



14 December 2016

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

Level 17, 60 Castlereagh Street, Sydney NSW 2000 | GPO Box 4703, Sydney NSW 2001 Australia
Tel +61 2 9230 7400 | Fax +61 2 9230 7444

Goodman Logistics (HK) Limited | Company No. 1700359 | ARBN 155 911 149 | a Hong Kong company with limited liability
Suite 901, Three Pacific Place, 1 Queen's Road East, Hong Kong | Tel +852 2249 3100 | Fax +852 2525 2070

info-au@goodman.com | www.goodman.com

A WORLD CLASS BUSINESS

Highlights from Goodman's recently held AGM and quarterly operational update.

p — 02

DEVELOPMENT MOMENTUM

\$1 billion of new developments commenced for second consecutive quarter.

p — 08

IN THE COMMUNITY

Exclusive Global September Partner to support Cerebral Palsy Alliance.

p — 10

Goodman



Goodman Interlink, Hong Kong

As 2016 draws to a close, we are pleased to take this opportunity to update you on some of Goodman's recent activities and initiatives from around the world.

Our December edition of Investor Insight features a wrap-up of the Group's Annual General Meetings (AGM) held on 17 November in Sydney, together with an overview of Goodman's operational performance for the first quarter of the 2017 financial year. This includes some of the significant development activity being undertaken across our operating regions and the positive leasing results we have achieved in the context of the gateway city strategy being executed by Goodman. We

also highlight the capital management initiatives recently completed by our managed Partnerships, while the 'In The Community' section looks at the fund raising success achieved for this year's international health and wellbeing event, September. We encourage you to check out the interactive online version of Investor Insight, which can be viewed from our goodman.com website. It includes the 2016 highlights video shown at Goodman's AGM and our e-Christmas card.

//
Goodman has been investing in
major gateway cities and this
strategy is driving the underlying
performance of our business and
ability to create long-term value.
//



A WORLD CLASS



AGM AND OPERATIONAL UPDATE

At Goodman's recently held AGM, the addresses made by Chairman, Ian Ferrier and Group CEO, Greg Goodman provided an overview of the Group's full year results, key achievements for the 2016 financial year (FY16) and outlook for the year ahead. It was noted that the Group has delivered strong performance over the past five years, building its position as a world class business that is a leader within the industrial sector and driving sustainable long-term growth.

Over the last five years, Goodman has:

- + Increased earnings per security by 42%;
- + Grown net tangible assets by 67%;
- + Significantly reduced leverage from 23% to around 11% currently;
- + Almost doubled the development workbook from \$1.8 billion to \$3.5 billion;
- + Achieved revaluation gains of over \$1.7 billion, driven in part by urban renewal activities with almost 50% of this to be realised in cash despite not being included in operational earnings; and
- + Raised \$12.8 billion of equity across our Partnership platform.

BUSINESS

These results are underpinned by the ongoing execution of Goodman's long-term plan, and reflected in our FY16 performance. The success we are achieving is highlighted by the Group's optimal mix of prudent, uncompromising financial management coupled with entrepreneurial drive. We have worked hard to refine our business, ensuring it is resilient and adaptable to all market conditions, and focused on improving the quality and location of our properties.

Goodman identified and responded early to a number of key structural themes that are transforming our sector, which include greater urbanisation of cities and increased consumerism, the rapid growth of e-commerce and enabling technologies, such as mobile technology, and also customers seeking more value and cost efficiencies from their property solutions. It's in this context that Goodman has been investing in major gateway cities and this strategy is driving the underlying performance of our business and ability to create long-term value. Our focus is on locations that are attractive because of land, proximity to wealthy consumers, low unemployment, and their modern infrastructure and transport networks. Our preferred cities include Sydney, Auckland, Tokyo, Hong Kong and Shanghai, London, Paris, Frankfurt, Los Angeles and New York.

Through our targeted and structured asset sales programme, Goodman has sold more than \$5 billion of properties over the past three years across our portfolio globally. In turn, we have increased the concentration of properties in our preferred gateway cities, with our assets in markets such as Sydney for example, growing to 79% of our Australian portfolio. We have reinvested the proceeds from asset sales into our development business, selecting the best quality opportunities in the best locations in and around gateway cities globally, where demand is strong. This is in turn enhancing the overall quality of our \$34 billion portfolio and driving higher long-term returns for the Group and our investment Partners.

