Results for the year end 30 June 2019

23 August 2019



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 (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 2019 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 earnings per share (EPS) to present a clear view of the underlying profit from operations. Operating profit comprises profit attributable to Securityholders adjusted for profit on disposal of investment properties, net property valuations gains, non-property impairment losses, net gains/losses from the fair value movements on derivative financial instruments and unrealised fair value and foreign exchange movements on interest bearing liabilities and other non-cash adjustments or non-recurring items e.g. the share based payments expense associated with Goodman's Long Term Incentive Plan (LTIP). A reconciliation to statutory profit is provided in summary on page 10 of this Presentation and in detail on page 7 of the Directors' Report as announced on ASX and available from the Investor Centre at www.goodman.com.

+ The calculation of fair value requires estimates and assumptions which are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable in the circumstances

+ This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. Neither the Group, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking-statements in this document will actually occur.

+ This document does not constitute an offer, invitation, solicitation, recommendation, advice or recommendation with respect to the issue, purchase, or sale of any stapled securities or other financial products in the Group.

+ This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "US person" (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act) (US Person)). Securities may not be offered or sold in the United States or to US Persons absent registration or an exemption from registration. The stapled securities of Goodman Group have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States.

Contents

Section1 - Highlights

Goodman Business Park East, Chiba, Japan

Highlights

- **The Group has delivered a strong operating performance in FY19. Key financial metrics for the year include:**
  - Operating profit[1] of $942 million, up 11.4% on FY18
  - Operating earnings per share (EPS)[2] of 51.6 cents, up 10.5% on FY18 (compared to initial guidance of 7%)
  - Gearing at 9.7%[3] (5.1% at FY18)
  - Distribution per security (DPS) of 30.0 cents, up 7% on FY18
  - Statutory profit of $1,628 million, includes $872 million valuation gains, contributing to 15% growth in net tangible assets from FY18 to $5.34 per security

- **Development workbook of $4.1 billion and growing to around $5 billion**
  - Building on capability in high barrier to entry markets with 55 projects in 13 countries. Urban focus delivering results
  - Raised and deployed more capital in Partnerships to fund developments
  - Larger, higher value projects with longer time in WIP

- **Strong performance within the Partnerships reflected in 16% average total returns[4] for the year**
  - $3.8 billion of revaluation gains across the Group and Partnerships
  - External assets under management (AUM) up 22% to $43 billion, with total AUM up 21% to $46 billion on FY18
  - Like for like net property income (NPI) growth of 3.3%[5]
  - Maintained high occupancy at 98%

1. 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
2. Operating EPS is calculated using Operating Profit and weighted average diluted securities of 1,826.5 million which includes 14.8 million LTIP securities which have achieved the required performance hurdles and will vest in September 2019 and September 2020
3. Gearing is calculated as total interest bearing liabilities over total assets, both net of cash and the fair values of certain derivative financial instruments included in other financial assets of $222.4 million (30 June 2018: $154.3 million). Total interest bearing liabilities are grossed up for the fair values of certain derivative financial instruments included in other financial liabilities of $123.6 million (30 June 2018: $31.9 million).
4. Partnership Total Returns are based on 12 months to June 2019
5. Excludes on balance sheet assets

Highlights

- **Significant liquidity and balance sheet capacity maintained**
  - Gearing at 9.7%[1] and at the lower end of the target range of 0 – 25%
  - $2.7 billion of available liquidity, $1.6 billion in cash (excludes available liquidity of $13.6 billion in Partnerships)
- **Forecast to deliver FY20 operating profit of $1,040 million (+10.4%) and operating EPS of 56.3 cents (up 9% on FY19)[2]**
  - Forecast distribution of 30.0 cents per security. As disclosed in February 2019, distributions will remain at 30 cents per share for FY20, with the payout ratio reducing accordingly

1. Gearing is calculated as total interest bearing liabilities over total assets, both net of cash and the fair values of certain derivative financial instruments included in other financial assets of $222.4 million (30 June 2018: $154.3 million). Total interest bearing liabilities are grossed up for the fair values of certain derivative financial instruments included in other financial liabilities of $123.6 million (30 June 2018: $31.9 million).
2. We set our target annually and review them regularly. Forecasts are subject to there being no material adverse change in market conditions or the occurrence of other unforeseen events

Highlights

Own	+ High occupancy maintained at 98% and WALE of 4.7 years + Like for like NPI growth at 3.3%[1] + Leased 3.4 million sqm across the global platform equating to $478 million of annual rental property income across the Group and Partnerships + Properties under control support >35,000 apartments across multiple sites which are in varying stages of planning with outcomes expected over the medium – long term
Develop	+ WIP of $4.1 billion across 55 projects in 13 countries with a forecast yield on cost of 6.6% reflecting changing mix + 80% of current WIP is being undertaken within Partnerships + Development commencements of $4.2 billion with 59% committed + Development completions of $3.9 billion with 81% committed
Manage	+ Total assets under management of $46.2 billion, with external assets under management increasing to $42.9 billion, up 22% on 30 June 2018, despite transacting over $1.5 billion of asset sales during the year + Average total return in the Partnerships of 15.9% + Valuation growth of $3.8 billion across the Group and Partnerships. Global WACR tightened 36bps to 5.1% + Average Partnership gearing 19.0% + $13.6 billion available in undrawn debt, equity and cash, due to new commitments and asset sale proceeds
Corporate	+ The Group completed a comprehensive review of its sustainability approach and performance during the year and refined its focus to three strategic pillars that align with the Group's purpose + Two Goodman Partnerships, were awarded 'Sector Leader' for their respective peer groups in the 2018 Global Real Estate Sustainability Benchmark (GRESB) + Significant community engagement and impact made by the Goodman Foundation through grants, in-kind donations and volunteering and fundraising efforts of Goodman people around the world + Enhancements made to the remuneration structure including forward three year operating EPS hurdle range for testing of performance rights

1. Excludes on balance sheet assets

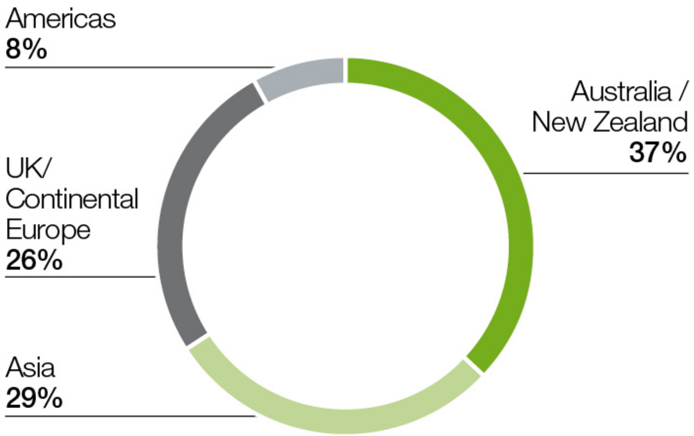
Section 2 - Results overview


Goodman Longquan Logistics Centre, Chengdu, China

Results overview

- Statutory accounting profit up 48% to $1,627.9 million
  - Includes property valuations, share based payments, derivative and mark-to-market movements
- Operating profit of $942.3 million up 11.4% on FY18
  - Increased outperformance for FY19 driven by strong global contributions from development and management
- Operating EPS[1] of 51.6 cents[1] per security, up 10.5% on FY18
- DPS of 30.0 cents per security, up 7%
- Net tangible assets increased 15% to $5.34 per security

Operating earnings by geographic segment



	FY18	FY19
Operating profit ($m)	845.9	942.3
Statutory accounting profit ($m)	1,098.2	1,627.9
Operating EPS (cents)[1]	46.7	51.6
Distribution per security (cents)	28.0	30.0

	As at 30 June 2018	As at 30 June 2019
NTA per security ($)	4.64	5.34
Gearing (balance sheet) (%)[2]	5.1	9.7
Available liquidity ($b)	3.4	2.7
WACR (look through) (%)	5.5	5.1

1. Operating profit and operating EPS comprises profit attributable to Securityholders adjusted for property and valuations, derivative and foreign currency mark-to-market and other non-cash or non-recurring items and calculated based on weighted average securities of 1,826.5 million which includes 14.8 million LTIP securities which have achieved the required performance hurdles and will vest in September 2019 and September 2020
2. Gearing is calculated as total interest bearing liabilities over total assets, both net of cash and the fair values of certain derivative financial instruments included in other financial assets of $222.4 million (30 June 2018: $154.3 million). Total interest bearing liabilities are grossed up for the fair values of certain derivative financial instruments included in other financial liabilities of $123.6 million (30 June 2018: $31.9 million).

