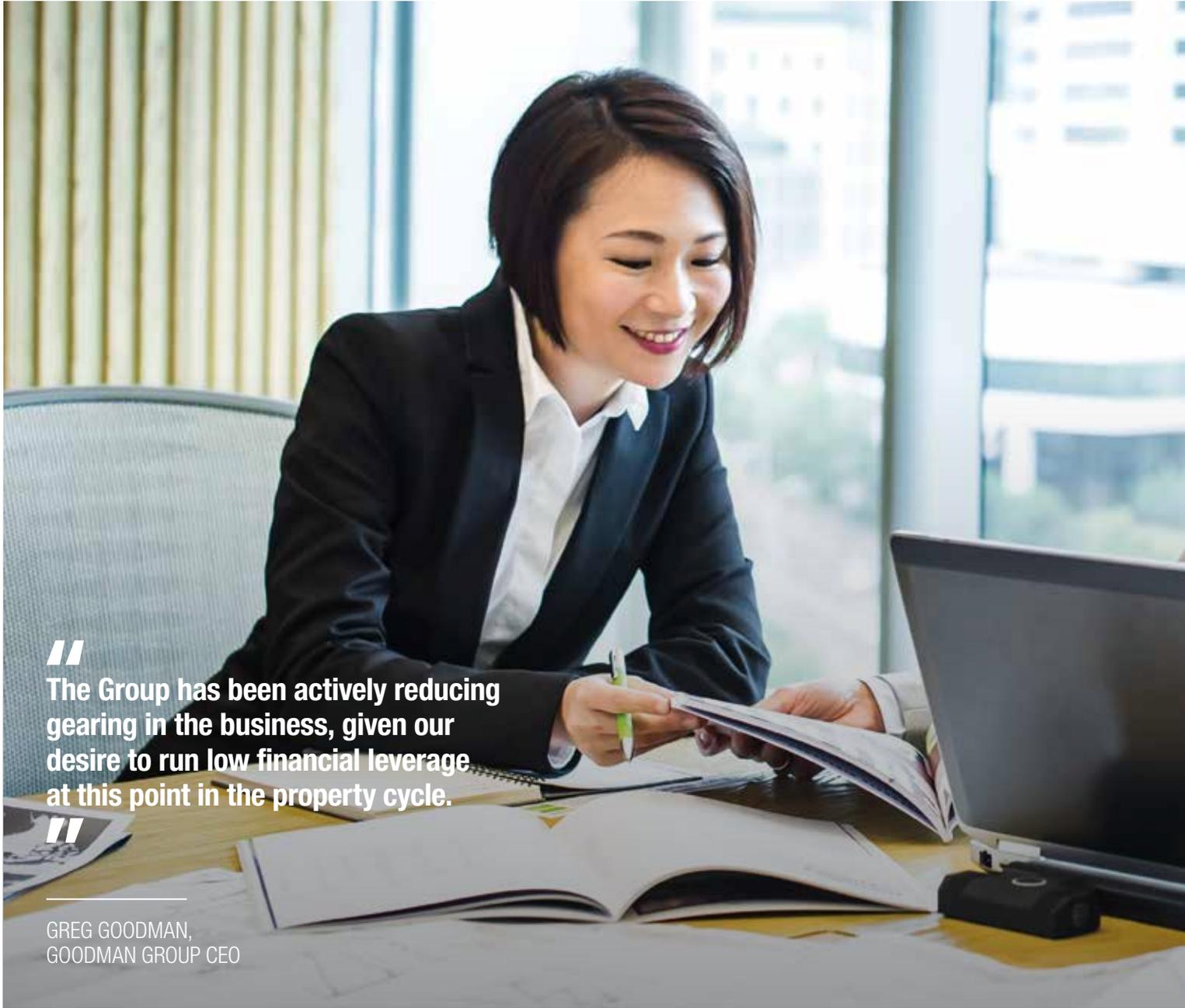
\$2.1^{bn} 

The Group sold A\$2.1 billion of assets in the nine months to 31 March 2017 (excluding urban renewal) to fund the development pipeline and concentrate our portfolio in large, wealthy consumer-dominated cities around the world.

UNDRAWN DEBT AND EQUITY

\$10.3^{bn} 

The Partnerships remain well capitalised with \$10.3 billion in undrawn debt and equity, providing capacity to leverage selective growth opportunities.



//
The Group has been actively reducing gearing in the business, given our desire to run low financial leverage at this point in the property cycle.

//
GREG GOODMAN,
GOODMAN GROUP CEO

IMPROVING FINA FLEXIBILITY



CAPITAL MANAGEMENT

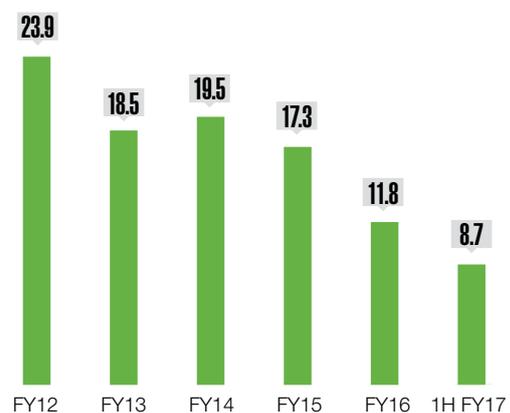


We continue to improve our financial and operational flexibility with a number of capital management initiatives completed in the financial year to date.