\$34.2bn

Total assets under management

LEASING ACTIVITY

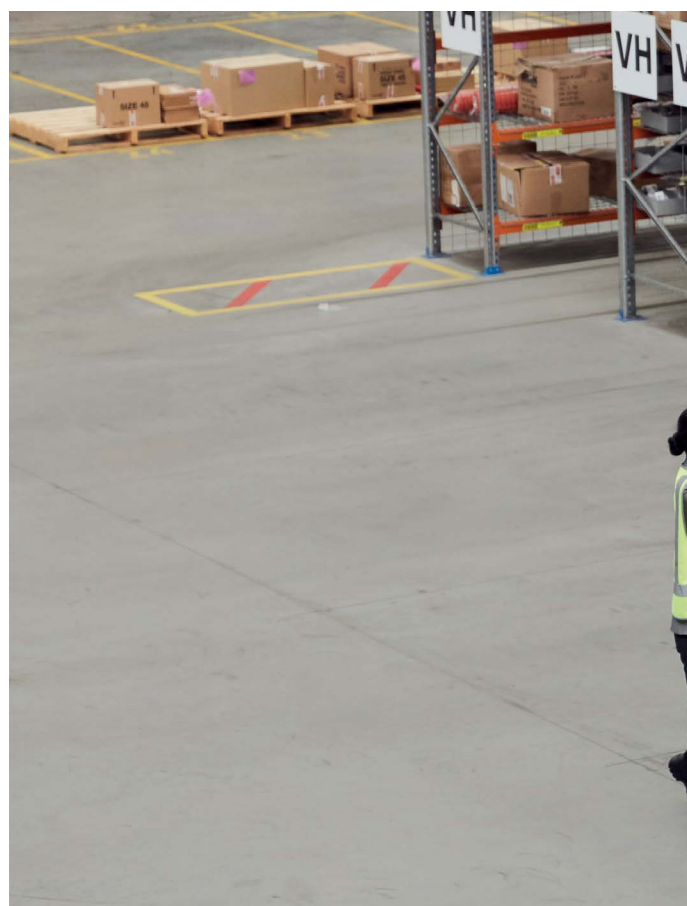
Total leasing activity –
Group and Partnerships
for the quarter ended
30 September 2016

