

Q1 FY2017 QUARTERLY OPERATIONAL UPDATE



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CONTENTS



SECTION 1	— QUARTERLY OPERATIONAL HIGHLIGHTS
SECTION 2	— GLOBAL GATEWAY CITY STRATEGY
SECTION 3	— QUARTERLY OPERATIONS
APPENDICES	— LEASING
	— DEVELOPMENT
	— MANAGEMENT PLATFORM



SECTION 1 – QUARTERLY OPERATIONAL HIGHLIGHTS



Goodman Business Park, Chiba, Japan

QUARTERLY OPERATIONAL HIGHLIGHTS



+ Key operational highlights for the quarter

- \$0.9 billion of assets disposed (excluding urban renewal) in the quarter to fund development pipeline
- \$1.0 billion of development commencements in the quarter
- \$3.5 billion of development work in progress at 30 September 2016
- \$34.2 billion total assets under management at 30 September 2016
- 96% occupancy across the Group and Partnerships with positive rental reversions of 3%

+ Asset rotation program progressing given the continued strength of the capital markets but expected to moderate as majority of targeted assets for disposal are realised

- \$0.9 billion disposed of in the first quarter (excluding urban renewal sites)
- Asset sales predominantly across Australia, New Zealand, Japan and UK

+ Benefiting from a globally diversified operating platform in gateway cities and is reflected in

- 96% occupancy levels across the Group and Partnerships
- Leased 867,000 sqm which equates to \$109 million of property income across the global platform
- Positive rental reversions of 3%

+ Successful debt capital management initiatives providing the Group and Partnerships with financial flexibility for future periods

- GAIP issued US\$600m 10 year notes in the 144A market / Reg S market
- GEP issued €650m notes across two tranches for 6 and 10 years in the Euro market
- Partnership gearing continues to reduce improving liquidity and balance sheet strength
- Group gearing trending below 10% as urban renewal sites settle

QUARTERLY OPERATIONAL HIGHLIGHTS



- + **Urban renewal sales of \$280 million contracted with \$82 million settled in the quarter**
 - Continued strategy of ensuring returns are optimised for individual properties
 - Potential pipeline of 35,000 units across the Australian portfolio maintained
 - Key focus on planning and rezoning of future precincts
 - \$1 billion of settlements expected within the next 12 months

- + **Gateway city strategy remains unchanged on delivering sustainable long term growth**
 - **Australia:** strong demand from local and foreign investors continuing with Goodman rotating \$0.4 billion of property assets, in the first quarter of FY17 and a further \$0.6 billion in October 2017
 - **New Zealand:** customer demand is contributing to the ongoing strength in the \$200 million development workbook, 75% pre-committed. Asset sales in excess of \$200m with portfolio weighting now at 98% in the Auckland market
 - **Asia:** developments and leasing of stabilised properties from a global customer base remains steady, driven by domestic consumption, e-commerce and logistics customers. Strong development contributions from assets reaching completion and pre-leasing interest in new projects
 - **Europe:** continued outperformance with the development workbook reaching \$1.1 billion at September 2016, 94% pre-committed
 - **UK:** pursuing strategy of disposing the remaining assets in ABPP. Goodman UK Logistics Partnership progressing with selective developments in proven core markets
 - **North America:** secured and identified pipeline of \$2.0bn in target markets of Los Angeles/Inland Empire West, New Jersey and Pennsylvania
 - **Brazil:** focused on establishing Partnership platform using balance sheet investments

- + **Reaffirm forecast FY2017 full year operating earnings per security of 42.5 cents, up 6% on FY2016**

SECTION 2 — GLOBAL GATEWAY CITY STRATEGY



GLOBAL GATEWAY CITY STRATEGY



+ Strategic objective to reposition the global portfolio for long term growth

- + Goodman has sold in excess of \$5 billion of assets globally over the last 3 years via a clear and structured program
- + The program has concentrated the ownership of assets in Goodman's identified gateway cities
- + Key characteristics of gateway cities to Goodman include:
 - Proximity to wealthy consumers and high levels of employment
 - Modern infrastructure and transport networks, including airports, roads and ports
 - Consumers adopting to and using technology enabled services, in particular e-commerce
 - Cities that are evolving in terms of urban regeneration, infill opportunities exist
- + As a result modern logistics requirements to service e-commerce and related distribution tend to be strong drivers of space demand
- + All things being equal, assets in our identified gateway cities should be more resilient and provide higher capital returns and income returns
- + As a result of ongoing strong capital pricing, assets not falling within identified gateway cities are being divested
- + Capital from asset sales are providing funding for Goodman's development business