Profit and loss

- Statutory profit of $1,627.9 million, includes property valuations, share based payments expense and mark to market movements
  - Continued strong revaluation gains of $3.8 billion across the platform (Group's share $871.7 million) driven by rent growth, cap rate compression and development activity which added $620 million in total, of which the Group's share was $220 million
  - Unrealised foreign exchange and derivative gain of $17.0 million
  - Share based payments expense (non operating and non-cash) increased $71 million driven primarily by share price performance (up 56% for the 12 month period)
- Full year operating profit of $942.3 million
  - Investment income growth impacted by full period effect of asset sales. Cornerstone ROA 4.9% with solid underlying growth
  - Management earnings up 48% to $469.7 million supported by strong property fundamentals and performance fees
    - Revenue represents approximately 1.2% average AUM; includes $204 million of portfolio performance fees
  - Continued growth in development revenue supported by consistently strong project margins and volume, partially offset by an increase in development activity within Partnerships and the timing effects of larger projects with longer time frames
  - Overheads up driven by currency and inflation in some markets
  - Net borrowing costs up slightly, with lower WACD and debt level offset by hedge costs, lower cash balance and a decrease in capitalised interest. The reduction of the $A gave us an overall translation benefit of $29 million which has been offset by increased hedge costs
  - Increase in tax expense in accordance with growing profit and mix of revenues

Income statement

	FY18 $M	FY19 $M
Property investment	384.8	372.1
Management	316.5	469.7
Development	490.6	509.2
Operating expenses	(243.2)	(261.1)
Operating EBITDA	**948.7**	**1,089.9**
Operating EBIT[1]	**942.5**	**1,083.3**
Net borrowing costs	(44.4)	(45.9)
Tax expense	(47.6)	(95.1)
Operating profit (pre minorities)	**850.5**	**942.3**
Minorities[2]	(4.6)	-
Operating profit (post minorities)	**845.9**	**942.3**
Weighted average securities (million)[3]	1,810.8	1,826.5
Operating EPS (cps)	46.7	51.6
Non operating items[4]		
Property valuation related movements	639.0	871.7
Fair value adjustments and unrealised foreign currency exchange movements related to capital management	(174.4)	17.0
Other non-cash adjustments or non-recurring items	(212.3)	(203.1)
Statutory profit	**1,098.2**	**1,627.9**

1. Look through Operating EBIT is $1,182.7 million and reflects $99.4 million adjustment to GMG proportionate share of Partnerships interest and tax (2018: $1,029.7 million)
2. Goodman PLUS Trust hybrid securities
3. Includes 14.8 million securities which have achieved the required performance hurdles and will vest in September 2019 and September 2020 (2018: 12.0 million)
4. Refer slide 26

Balance sheet

- Strong balance sheet maintained
  - Gearing increased to 9.7% (from 5.1% in FY18) and 20.0% on a look through basis driven by growth in development activity and FX
- Stabilised investment properties increased primarily due to valuation uplifts and development completions
- Steady growth in Partnership cornerstones through valuations, capital allocation to development activities and foreign currency translation
- Marginal number of asset sales following the completion of the portfolio repositioning programme last year
- Total property revaluations across the Group and Partnerships of $3.8 billion with Goodman's share amounting to $871.7 million
  - $220 million represents the Group share of the $620 million of uplifts that resulted from development activity in Partnerships
  - NTA increased 15% to $5.34 since June 2018

Balance sheet

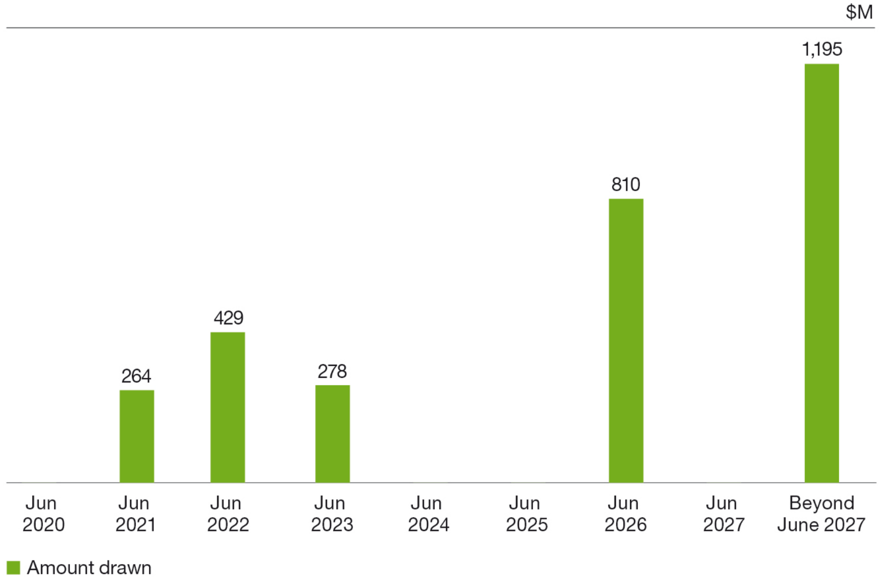
	FY18 $m	FY19 $m
Stabilised investment properties	1,624	1,757
Partnership cornerstones[1]	6,087	6,920
Development holdings[2]	1,994	2,992
Intangibles	817	840
Cash	2,407	1,607
Other assets	530	797
Total assets	**13,459**	**14,913**
Interest bearing liabilities	(3,082)	(2,975)
Other liabilities	(1,204)	(1,415)
Total liabilities	**(4,286)**	**(4,390)**
Net assets	**9,173**	**10,523**
Net asset value ($)[3]	**5.09**	**5.80**
Net tangible assets ($)[3]	**4.64**	**5.34**
Balance sheet gearing (%)[4]	5.1	9.7

1. Includes Goodman's investments in its Partnerships and other investments
2. Includes inventories, investment properties under development and investments in Partnerships which have a principle focus on development
3. Based on 1,813.9 million securities on issue
4. Gearing is calculated as total interest bearing liabilities over total assets, both net of cash and the fair values of certain derivative financial instruments included in other financial assets of $222.4 million (30 June 2018: $154.3 million). Total interest bearing liabilities are grossed up for the fair values of certain derivative financial instruments included in other financial liabilities of $123.6 million (30 June 2018: $31.9 million).

Group liquidity position

- Cash and available lines of credit (excluding Partnership debt and equity) of $2.7 billion as at 30 June 2019
  - $1.6 billion in cash
  - $1.1 billion of available lines
- Weighted average debt maturity profile of 6.6 years
- Gearing at 9.7%[1] (20.0%[2] look through) and expected to remain at the bottom half of the 0-25% policy range in the near term
- Substantial headroom to financial facility covenants
  - Average interest coverage ratio (ICR) at 19.6 times (10.5 times look through)
- The Group expects to undertake an increased volume of development activity over the next few years. As a result, more capital will be allocated to development and Partnership investments on a consistent basis. This has driven the re-alignment of the payout ratio
  - As announced in February 2019, in order to maintain low financial leverage in accordance with the Group's Financial Risk Management policy, a payout ratio in the low 50% range has been targeted
- Stable and sustainable investment grade credit ratings across the Group
  - BBB+ / Baa1 from S&P and Moody's respectively

Goodman Group drawn debt expiry profile



1. Gearing is calculated as total interest bearing liabilities over total assets, both net of cash and the fair values of certain derivative financial instruments included in other financial assets of $222.4 million (30 June 2018: $154.3 million). Total interest bearing liabilities are grossed up for the fair values of certain derivative financial instruments included in other financial liabilities of $123.6 million (30 June 2018: $31.9 million).
2. Based on $3.1 billion net debt on $15.6 billion net assets of Group and proportionate share of Partnerships

Section 3 - Operational performance

Goodman Commerce Center Eastvale, USA

Property investment

+ The portfolio concentration in infill markets is delivering strong underlying returns
  – Occupancy remained at 98%
  – WALE of 4.7 years
  – Like-for-like net property income growth of 3.3%[1]
+ Lower overall property income reflects the full period effect of asset sales
  – Income return on cornerstone investments at 4.9%
+ Increased Group capital allocation to cornerstone investments driven primarily by North America and Greater China, with most other markets utilising proceeds of prior asset sales
+ The quality of the global portfolio is reflected in the WACR tightening 36bps to 5.1% for the year
  – Revaluation gains of $3.8 billion across the Group and Partnerships
+ Progressing with planning and re-zoning of sites in Sydney and Melbourne markets with potential for >35,000 apartment sites
+ Competing demand from e-commerce, data centre users and urban renewal continues to put pressure on land use in the markets in which we operate
+ Deliberate urban logistics concentration of our portfolio is the critical factor which will:
  – Support our customers' supply chain evolution over the next 5-10 years
  – Provide resilient cash flows longer term
  – Provide opportunity for higher and better uses in the longer term

Property investment ($m)	FY18	FY19
Direct	113.2	74.0
Cornerstones	271.6	298.1
Property investment earnings	**384.8**	**372.1**

Key metrics[2]	FY18	FY19
WACR (%)	5.5	5.1
WALE (yrs)	4.8	4.7
Occupancy (%)	98	98

1. Excludes on balance sheet assets
2. Key metrics relate to Goodman and managed Partnership properties

Development

- WIP strong at $4.1 billion and growing
  - Increased demand from our customers, driven by structural changes, is resulting in an escalation of development activity. Volumes are expected to trend higher with WIP likely to exceed $5 billion in FY20
  - Developments continue to provide the best risk adjusted returns and access to high quality assets with a focus on supply constrained markets
  - Commenced $4.2 billion in new developments and completed $3.9 billion of projects for the year
  - International focus with 55 projects across 13 counties, and >80% of developments located outside of Australia
  - Concentration on urban logistics developments is resulting in increased scale and higher value over fewer projects, and lower cap rates
- FY19 development earnings reflecting consistent margins
  - Development ROA supported by efficient capital use
  - Strong development returns are generating performance fees
- Compression in development yield on cost reflects the quality and geographic mix of developments
  - Margins broadly consistent due to portfolio WACR of 5.1%
- High demand combined with lack of supply in most markets is leading the Group to commence more projects on a speculative basis, with projects completed through the year 81% leased
- Margin and volume growth impact on revenue offset by increased proportion (on average) in Partnerships, providing capital efficiency and the timing effects of larger projects with longer development periods
  - 80% of developments undertaken in Partnerships
  - Maintaining low financial leverage given current strategy

Development ($M)	FY18	FY19
Development income	1,299.5	1,236.5
Development expenses	(808.9)	(727.3)
Development earnings	**490.6**	**509.2**

Key metrics	FY18	FY19
Work in progress ($b)	3.6	4.1
Work in progress (million sqm)	2.2	1.8
Number of developments	80	55
Development for third parties or Partnerships (%)	76	80
Commitment (%)	64	58
Yield on cost (%)	7.2	6.6

Work in progress (end value)	$B
Opening (June 2018)	**3.6**
Completions	3.9
Commencements	4.2
FX and other	0.2
Closing (June 2019)	**4.1**