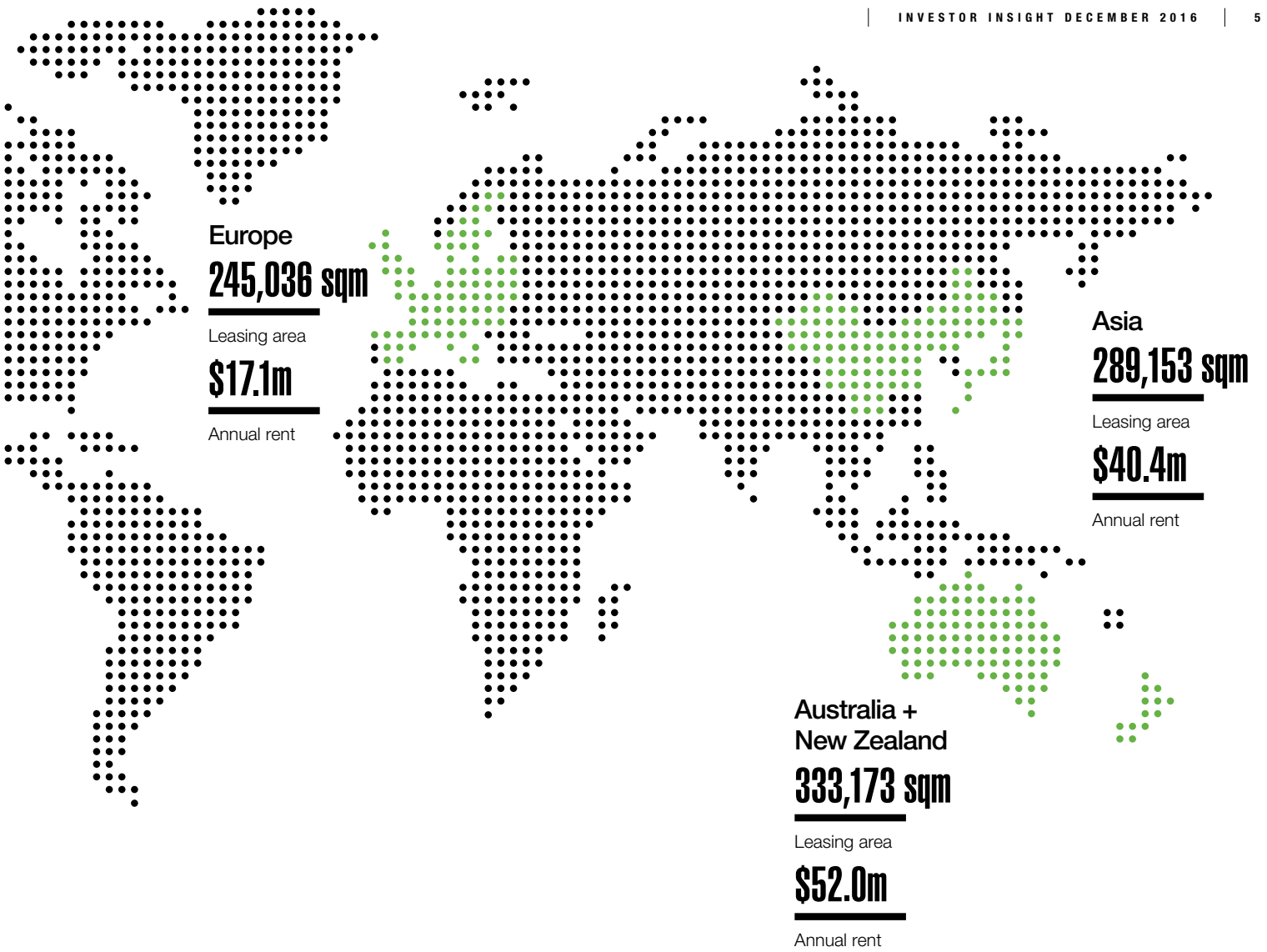
867,362 sqm

Total leasing area

\$109.5m

Total annual rent





Goodman has made a positive start to the 2017 financial year (FY17) and this is reflected in the strong activity across our development business, with \$1 billion of new developments commenced for the second consecutive quarter. Customer demand for our development product is evident through our development work book, which is now at \$3.5 billion across 80 projects around the world. A key highlight has been the strength of Goodman's Continental European business, which has seen its development work in progress increase to \$1.2 billion or 30% of the Group's overall development book. This continued strong out-performance is being driven mainly by customers in the e-commerce, retail and third party logistics sectors, with 94% of projects pre-committed. The 'Development Update' section on pages 8 and 9 of this newsletter provides information on some of the developments being undertaken in Continental Europe, together with projects across Goodman's other operating regions.

The sound property fundamentals experienced by Goodman in the first quarter of FY17 are in line with the quality of our assets and customer relationships. We leased 867,000 sqm across the overall portfolio, representing \$109 million of annual rental income. The strong leasing result ensures we have maintained our high 96% occupancy and 80% customer retention. A feature of our leasing activity has been the average 3% higher rents achieved on new leases and the 90% of newly developed space that we have leased prior to completion, further highlighting the improving quality of Goodman's portfolio.

The ongoing execution of the Group's urban renewal strategy saw a further \$280 million of Sydney sites conditionally contracted for sale during the quarter, taking the total sites conditionally contracted and sold to date to \$2.4 billion. We settled \$0.1 billion of urban renewal transactions in the first quarter and with \$1 billion of settlements expected over the next 12 months, this is providing Goodman with a substantial longer-term source of capital and has enabled us to materially reduce our financial leverage and strengthen our balance sheet position. We have kept our urban renewal pipeline at 35,000 apartments and remain focused on achieving positive planning outcomes over the longer-term.



\$1bn

Developments completed





Decathlon, Can Margarit Logistics Centre, Barcelona, Spain

PARTNERSHIP CAPITAL MANAGEMENT INITIATIVES

In early November, Goodman hosted a property tour for investors of its assets and development projects in the Inland Empire market of Southern California. Together with Greater Los Angeles, Northern New Jersey and Central Pennsylvania, these core logistics and industrial markets remain the focus of our US platform.