GLOBAL GATEWAY CITY STRATEGY

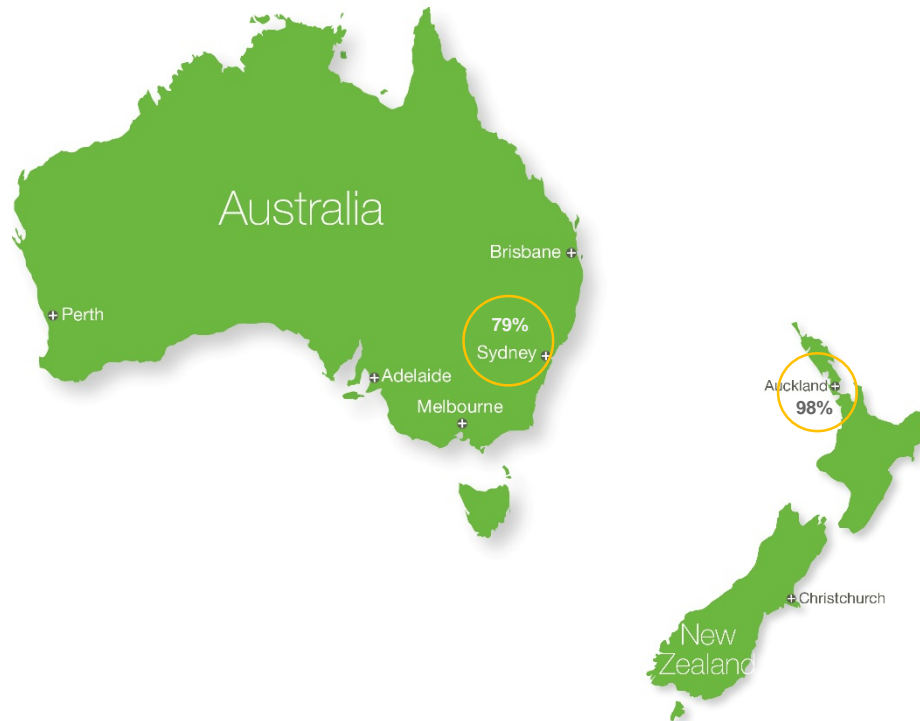


+ 79% of assets in Sydney

Australia ¹	
Assets under management	A\$13.6bn
Stabilised properties	188
Investment GLA (sqm)	7.1m

+ 98% of assets in Auckland

New Zealand ²	
Assets under management	A\$2.4bn
Stabilised properties	16
Investment GLA (sqm)	1.0m



+ 93% of assets in Hong Kong, Shanghai, Beijing, Tokyo and Osaka

Asia ³	
Assets under management	A\$9.5bn
Stabilised properties	52
Investment GLA (sqm)	4.4m



1. As at 30 September 2016 post sale of portfolio to Blackstone in October 2016
 2. As at 31 March 2016
 3. As at 30 September 2016 for Greater China and as at 31 August 2016 for Japan

GLOBAL GATEWAY CITY STRATEGY



+ 83% of assets in Germany, France, Benelux, South East UK and the Midlands

Europe ¹	
Assets under management	A\$7.3bn
Stabilised properties	142
Investment GLA (sqm)	5.1m



+ 98% of assets in Los Angeles

America ¹	
Assets under management	A\$1.1bn
Stabilised properties	7
Investment GLA (sqm)	0.6m



+ 91% of assets in Sao Paulo & Rio de Janeiro

Brazil ¹	
Assets under management	A\$0.3bn
Stabilised properties	4
Investment GLA (sqm)	0.3m