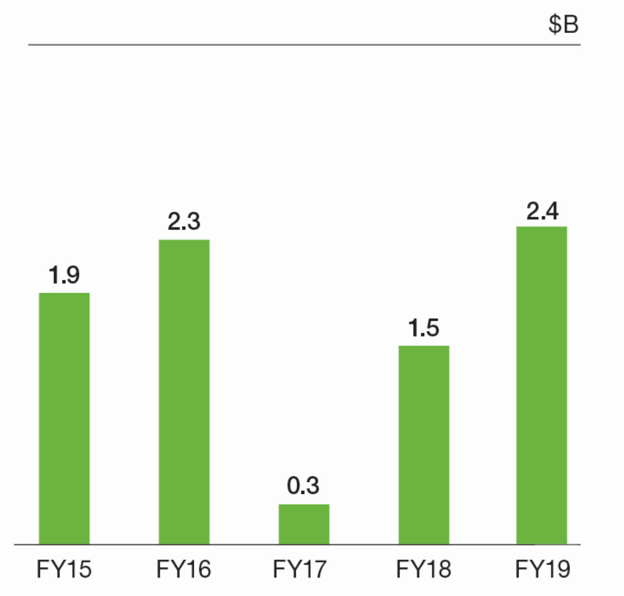
Management

- Management earnings up 48% on FY18
- Continued strong performance of the Partnerships and AUM growth increasing management earnings
  - Partnership average total return of 15.9% for FY19
  - Performance fees increased to $204 million, following consistent Partnership returns over several years
- External AUM of $42.9 billion up 22% on FY18
  - AUM increase due to revaluation gains, development completions across the platform and reduction in asset sales
  - Rental growth and cap rate compression driving valuations
- Future growth in AUM to be supported by an increasing development workbook and underlying property fundamentals
  - Investment through the development pipeline to contribute ~$3.5 -$4.0 billion per annum in the near term
- $13.6 billion of equity commitments and liquidity available across the Partnership platform
  - $4.1 billion in undrawn debt facilities and cash
  - $9.5[1] billion in undrawn equity

Management ($M)	FY18	FY19
Management earnings	316.5	469.7

Key metrics	FY18	FY19
Number of Partnerships	16	15
External AUM ($B)	35.1	42.9

Third party equity raised within Partnerships



1. Partnership investments are subject to Investment Committee approval

Management platform

	GAIP	GHKLP	GEP	GCLP	GAP	GNAP	GJCP	GMT[3]	GUKP
Total assets	$8.2bn	$7.5bn	$6.0bn	$4.7bn	$4.1bn	$3.6bn	$3.0bn	$2.6bn	$0.6bn
GMG co-investment	28.4%	20.1%	20.4%	20.0%	19.9%	55.0%	16.5%	21.4%	33.3%
GMG co-investment	$1.5bn	$1.1bn	$0.7bn	$0.7bn	$0.8bn	$1.9bn	$0.3bn	$0.4bn	$0.2bn
Number of properties	100	11	117	35	33	11	13	10	4
Occupancy[1]	97%	100%	99%	98%	98%	93%	100%	98%	100%
Weighted average lease expiry[1]	4.7 years	3.2 years	4.7 years	3.6 years	4.1 years	8.1 years	3.1 years	5.2 years	8.9 years
WACR	5.4%	4.3%	5.2%	5.6%	5.4%	4.0%	4.5%	5.8%	4.5%
Gearing[2]	28.1%	17.6%	27.3%	6.4%	3.3%	n/a	34.6%	19.7%	n/a
Weighted average debt expiry	5.3 years	4.4 years	4.2 years	2.6 years	5.8 years	n/a	6.1 years	5.0 years	n/a
Total shareholder return	20.6%	24.8%[5]	9.6%	18.0%[4]	17.8%	13.4%	7.3%[6]	36.1%	12.9%

1. WALE and occupancy of stabilised portfolio
2. Gearing calculated as total interest bearing liabilities over total assets, both net of cash
3. GMT: Results are for the financial year ended March 2019 as reported to the New Zealand Stock Exchange
4. GCLP: Total return is for the financial year ended 31 December 2018. Based on local currency
5. GHKLP: Total return is for the financial year ended 31 March 2019
6. GJCP: Total return is for the financial year ended 28 February 2019

Section 4 - Outlook

Outlook

- **Macro trends globally continue to drive structural changes in our industry and significant opportunity**
  - Technology is changing consumer behaviour and enabling our customers' ability to provide supply chain solutions to service them
- **Deliberate urban logistics concentration is delivering returns for our Partnerships and long term value**
  - Combined with limited supply, competing uses in these locations is supporting rental growth and investment demand
- **Scarcity of land in infill locations, where Goodman is focused, is seeing increased intensity of use**
  - Data centres, multi-storey logistics and other commercial uses are all potential value add opportunities
- **Underlying real estate fundamentals should continue to drive sustainable growth**
- **Development performance driven by continued customer led demand in our urban locations**
  - Incremental site acquisition, change of use and long term decision making support ongoing programme
  - Fewer projects but higher value reflecting infill locations
- **Management performance and outlook remains strong**
  - Structural changes driving rents and global interest rate trends are supporting investment demand for the sector and should underpin valuation growth
- **We set our target annually and review them regularly. Forecasts are subject to there being no material adverse change in market conditions or the occurrence of other unforeseen events**
- **Forecast to deliver FY20 operating profit of $1,040 million (+10.4%) and operating EPS of 56.3 cents (up 9% on FY19)**
  - Forecast distribution of 30.0 cents per security, as previously guided

Appendix 1 – Results analysis

Profit and loss

Total income by business segment for the year ended 30 June 2019

Category	Total $M	Property investment $M	Management $M	Development $M	Operating expenses $M	Non-operating items $M
Gross property income	114.6	114.2	-	-	-	0.4
Management income	469.7	-	469.7	-	-	-
Development income	1,134.3	-	-	1,134.3	-	-
Net gain from fair value adjustments on investment properties	146.8	-	-	-	-	146.8
Net gain on disposal of investment properties	15.3	-	-	15.3	-	-
Share of net results of equity accounted investments	1,132.5	298.1	-	74.3	-	760.1[1]
Net gain on disposal of equity investments	12.6	-	-	12.6	-	-
Total income	**3,025.8**	**412.3**	**469.7**	**1,236.5**	**-**	**907.3**
Property and development expenses	(767.5)	(40.2)	-	(727.3)	-	-
Employee, administrative and other expenses	(464.3)	-	-	-	(267.7)	(196.6)
EBIT / Segment operating earnings	**1,794.0**	**372.1[2]**	**469.7[2]**	**509.2[2]**	**(267.7)**	**710.7**

1. Includes share of associate and JVE property valuation gains of $746.6 million, share of fair value adjustments of derivative financial instruments in associates and joint ventures of $20.4 million and other non-cash, non-recurring items within associates of $(6.9) million
2. Segment operating earnings is total income less property and development expenses (excludes employee, administrative and other expenses)

Profit and loss (cont'd)

Category	Total $M	Property investment $M	Management $M	Development $M	Operating expenses $M	Non-operating items $M
EBIT / Segment operating earnings	**1,794.0**	**372.1**	**469.7**	**509.2**	**(267.7)**	**710.7**
Net gain from fair value adjustments on investment properties	(146.8)	-	-	-	-	(146.8)
Share of net gain from fair value adjustments on investment properties, unrealised derivative gains and non-recurring items within associates and JVEs	(760.1)	-	-	-	-	(760.1)
Straight-lining of rental income	(0.4)	-	-	-	-	(0.4)
Share based payments expense	196.6	-	-	-	-	196.6
Operating EBIT[1] / Segment operating earnings	**1,083.3**	**372.1**	**469.7**	**509.2**	**(267.7)**	**-**
Net finance expense (statutory)	(49.3)					
Less: fair value adjustments on derivative financial instruments	*(6.7)*					
Add: foreign exchange loss	*10.1*					
Net finance expense (operating)	(45.9)					
Income tax expense (statutory)	*(116.8)*					
Add: deferred tax on fair value adjustments on investment properties	*21.7*					
Income tax expense (operating)	(95.1)					
Operating profit available for distribution	**942.3**					
Net cash provided by operating activities[2]	**827.5**					

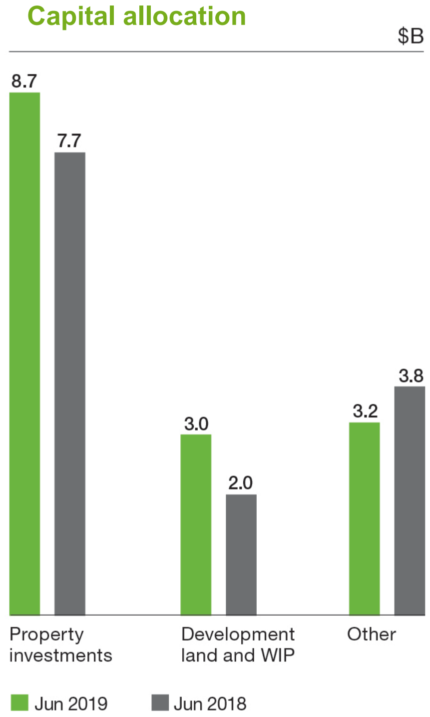
1. Look through Operating EBIT is $1,182.7 million and reflects $99.4 million adjustment to GMG proportionate share of Partnerships interest and tax (2018: $1,029.7 million)
2. Difference between operating profit and cash provided by operating activities of ($114.8) million relates to:
   - $15.4 million development activities including capitalised and prepaid interest
   - ($15.3) million of development cashflows recognised in investment activities
   - ($33.1) million cash share of equity accounted income
   - ($81.8) million of other working capital movements

Reconciliation non-operating items

Non-operating items in statutory income statement	$M	Year ended 30 June 2019 $M
Property valuation related movements		
Net gain from fair value adjustments attributable to investment properties	146.8	
Share of net gain from fair value adjustments attributable to investment properties in associates and joint ventures after tax	746.6	
Deferred tax on fair value adjustments on investment properties	(21.7)	
Subtotal		**871.7**
Fair value adjustments and unrealised foreign currency exchange movements related to capital management		
Fair value adjustments on derivative financial instruments – GMG	6.7	
Share of fair value adjustments on derivative financial instruments in associates and joint ventures	20.4	
Unrealised foreign exchange loss	(10.1)	
Subtotal		**17.0**
Other non-cash adjustments or non-recurring items		
Straight-lining rental income	0.4	
Share based payments expense	(196.6)	
Net capital losses not distributed and deferred tax adjustments	(6.9)	
Subtotal		**(203.1)**
TOTAL		**685.6**