Since entering the US industrial property market in June 2012, Goodman has executed a develop to hold strategy, reflecting the operating environment at this point in the property cycle. Our current developments pipeline and assets under management stand at US\$1.7 billion (approx. \$2.5 billion), and is capable of providing 1.4 million sqm of prime logistics space. Significantly, we are making considerable progress on the roll-out of our pipeline and forecasting strong growth. This puts Goodman on track to achieve A\$3 billion of assets under management in the US in the short to medium term.

Group CEO, Greg Goodman commented that: “We are excited by the growth outlook and momentum across our US platform. Particularly pleasing are the development sites we have secured in prime locations, together with the world class real estate we are currently developing.”

Goodman’s US achievements include the completed development of around 200,000 sqm of new logistics space in the Inland Empire West market in Southern California. A significant highlight was the leasing of the entire 1.6 million sq ft (approx. 149,000 sqm) Goodman Logistics Center Rancho Cucamonga to Georgia-Pacific, which is one of the largest leases signed on an industrial development in Southern California in the past 10 years. We also currently have three active projects in the Inland Empire West and Greater Los Angeles markets for a combined 150,000 sqm.



Goodman Logistics Center Rancho Cucamonga, Southern California, US



Stage 2, Goodman Business Park, Tokyo, Japan

DEVELOPMENT



Super Amart, Brisbane, Australia

DEVELOPMENT UPDATE

Some of our recent developments include:

- + 42,000 sqm distribution centre for Super Amart, a leading furniture, bedding and outdoor retailer, in Brisbane, Australia.
- + 6,400 sqm warehouse facility for specialist stationery supplier, ACCO, in Auckland, New Zealand.
- + 97,900 sqm multi-customer logistics facility in Shanghai, China.
- + 125,000 sqm Stage 2 of Goodman Business Park, in Greater Tokyo, Japan.
- + 235,000 sqm logistics centre for Metro Group, one of the world's largest retail companies, in Marl, Germany.
- + 107,000 sqm fulfilment centre for one of the world's leading e-commerce providers, Amazon, in Amiens, France.
- + 130,000 sqm logistics centre for Zalando, Europe's leading online fashion platform, in Glyfino, Poland.
- + 59,430 sqm logistics center for leading retailer, Walmart in Fontana, southern California, USA.



Metro Group, Marl, Germany

SUSTAINED ENT MOMENTUM

BIG STEPS FOR SEPTEMBER

IN THE COMMUNITY

As this year's Exclusive Global Partner for September, the major charity health and wellbeing event for Cerebral Palsy Alliance, Goodman staff completed the equivalent number of steps as walking around the world three times. To achieve this impressive result, Goodman registered 192 teams to take part in our 'Count Us In' September programme, which was also extended to our customers and partners. By participating in September, all teams pledged to walk 10,000 steps or, undertake the equivalent activity, daily for 28 days. Overall, Goodman staff completed a total of 183 million steps and raised more than \$230,000.

Around the world, over 69,000 participants completed September, raising over \$6.3 million and taking more than 14 billion steps over the 28 day event.

UK — BUILDING CLAY OVENS FOR THE DISABLED AND ELDERLY

In September the UK Logistics team swapped a day from the office to help the Community Environmental Trust in Birmingham. The charity is transforming a large allotment space in Castle Vale to enable them to work with children, the elderly and people with a disability. The team made an incredible difference to the area including building a clay oven for children to cook pizza. Many thanks to all those who were involved – we clocked up a number of steps at the same time for September. Well done!