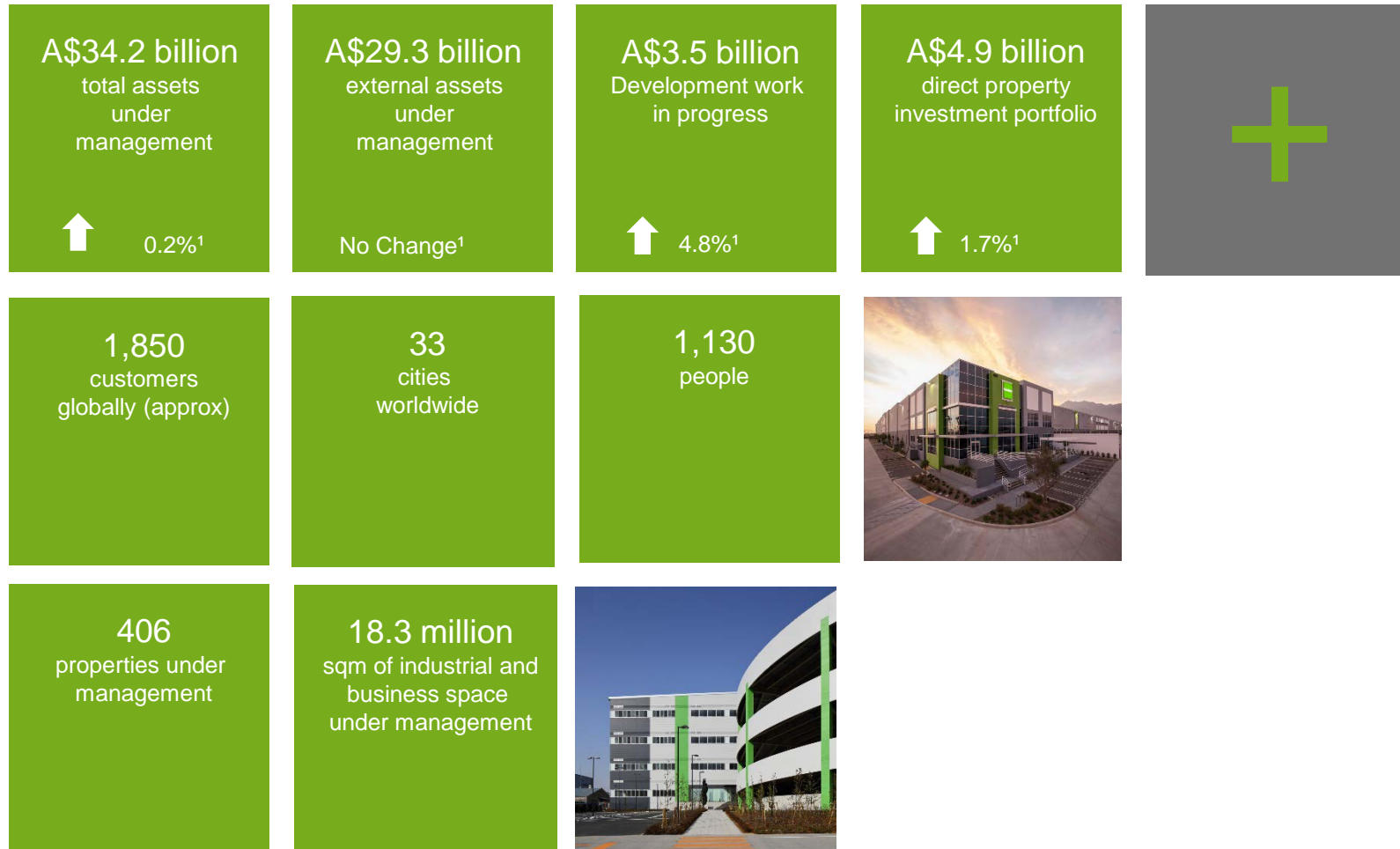
1. As at 30 September 2016

SECTION 3 – QUARTERLY OPERATIONS



Can Margarit Logistics Centre, Barcelona

SNAPSHOT



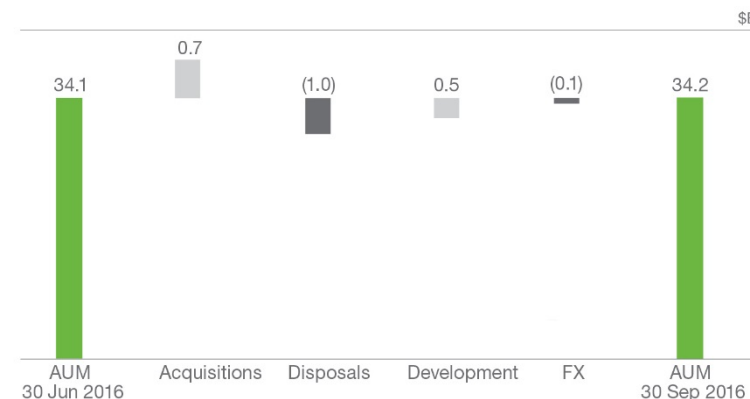
1. % increases based on 30 June 2016 reported numbers

QUARTERLY OPERATIONS – OWN

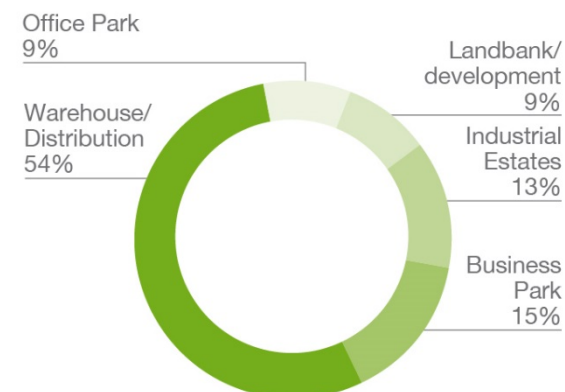


- + Property fundamentals in our portfolio remain sound across all markets, reflecting the quality of assets and customers
 - Leased 0.9 million sqm across the platform over the quarter equating to \$109 million of annual net property income
 - Maintained occupancy at 96%
 - Retention remains high at 80%
 - WALE of 4.7 years
 - Positive reversions of 3% per annum on new leasing deals
- + Asset rotation continuing driven by global gateway city strategy
 - \$0.9 billion completed in the quarter (excluding urban renewal sites) across the Group and Partnerships
 - Asset sales predominantly across Australia, New Zealand, Japan and UK
 - Asset rotation expected to be consistent with FY2016 levels but moderating into future years as targeted sales are completed