Financial position

As at 30 June 2019	Direct Assets $M	Property investments $M	Developments $M	Other $M	Total $M
Cash	-	-	-	1,607.1	1,607.1
Receivables	-	-	247.4	417.1	664.5
Inventories	-	-	1,069.0	-	1,069.0
Investment properties	1,756.4	-	140.7	-	1,897.1
Investments accounted for using equity method	-	6,917.7	1,534.7	-	8,452.4
Intangibles	-	-	-	840.0	840.0
Other assets	-	2.7	-	380.0	382.7
Total assets	**1,756.4**	**6,920.4**	**2,991.8**	**3,244.2**	**14,912.8**
Interest bearing liabilities				(2,975.0)	(2,975.0)
Other liabilities				(1,415.3)	(1,415.3)
Total liabilities				**(4,390.3)**	**(4,390.3)**
Net assets/(liabilities)					**10,522.5**
Gearing[1] %					**9.7**
NTA (per security)[2] $					**5.34**
Australia / New Zealand	1,725.5	2,873.0	547.2	211.4	5,357.1
Asia	-	1,908.0	488.0	474.8	2,870.8
CE	-	815.1	638.3	768.1	2,221.5
UK	30.9	101.7	509.3	121.6	763.5
Americas	-	1,222.6	809.0	245.8	2,277.4
Other	-	-	-	1,422.5	1,422.5
Total assets	**1,756.4**	**6,920.4**	**2,991.8**	**3,244.2**	**14,912.8**



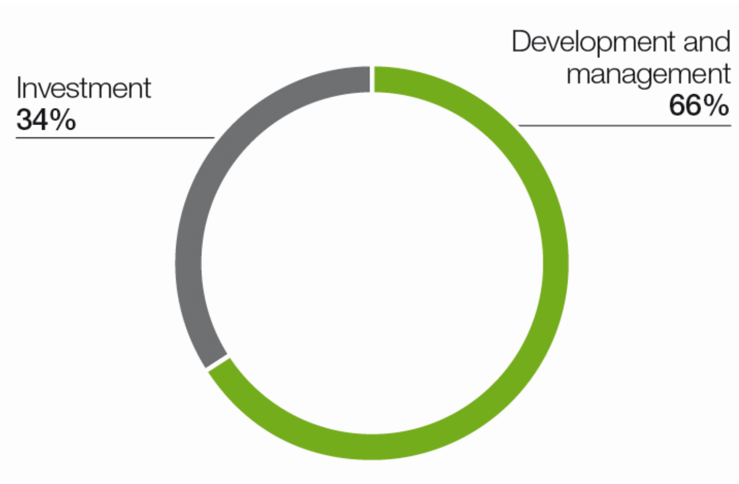
1. Gearing is calculated as total interest bearing liabilities over total assets, both net of cash and the fair values of certain derivative financial instruments included in other financial assets of $222.4 million (30 June 2018: $154.3 million). Total interest bearing liabilities are grossed up for the fair values of certain derivative financial instruments included in other financial liabilities of $123.6 million (30 June 2018: $31.9 million).
2. Calculated based on 1,813.9 million securities on issue

Business performance analysis

+ Operating margins have steadily increased
  - Focused strategy; transition business has diluted earnings short term with longer term benefits of structure now emerging in fee revenue
  - Income growth has exceeded expense growth in the active business
  - Management and Development contribute a combined 66% of EBIT in FY19 (59% in FY18)

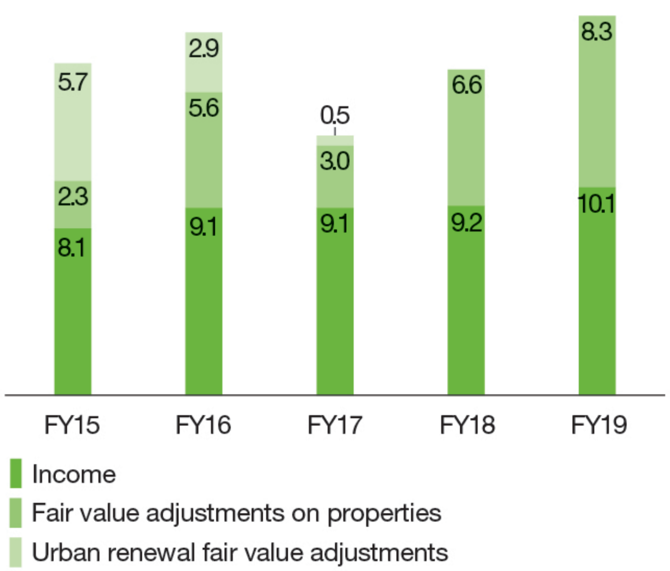
Management and Developments	FY15	FY16	FY17	FY18	FY19
Management and Development income ($M)	544	724	750	807	979
Operating expenses ($M)	(221)	(252)	(248)	(249)	(268)
EBIT ($M)	323	472	501	558	711
Management and development margin (%)	59%	65%	67%	69%	73%

Operating EBIT



+ ROA has increased
  - Positive performance from investment property on a like-for-like basis
  - More assets and developments are in Partnerships
  - Higher margins in active business
  - Elevated cash balances mask underlying growth

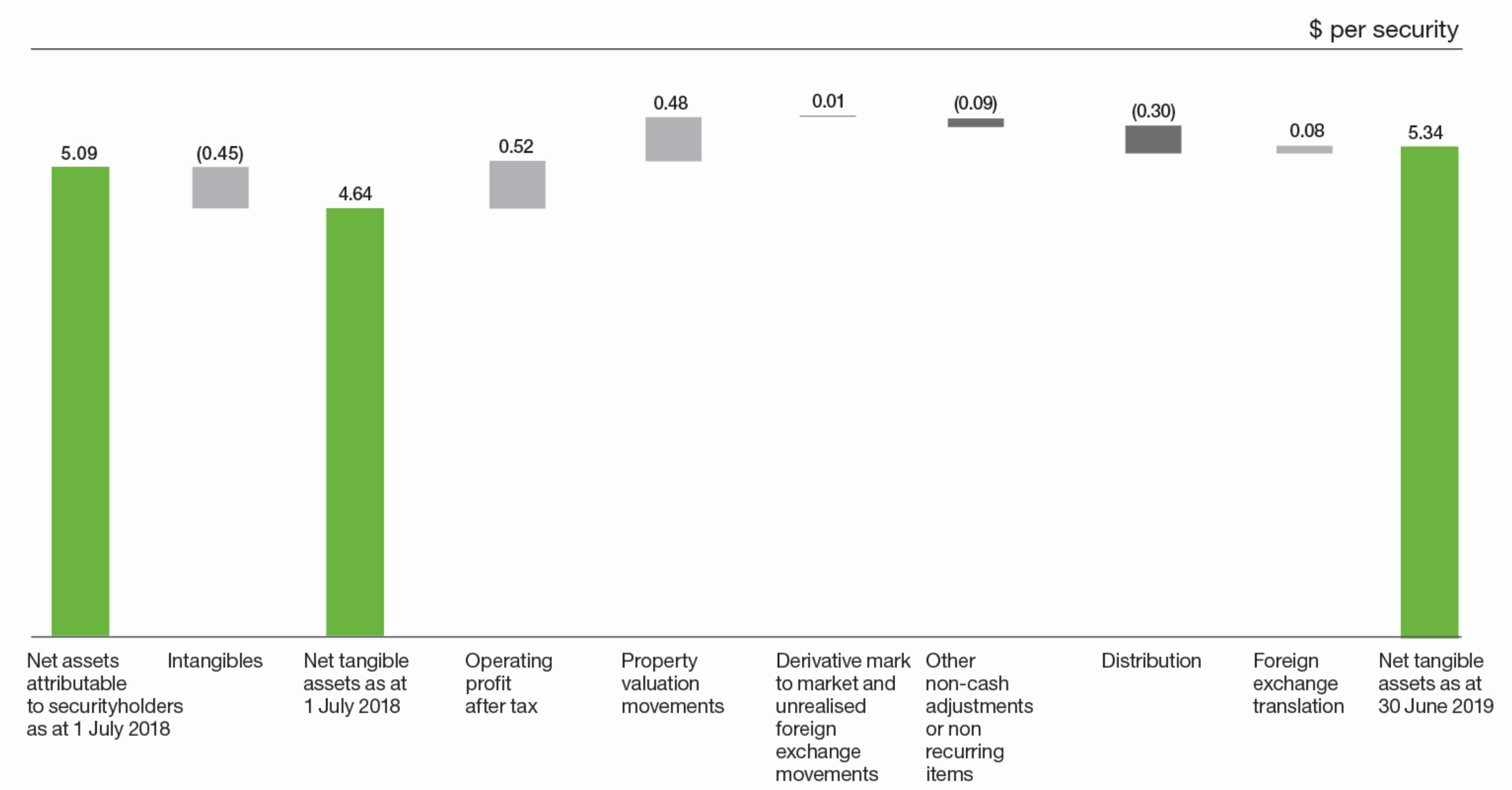
Total return on operating assets[1]



1. Operating assets = Total Assets – Intangibles – Historical Property Valuations and Impairments

Net tangible asset movement

+ For year ended 30 June 2019[1]



1. Calculated on 1,813.9 million securities being closing securities on issue

Property valuations

+ The Group's results for FY19 have benefitted from the restricted supply of quality assets in prime locations, reducing bond yields, increasing land values and increasing investment allocations to industrial
+ The global portfolio cap rate has compressed by 36bps over FY19 to 5.1%
+ Revaluation gains across the global portfolio for the full year totalled $3.8bn, with the Group's share being $946.0[1] million

30 June 2019 property valuations (look through)

	Book value (GMG exposure) $M	Valuation movement since June 2018 $M	WACR %	WACR movement since June 2018 %
Australia[2] / New Zealand	6,061.9	471.2	5.4	-0.5
Asia	3,135.3	287.1	4.8	-0.2
UK / Continental Europe	2,524.0	64.1	5.1	-0.3
Americas	2,076.1	123.6	4.6	-0.1[3]
Total / Average	**13,797.2**	**946.0**	**5.1**	**-0.4**

1. Excludes deferred taxes of $74.2 million. Net revaluation for Goodman share of $871.7 million
2. Australia excludes urban renewal sites which are valued on a rate per residential unit site basis.
3. Reflects movement on a look through basis.