- + Group gearing range formally reduced to 0%–25% (from 25%–35%), this is consistent with practice in recent years.
- + The gearing level will be determined with reference to the mix of earnings and ratios consistent with our credit rating.
- + We closed a US\$1billion Exchange Offer of 144a Bonds in the US market.
- + These changes resulted in an improved credit rating for the Group with S&P upgrading to BBB+ and Moody's upgrading to Baa1.

Overall our capital management approach is focussed on long term flexibility, providing the ability to absorb changes in market volatility.

Gearing (%)



NCIAL

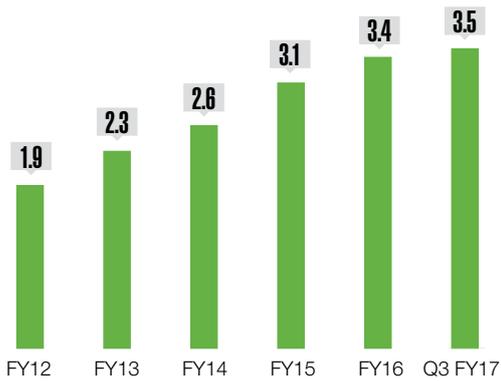
DEVELOPMENT UPDATE




PRUDENT APPROACH TO DEVELOPMENT

Goodman continues its prudent approach to development and has a development workbook of \$3.5 billion across 75 projects around the world (as at 31 March 2017).

Development WIP (\$bn)



Structural and cyclical themes continue to provide positive tailwinds for the Group with developments positioned to take advantage of the growth of ecommerce, the change in consumer spending and the flow-on effects these have on well-located, high-quality industrial properties.



STRONG



GOODMAN LOGISTICS CENTRE, SANTA FE SPRINGS, USA

27,451 sqm logistics facility for an ecommerce customer at Goodman Logistics Centre in Santa Fe Springs.

Artist's impression



LYONS PARK, COVENTRY, WEST MIDLANDS, UK

43,378 sqm distribution centre for ecommerce giant Amazon, in Lyons Park, Coventry.

Artist's impression



Artist's impression

WORKBOOK

IN THE COMMUNITY

AUSTRALIA'S BIGGEST MORNING TEA

Partnering with our neighbours to raise funds for Cancer Council in Australia

Goodman's head office in Australia joined forces with stockbroking firm Shaw and Partners, to host an inaugural 'Community Biggest Morning Tea' for all tenants of 60 Castlereagh Street in Sydney. The morning tea held in May, was themed as a 'celebration of survival' to raise awareness of the support services available to cancer survivors and their families.

Cancer survivor Gillian Marks, a Goodman employee and member of the organising committee, is five years cancer free and puts her survival down to a number of things, including feeling supported by her community, her employer and Cancer Council.

The morning was an outstanding success raising more than A\$55,000 for Cancer Council including staff donations and funding from Shaw and Partners and Goodman Foundations.



Australia's Biggest Morning Tea



It was with the help of Cancer Council through its counselling service, the support of Goodman and a neighbourhood walking group that I found the strength I needed to get through my cancer journey



GILLIAN MARKS,
GOODMAN STAFF MEMBER



Goodman Interlink Magic Mile Charity Ramp Run 2017

GOODMAN INTERLINK MAGIC MILE IN HONG KONG

Running the ramp for Feeding Hong Kong

For six years, Goodman has hosted the Goodman Interlink Magic Mile Charity Ramp Run, raising funds for various charities in Hong Kong. This year's event held in March, saw the Goodman Foundation and major sponsors raise over HK\$1 million for Feeding Hong Kong, the first food bank in Hong Kong dedicated to redistributing surplus food to people in need.

Cheering spectators encouraged over 400 participants to race up and down the 15-floor one mile truck ramp of Goodman Interlink, a landmark warehouse and distribution property located in Tsing Yi, Hong Kong.

Mr. Kristoffer Harvey, Goodman's Chief Executive Officer, Greater China, said, "We are proud to have raised over HK\$1 million for Feeding Hong Kong and are delighted it will provide 200,000 meals to underprivileged families in Hong Kong."

The high profile event has raised approximately HK\$5 million for charities across Hong Kong, including Feeding Hong Kong, and has attracted more than 1,500 participants over the past six years.



We are very grateful to Goodman and its sponsors for their generosity and effort in organizing this impressive event that will go a long way in helping our cause. The substantial donation will provide extra meals to families in need and help support our food bank operations to deliver food to local charities and schools



GABRIELLE KIRSTEIN,
EXECUTIVE DIRECTOR, FEEDING HONG KONG

 [VIEW MAGIC MILE VIDEO ON GOODMAN.COM](#)

SECURITYHOLDER INFORMATION

UPCOMING KEY DATES

21 August 2017	Announcement of full year results
28 August 2017	Estimated distribution payment date
16 November 2017	Annual General Meeting

Note: Future dates may be subject to change.

GOODMAN GROUP

Goodman Limited
ABN 69 000 123 071

Goodman Industrial Trust
ARSN 091 213 839

**Responsible Entity
Goodman Funds
Management Limited**
ABN 48 067 796 641
AFSL Number 223621

Goodman Logistics (HK) Limited
Company No. 1700359
ARBN 155 911 149

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Securityholders can update the following information with Computershare online at www.investorcentre.com:

- change of address details;
- request to receive communication online;
- request to have payments made directly to a bank account;
- provision of tax file numbers; or
- general queries about your securityholding.

If you would like to provide any feedback on the Investor Insight newsletter, please email us at info-au@goodman.com.

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