- + Globally, demand and pricing of real estate assets remains strong, however cap rate compression expected to moderate
- + Targeting sites / assets in infill locations or core gateway city markets

Total assets under management



Total AUM by type



QUARTERLY OPERATIONS – OWN



Goodman Interlink, Hong Kong

Customer	Yusen Logistics
Transaction Type	Leasing
Lettable area	25,551 sqm
Contracted owner	GHKLP
Lease term	36 months
Description	+ Landmark development immediately adjacent to container terminal 9 with access to ports, airport and mainland China



Mönchengladbach, Germany

Customer	Esprit
Transaction Type	Leasing
Lettable area	71,551 sqm
Contracted owner	GEP
Lease term	10.8 years
Description	+ Located in Regiopark, Mönchengladbach, a significant location for textile and fashion logistics in Western Germany



Northampton Commercial Park, United Kingdom

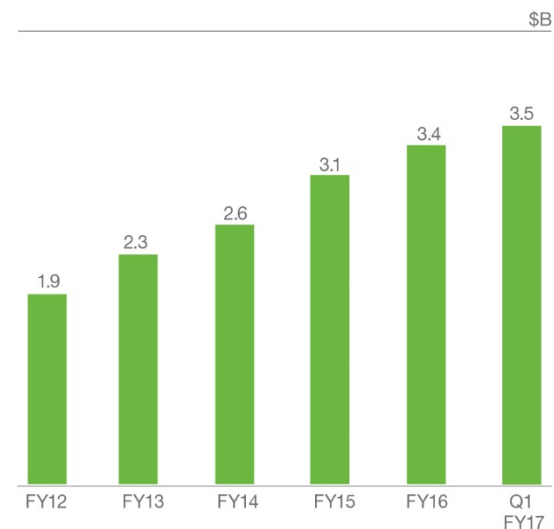
Customer	Amazon
Transaction Type	Leasing
Lettable area	15,021 sqm
Contracted owner	GUKP
Lease term	10 years
Description	+ Prime East Midlands location adjacent to the M1, with London approximately 50 miles south