Appendix 2 – Property investment

Leasing

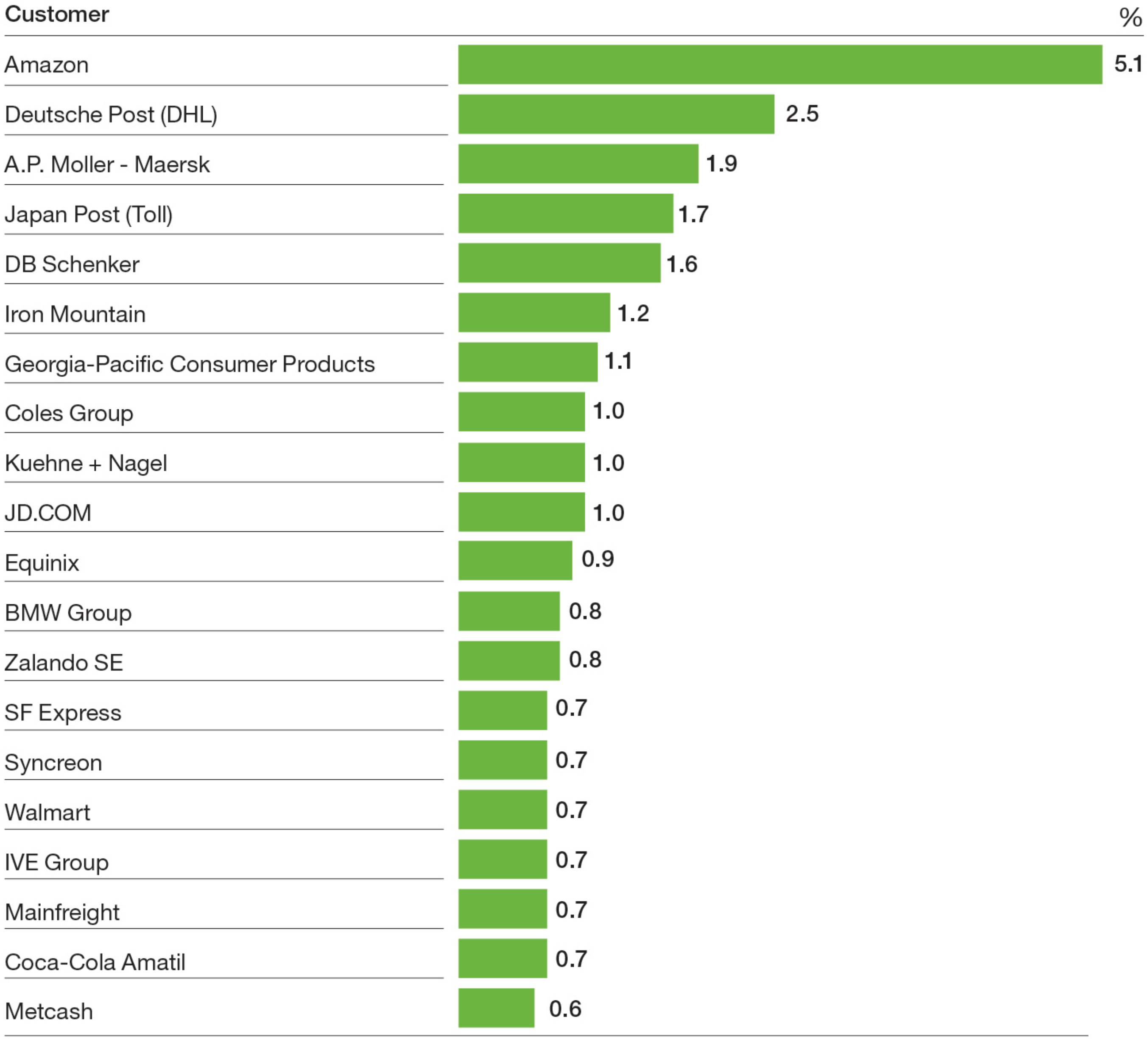
Across the Group and Partnerships:

- 3.4 million sqm leased during the year equating to $478 million of annual rental property income
- High occupancy at 98%

Region	Leasing area (sqm)	Net annual rent ($M)	Average lease term (years)
Australia / New Zealand	1,186,260	170.5	5.0
Asia	1,395,368	245.7	3.7
UK / Continental Europe	825,599	61.8	3.1
Total	**3,407,227**	**478.0**	**4.1**

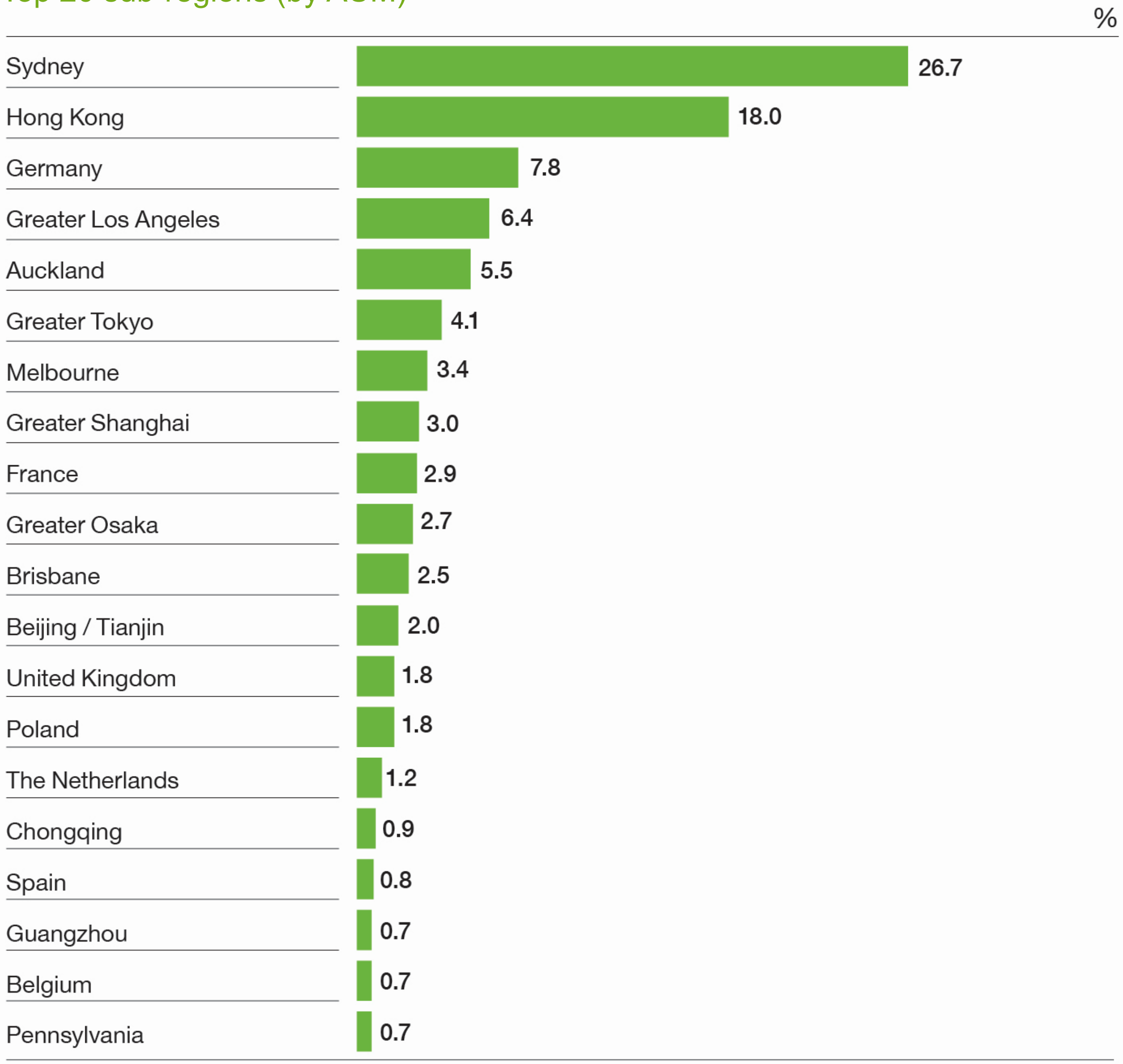
Customers

Top 20 global customers (by net income - look through basis)



Geographic exposure

Top 20 sub-regions (by AUM)



Direct portfolio detail

Portfolio snapshot

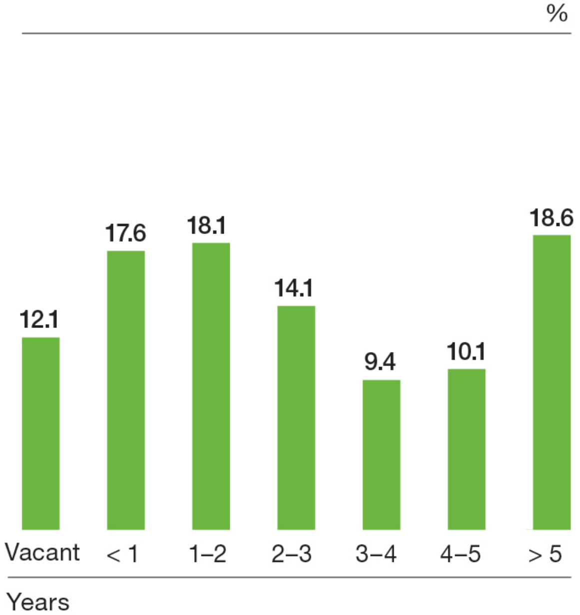
+ 26 properties with a total value of $1.8[1] billion located primarily in the Sydney market
  – Represents a significant part of the urban renewal portfolio
+ Leasing transactions remain strong across the portfolio
  – 213,282 sqm ($23 million net annual rental) of existing space leased
+ 88% occupancy and a weighted average lease expiry of 4.2 years
+ Average portfolio valuation cap rate of 5.5%[1]