QUARTERLY OPERATIONS – DEVELOP

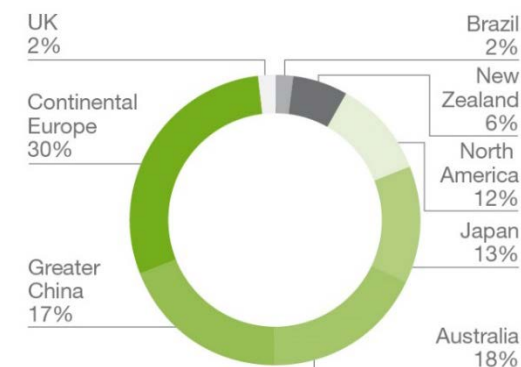


- + Developments continuing to provide the best risk adjusted returns at this point in the cycle in most markets
- + WIP at \$3.5 billion across 80 projects in 15 countries with a forecast yield on cost of 7.7%. Predominantly by the e-commerce, retail and third party logistics sectors
 - Development WIP of \$3.5 billion with 63% pre-committed and 68% pre-sold to Partnerships or third parties
 - Development completions of \$0.8 billion for the quarter with 90% pre-committed and 82% pre-sold to Partnerships or third parties
 - Development commencements of \$1.0 billion for the quarter with 60% pre-committed and 56% pre-sold to Partnerships or third parties
- + Development demand being driven by both structural and cyclical changes
 - Growth in consumerism and the continued evolution of e-commerce globally
 - Customers seeking efficiencies in their supply chain networks
 - Structural undersupply and obsolescence

Development WIP (\$bn)



Work in progress as at 30 September 2016



QUARTERLY OPERATIONS — DEVELOP



METRO, Marl, Germany

Estimated end value	\$250 million
Land area	562,438 sqm
Lettable area	Building A: 83,157 sqm Building B: 152,785 sqm
Contracted owner	GMG
Location	Marl / North-Rhine Westphalia, Germany
Customer	METRO
Term	10 years
Description	<ul style="list-style-type: none"> + Marl is the most densely populated of the 16 federal states in Germany + Building A will be used for its "B-to-B" food and consumer goods retail chain + Building B for its food retailer / supermarket chain distribution



Amazon, Amiens, France

Estimated end value	\$100 million
Land area	270,416 sqm
Lettable area	107,096 sqm
Contracted owner	GMG
Location	South east of Amiens
Customer	Amazon
Term	12 years
Description	<ul style="list-style-type: none"> + The Hauts de France region is an established major logistics hub + The facility will have standard Amazon specifications such as a significant amount of loading docks, car park areas and a clearance of 10.5m + Completion is expected in August 2017



Stage 2 of Goodman Business Park, Chiba, Japan

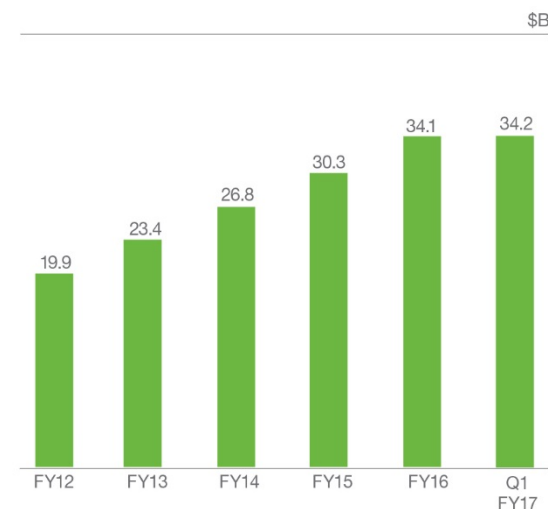
Estimated end value	Over \$300 million
Land area	64,300 sqm
Lettable area	125,040 sqm
Contracted owner	GJDP
Location	Greater Tokyo, Japan
Description	<ul style="list-style-type: none"> + Stage 2 of a new master planned logistics and business park in Chiba, with Stage 1 completed and fully leased + Excellent connectivity to greater Tokyo and major roads + 4-storey multi-customer logistics facility

QUARTERLY OPERATIONS – MANAGE

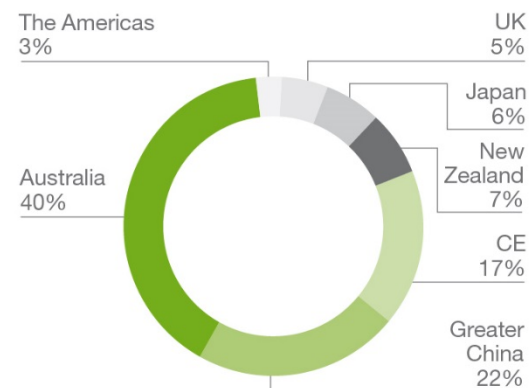


- + Major achievements completed during the quarter include two debt capital market transactions
 - GAIP inaugural issue of US\$600m 10-year-bond in the 144A / Reg S market
 - GEP €650m million euro bond issue in two tranches for 6 and 10 years
- + Goodman Japan Core Partnership completed a US\$200 million equity raising to fund opportunities, including stage 1 at Goodman Business Park, Chiba
- + On 7 July 2016, unitholders voted in favour of extending the minimum term of the Goodman European Partnership to 2026
- + Process commenced for the establishment of a Brazil Partnership
- + \$0.9 billion of asset rotation enhancing the quality of portfolios
 - In addition contracts exchanged and terms agreed for sale of \$645m portfolio in Australia to Blackstone subsequent to the end of the quarter
- + Asset rotation driven by global gateway city strategy

Total AUM (\$bn)



Total AUM by geography



APPENDICES

Goodman



LEASING¹



Across the Group and Partnership platform:

- + 0.9 million sqm leased in the quarter representing \$109 million of net annual property income
- + Reversions of 3% on new leasing deals
- + Occupancy maintained at 96%

Region	Leasing area (sqm)	Net annual rent (A\$m)	Average lease term (years)
Australia	281,394	39.7	4.2
New Zealand	51,779	12.3	5.6
Asia	289,153	40.4	4.5
UK	18,609	3.5	7.8
Europe	226,427	13.6	5.3
Total	867,362	109.5	4.6










1. Leasing for investment properties only and excludes developments for the three months to 30 September 2016

DEVELOPMENT

Q1 FY17 Developments	Completions	Commencements	Work in progress
Value (\$m)	833	1,042	3,514
Area (m sqm)	684	838	2,632
Yield (%)	7.8	7.3	7.7
Pre-committed (%)	90	60	63
Weighted Average Lease Term (years)	8.2	9.9	10.4
Development for Third Parties or Partnerships (%)	82	56	68
Australia / New Zealand (%) of WIP	25	6	24
Asia (%) of WIP	44	35	30
Americas (%) of WIP	-	-	13
Europe (%) of WIP	31	60	33

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	78	759	837	91	77
Asia	107	956	1,063	90	41
Americas	56	405	461	88	15
Europe	871	282	1,153	24	94
Total	1,112	2,402	3,514	68	63

MANAGEMENT PLATFORM

	GAIP	GHKLP	GAP	GEP	GCLP	GMT ¹	GJCP ²	GNAP	ABPP
									
Total assets	\$7.1bn	\$4.6bn	\$3.9bn	\$3.8bn	\$2.6bn	\$2.4bn	\$2.1bn	\$1.1bn	\$0.8bn
GMG co-investment	\$1.2bn	\$0.7bn	\$0.6bn	\$0.5bn	\$0.5bn	\$0.3bn ³	\$0.2bn	\$0.6bn	\$0.2bn
GMG co-investment	27.5%	20.0%	19.9%	20.4%	20.0%	20.7% ³	17.9%	55%	43.1%
Number of properties	107	12	58	103	29	16	11	7	6
Occupancy	95%	99%	95%	99%	94%	97%	100%	98%	93%
Weighted average lease expiry ⁴	4.9 years	2.4 years	4.7 years	5.1 years	3.8 years	5.7 years	4.0 years	6.3 years	4.7 years

1. As at 31 March 2016 (as disclosed to the New Zealand stock exchange in May 2016)
2. As at 31 August 2016
3. As at 30 September 2015
4. WALE of leased portfolio to next break as at 30 September 2015

THANK YOU