Key metrics[1]

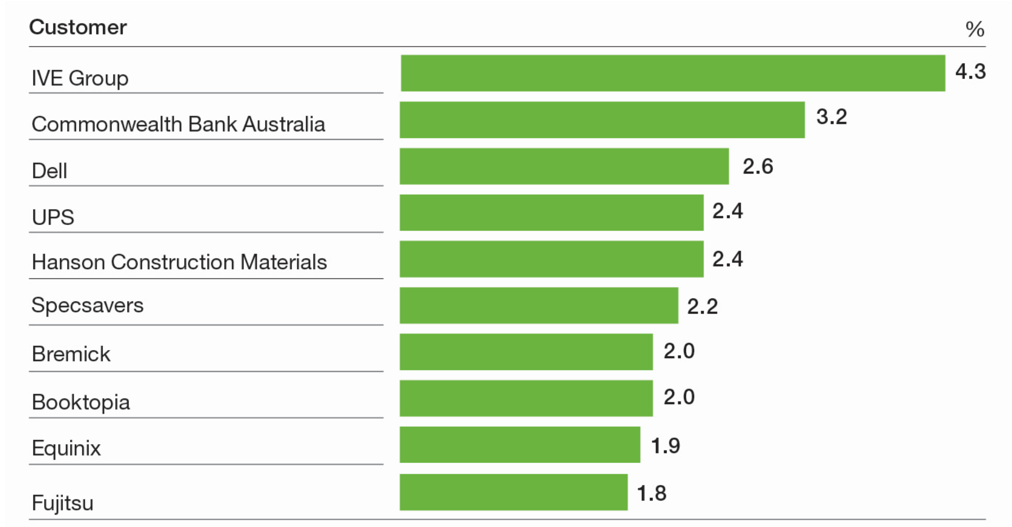
Total assets	A$1.8 billion
Customers	297
Number of properties	26
Occupancy	88%
Weighted average cap rate	5.5%[1]

1. Stabilised properties

WALE of 4.2 years (by net income)



Top 10 customers make up 24.8% of portfolio income



Appendix 3 – Development

Developments

FY19 Developments	Completions	Commencements	Work in progress
Value ($bn)	3.9	4.2	4.1
Area (m sqm)	2.2	1.9	1.8
Yield (%)	7.3	6.6	6.6
Committed (%)	81	59	58
Weighted average lease term (years)	7.2	8.7	7.9
Development for third parties or Partnerships (%)	88	81	80
Australia / New Zealand (%)	19	17	16
Asia (%)	25	38	39
Americas (%)	19	19	20
UK / Continental Europe (%)	37	26	25

Work in progress by region	On balance sheet end value $M	Third party / Partnerships end value $M	Total end value $M	Third party / Partnerships % of total	Committed % of total
Australia / New Zealand	133	540	673	80	58
Asia	-	1,611	1,611	100	59
Americas	-	809	809	100	36
UK / Continental Europe	693	338	1,031	33	74
Total	**826**	**3,298**	**4,124**	**80**	**58**

Developments (cont'd)

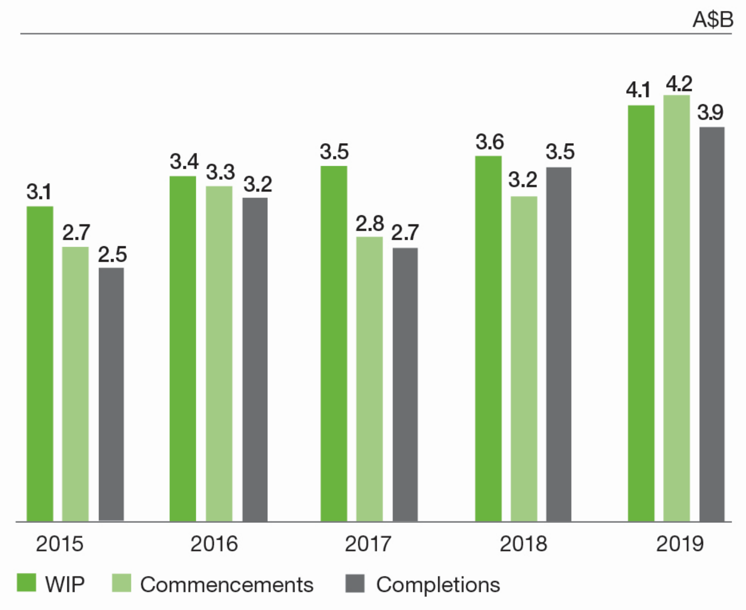
- Maintained development pipeline in excess of $10 billion
  - Forecast GLA of 6.2 million sqm
  - Development pipeline allocated as Australia/New Zealand 11%, Asia 41%, UK/Europe 28% and Americas 20%

- The Group's development future cash commitments

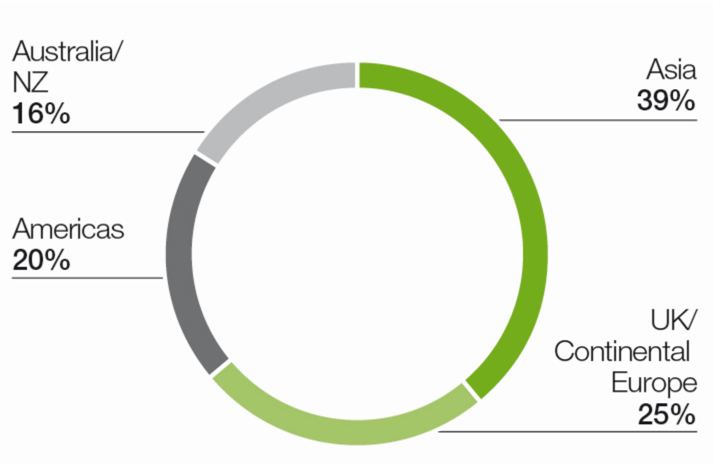
Commitments as at 30 June 2019	$M
Gross GMG cost to complete	419
Less pre-sold[1] cost to complete	-
Net GMG cost to complete	419
Partnerships cost to complete	1,090

1. Pre-sold projects are reimbursed by instalments throughout the project or at practical completion of the project

Development volume



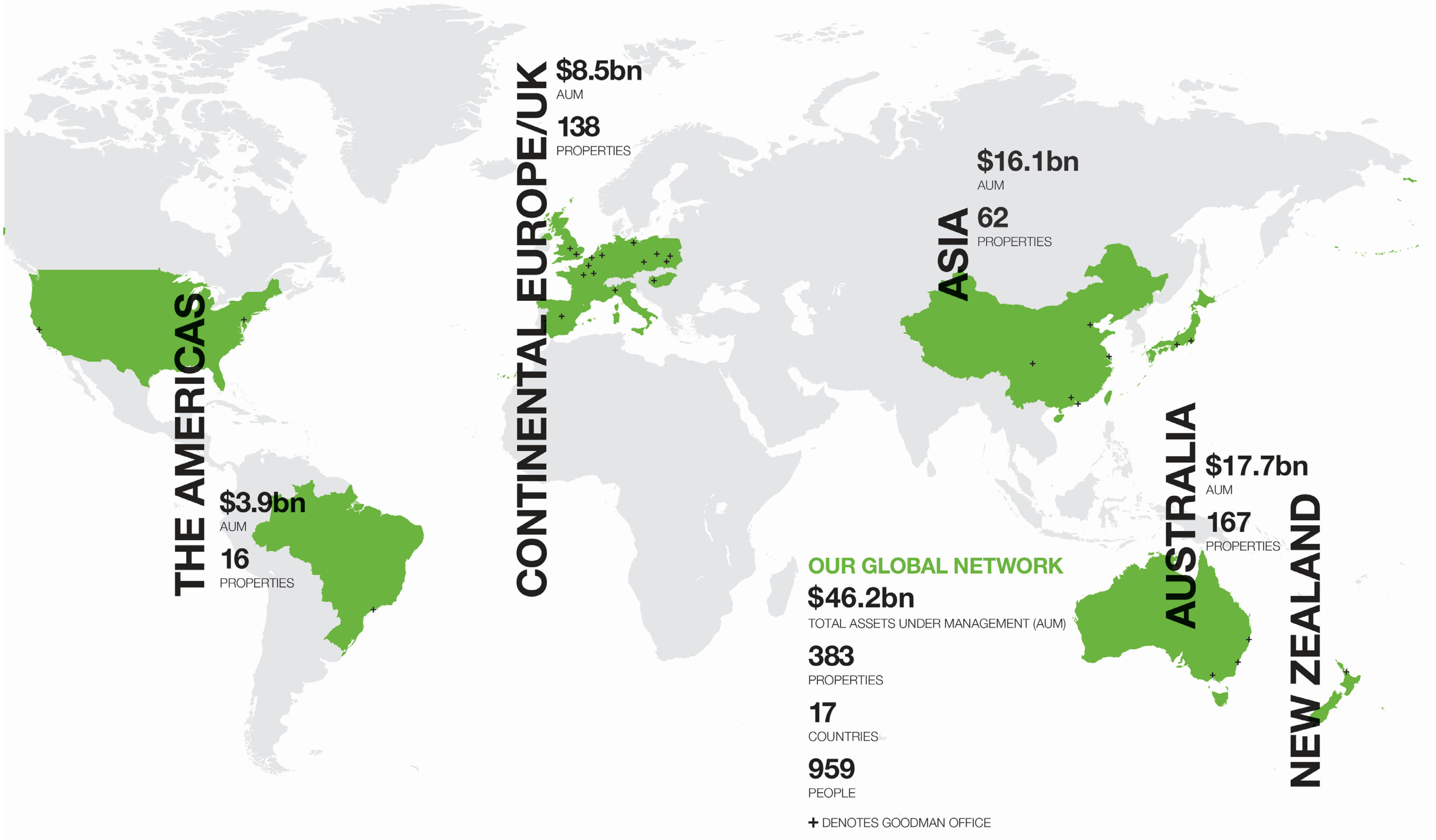
Work in progress as at 30 June 2019



Section 4 - Management

Goodman Lahr II Logistics Centre, Germany

Global platform

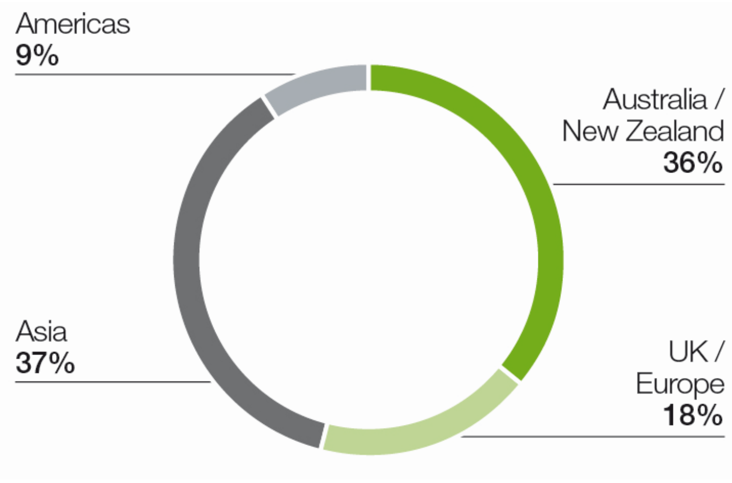


● Current Goodman global presence.
As at 30 June 2019 (Australian currency)

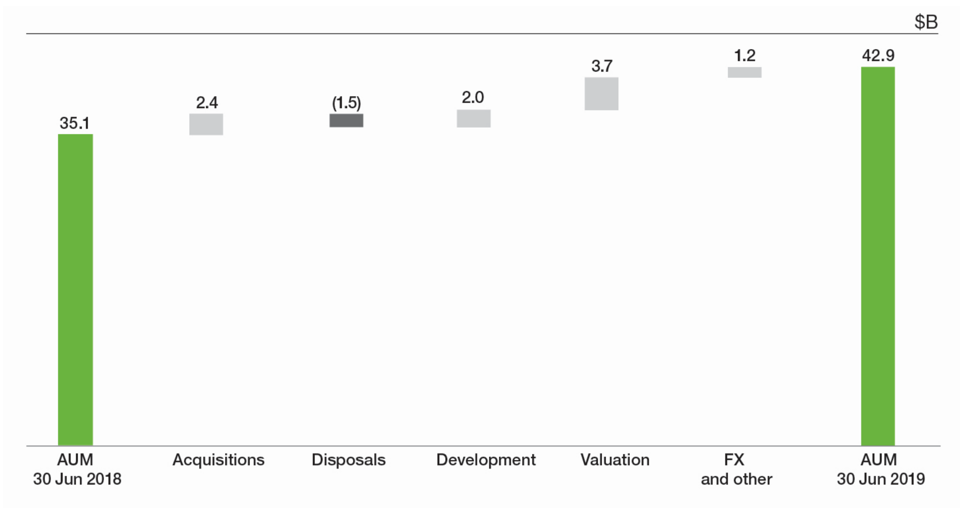
Management - AUM

+ Major achievements completed during the year include
  - GHKLP successful equity raise of US$0.5bn to finance development of Westlink and Goodman Tsuen Wan West (GTWW) Stage 1. GTWW building 1 now fully pre-leased
  - GNAP acquired two of the largest infill industrial estates in the Los Angeles market totalling 127 acres
  - GJDP completion of Chiba stage 3 and Akamatsudai stage 2 on time and on budget
  - GEP refinance of €400m Bond issue for 10 years at fixed rate of 1.18%
  - GUKP acquired 9.5 hectare infill site in Park Royal, London
  - GMT completed the acquisition of a 13 hectare infill logistics site with a 2.5 year lease back
  - GCLP successfully completed equity upsize of US$1.75bn

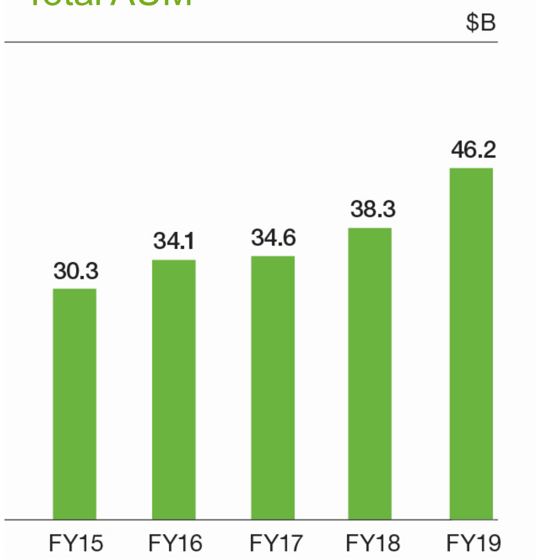
Third party AUM by region



Third party AUM



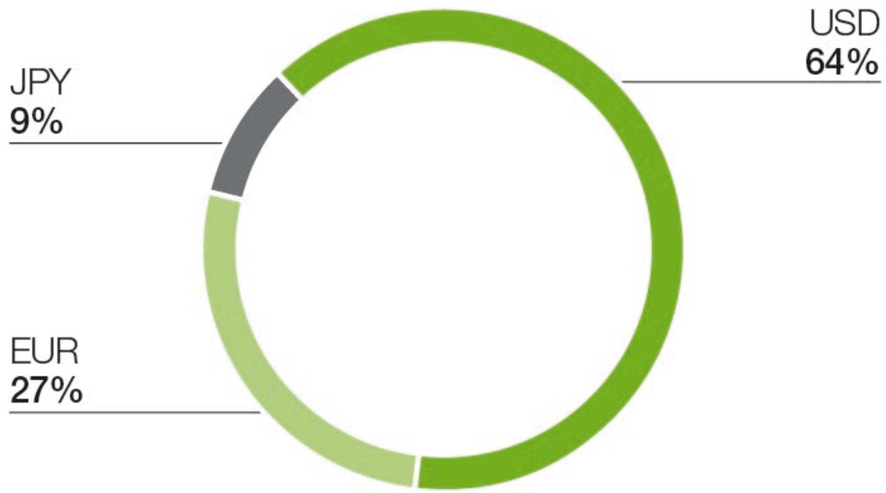
Total AUM



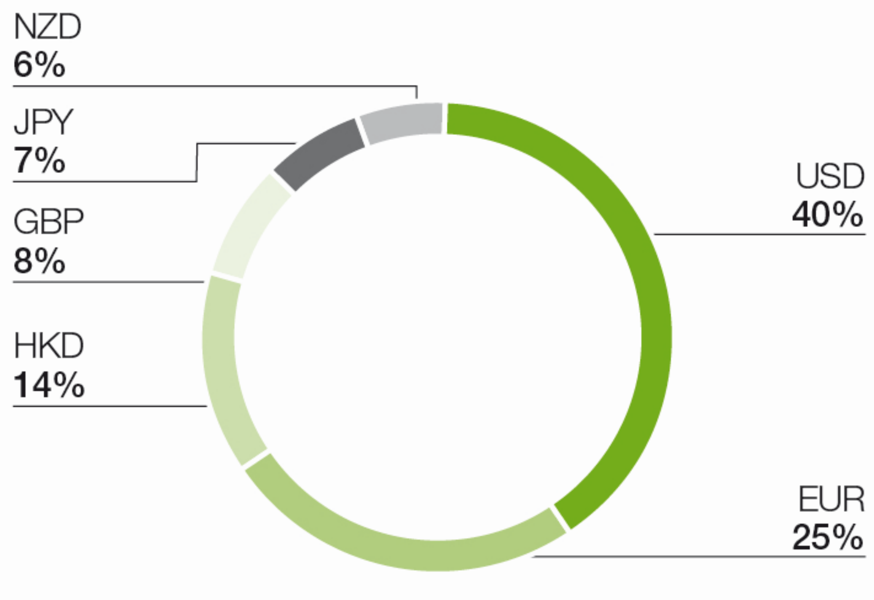
Appendix 5 – Capital management

Currency mix

Currency mix – outstanding debt



Currency mix – including the impact of capital hedging FX swaps



Financial risk management

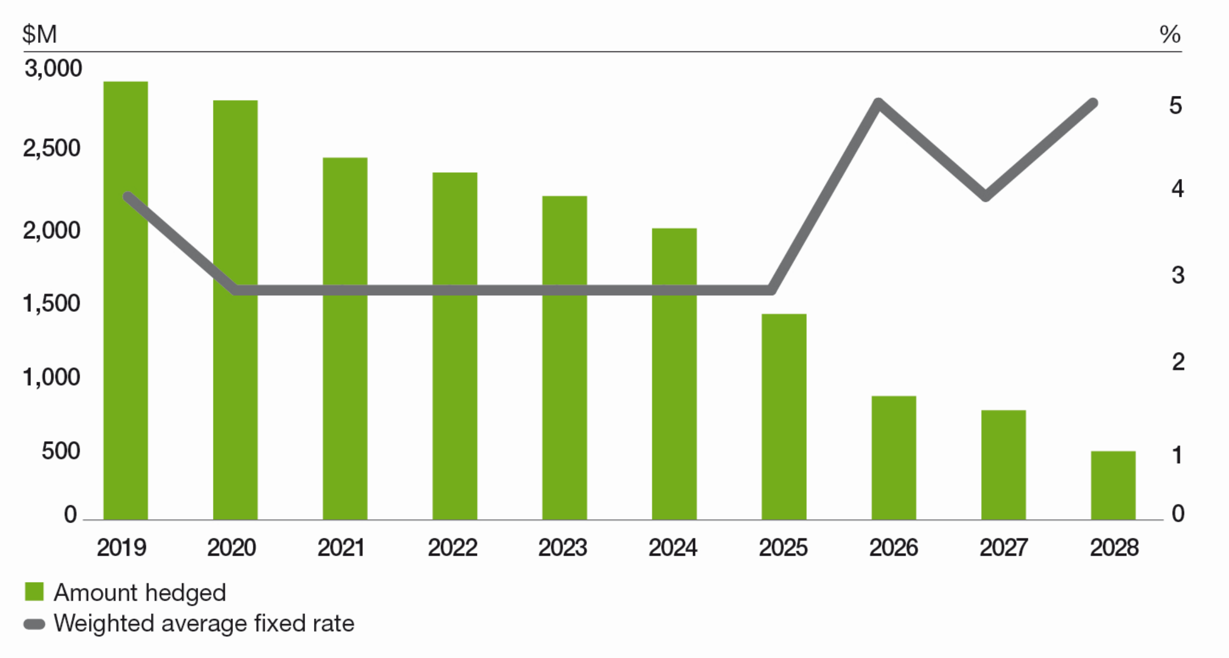
- The Group has implemented a robust capital management framework, under its Financial Risk Management (FRM) policy. This provides:
  - Stronger balance sheet which has been reflected in our credit ratings from S&P and Moody's BBB+ / Baa1 respectively
  - Covenants that are flexibly appropriate for our operations
  - Diversified sources of funding
  - Long-term debt sources to stabilise the funding base
- The Group has been actively reducing financial leverage in the business:
  - Group target gearing range 0% - 25%
  - Gearing level will be determined with reference to mix of earnings and ratios consistent with credit rating but expected to remain low
- **Interest risk management**:
  - Policy to ensure between 60% and 100% of current year interest rates are fixed
  - 98% hedged over next 12 months
  - Weighted average hedge maturity of 6.0 years
  - Weighted average hedge rate of 3.12%[1,2]
- **Foreign currency risk management**:
  - Policy to hedge between 65% and 90% of foreign currency denominated net assets
  - 73% hedged as at 30 June 2019, of which 53% is debt and liabilities and 47% is derivatives
  - Weighted average maturity of derivatives 4.7 years

1. Includes the strike rate on interest rate cap hedges
2. Includes the 8 year Reg S €500 million at 1.375% fixed rate

Financial risk management (cont'd)

- Interest rates are hedged to 98% over next 12 months
- Weighted average hedge rate of 3.12%[1]
  - NZD – hedge rate 2.70%
  - JPY – hedge rate 2.17%
  - HKD – hedge rate 2.48%
  - GBP – hedge rate 2.36%
  - Euro – hedge rate 1.25%[2]
  - USD – hedge rate 4.73%
- Weighted average hedge maturity of 6.0 years

Interest rate hedge profile



1. Includes the strike rate on interest rate cap hedges
2. Incudes the 8 year Reg S €500 million at 1.375% fixed rate

Financial risk management (cont'd)

Foreign currency denominated balance sheet hedging maturity profile

Currency	Weighted average maturity	Weighted average exchange rate	Amount receivable[1]	Amount payable[1]
NZ$	3.9 years	1.0864	A$368.3m	NZ$400.0m
HK$	3.9 years	5.7382	A$817.7m	HK$4,690.0m
US$	4.7 years	0.7141	A$634.6m	US$450.0m
¥	5.1 years	77.012	A$168.9m	¥13,000.0bn
€	6.3 years	0.6165	A$803.0m	€495.0m
£	5.0 years	0.5660	A$496.6m	£280.0m
CNY[2]	3.3 years	7.1189	US$372.1m	CNY2,649.0m

1. Floating rates apply for the payable and receivable legs for the cross currency swaps
2. Forward exchange contract, net settled in USD

Exchange rates

+ Statement of Financial Position – exchange rates as at 30 June 2019
  - AUDGBP – 0.5523 (30 June 2018: 0.5604)
  - AUDEUR – 0.6173 (30 June 2018: 0.6332)
  - AUDHKD – 5.4761 (30 June 2018: 5.8015)
  - AUDBRL – 2.6880 (30 June 2018: 2.8565)
  - AUDNZD – 1.0449 (30 June 2018: 1.0922)
  - AUDUSD – 0.7011 (30 June 2018: 0.7394)
  - AUDJPY – 75.634 (30 June 2018: 81.912)
  - AUDCNY – 4.8141 (30 June 2018: 4.8975)

+ Statement of Financial Performance – average exchange rates for the 12 months to 30 June 2019
  - AUDGBP – 0.5527 (30 June 2018: 0.5760)
  - AUDEUR – 0.6269 (30 June 2018: 0.6498)
  - AUDHKD – 5.6069 (30 June 2018: 6.0659)
  - AUDBRL – 2.7616 (30 June 2018: 2.5684)
  - AUDNZD – 1.0665 (30 June 2018: 1.0851)
  - AUDUSD – 0.7152 (30 June 2018: 0.7752)
  - AUDJPY – 79.4634 (30 June 2018: 85.5326)
  - AUDCNY – 4.8819 (30 June 2018: 5.0429)

Appendix 6 – Environmental, Social and Governance

Environmental, Social and Governance

The Group completed a comprehensive review of its sustainability approach and performance during the year and refined its target focus to three strategic pillars. These represent key ESG priorities most relevant to Goodman, its stakeholders and customers.

PROPERTY

In order to make space for greatness, we have been focused on key locations and functional buildings that are relevant today and in the future. Properties built and managed smarter are better prepared for the challenges of tomorrow and responsive to our customer requirements, support the health and wellbeing of our customers and more resilient to climate impacts. This way, we can maintain income and occupancy in our buildings which means we are getting the most out of our buildings and therefore maximising asset value.

+ Over 30MW of solar PV now installed across Goodman's portfolio globally
+ Approximately 11% energy reduction across the Australian office portfolio
+ Certified developments completed across Continental Europe, Japan, China and the United States
+ Goodman Pudong Airport Logistic Park wins the world's 1st Platinum Award under LEED v4.1 Existing Building Warehouse & Distribution Centres Scheme.

PEOPLE & CULTURE

Much of Goodman's success is due to its people. To be consistently great, we need our people to be focussed on the right things and with thinking about long-term consequences. It's why we target our recruitment based on merit, local knowledge and cultural fit, then develop, inspire and incentivise our workforce to think strategically and align with the Goodman values. Our people are supported by programs to improve wellbeing, and we support our customers and suppliers with aligned commitments to their workforce.

+ Commitments to increasing our efforts to eradicate potential occurrences of modern- day slavery in our supply chains
+ Targeting 40% females in Executive roles
+ Targeting 100% of employees assessed as demonstrating Goodman's values
+ Significant community engagement and impact made by the Goodman Foundation through grants, in-kind donations and volunteering and fundraising efforts of Goodman people around the world.

CORPORATE PERFORMANCE

We are clear about our purpose but flexible in our approach to remain relevant and responsive in a changing world. We finance ourselves with sustainable capital sources with low leverage which helps us remain active during different cycles in the market. We value being a trusted partner to all of our stakeholders and providing positive value to society and in the communities where Goodman operates. We think strategically, we monitor our performance and we report on how we are progressing with our sustainability targets.

+ Two Goodman Partnerships, were awarded 'Sector Leader' for their respective peer groups in the 2018 Global Real Estate Sustainability Benchmark (GRESB). All previously rated Partnerships averaged 4 star ratings
+ All staff equity owners through the Goodman Long Term Incentive Plan (LTIP)
+ Completion of sustainability benchmarking for Goodman's Australian portfolio using Goodman's internal sustainability rating tool driving capital investments in Sustainability upgrades
+ Adopting TCFD recommendations for climate risk analysis and disclosures.

Appendix 7 – Remuneration

Remuneration

- Goodman's remuneration structure has a strong emphasis on pay for performance over the long term through equity
  - 100% of employees globally having a material proportion of remuneration in at risk LTIP Performance Rights, this is unique amongst Australian companies
  - Through its testing metrics the LTIP incentivises employee behaviour for long term sustainable cash based performance and significant alignment with securityholders
- The Group CEO's at risk remuneration for the FY19 performance is entirely awarded in a LTIP grant (equating to 91% of the CEO's remuneration). In order to receive reward for performance in FY19, the Performance Rights are tested for a further 3 years and is linked to security performance for 5 years
- In FY20, the Board has introduced a 3 year EPS hurdle range for testing LTI grants. This improves the existing system by:
  - Formalising the required growth rates over the entire testing period at the time of grant
  - Providing for graduated vesting on a straight line basis where 25% of Performance Rights satisfy the hurdle at the Threshold level and 100% at Upper level
- Importantly, the Operating EPS Performance hurdle calculation methodology includes all securities issued under the LTIP through the testing period and the additional tested (but not vested) Performance Rights
- The hurdle range is for the purposes of remuneration only, specific testing criteria for vesting of LTI, and do not reflect earnings guidance for the company. The Board has set the operating EPS Performance Hurdle range implying compound annual growth in EPS of between 6% - 9% over the three year testing period and has done so with reference to:
  - The global economic environment, bond and inflation rates
  - The average rate of EPS growth from other large Australian companies and REITs is in the order of 2% to 4% based on a range of broker estimates
  - The desire to achieve a sustainable long term growth rate that is robust and competitive with the market on a risk adjusted basis, reflecting the low financial leverage of Goodman and other risk settings
  - A range of potential opportunities and outcomes for our business globally and the long-run historical performance of Goodman Group
- The Board believes the hurdles are
  - Competitive with the market and peer groups
  - Challenging for management
  - Appropriate in the context of the current business risk settings.

Thank you

GOODMAN.COM

Important Notice This document has been prepared by Goodman Group (Goodman Limited (ABN 69 000 123 071) and Goodman Funds Management Limited (ABN 48 067 796 641) (AFSL 223621) as the Responsible Entity for Goodman Industrial Trust (ARSN 091 213 839) and Goodman Logistics (HK) Limited (Company Number 1700359; ARBN 155911149 – A Hong Kong company with Limited liability). The details in this presentation provide general information only. It is not intended as investment or financial advice and must not be relied upon as such. You should obtain independent professional advice prior to making any decision. This presentation is not an offer or invitation for subscription or purchase of securities or other financial products. Past performance is no indication of future performance. All values are expressed in Australian currency unless otherwise stated.