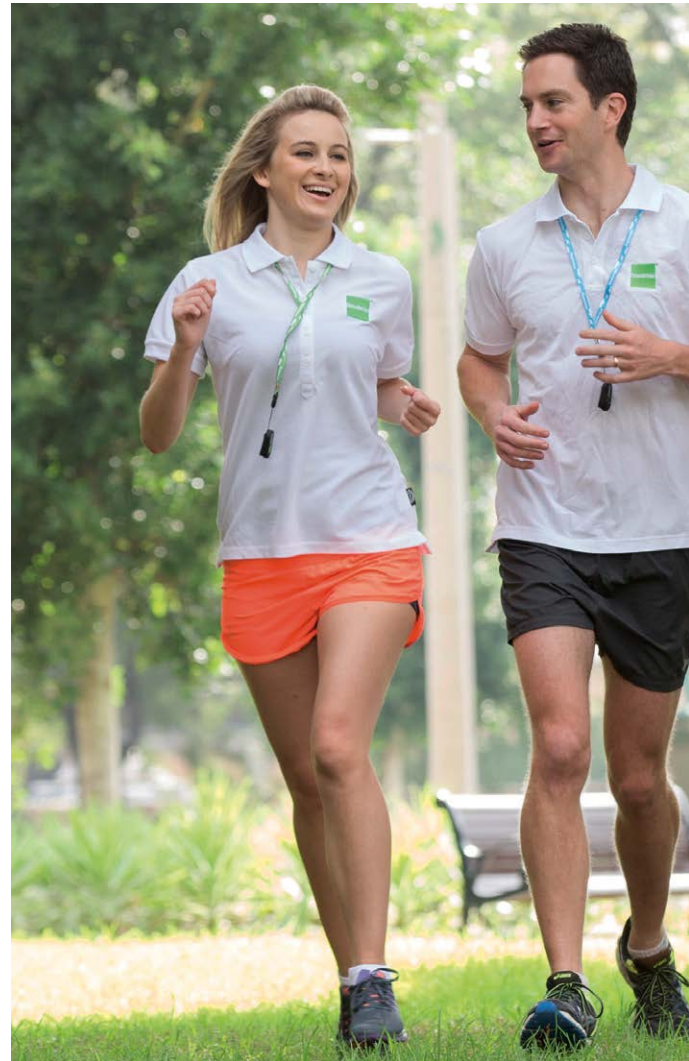
US — ADOPTING A FAMILY AT CHRISTMAS

Goodman's Irvine office are planning to bring Christmas cheer to dozens of families this year that are currently living in domestic abuse shelters in the Orange County, Los Angeles County, and Inland Empire areas.

Working with the Friends and Helpers Foundation, each Goodman employee that participates in the Adopt a Family Holiday programme purchases a gift for a member of a family that is living in a local shelter escaping situations of domestic violence. For every gift a Goodman employee sponsors in the family, the Goodman Foundation will sponsor the remaining family members ensuring all of the family have access to some Holiday cheer.

Once the gifts are purchased by the Goodman team they are lovingly wrapped and provided to Friends and Helper's Foundation to distribute to the family.

This is the first year this initiative has been adopted by the Goodman Irvine team and already there are over 45 families (176 individuals) that will benefit from their generosity.



Goodman's California office wrapping gifts



September 2016, for Cerebral Palsy Alliance



Goodman UK Logistics team volunteering in Castle Vale



Season's Greetings!
From everyone at Goodman Group

**THANK YOU FOR YOUR SUPPORT IN 2016 AND WE WISH YOU
AND YOUR FAMILY A MERRY CHRISTMAS AND A HAPPY 2017**

SECURITYHOLDER INFORMATION

UPCOMING KEY DATES

22 December 2016	Announcement of estimated half year distribution	16 February 2017	Announcement of half year results
29 December 2016	Ex distribution date	25 February 2017	Estimated distribution payment date
30 December 2016	Record date for the half year		

Note: Future dates may be subject to change.

AGM VOTING RESULTS

Resolution	Number of votes	Total %	Resolution	Number of votes	Total %
1 Appoint Auditors of GLHK			4 Re-election of Mr Anthony Rozic as a Director of Goodman Limited		
Votes cast FOR the resolution	1,487,517,913	99.85	Votes cast FOR the resolution	1,444,944,407	96.59
Votes cast AGAINST the resolution	2,263,311	0.15	Votes cast AGAINST the resolution	50,967,959	3.41
2 Re-election of Mr Phillip Pryke as a Director of Goodman Limited			5 Adoption of the Remuneration Report		
Votes cast FOR the resolution	1,441,277,473	96.35	Votes cast FOR the resolution	881,565,821	60.76
Votes cast AGAINST the resolution	54,610,962	3.65	Votes cast AGAINST the resolution	569,341,585	39.24
3 Re-election of Mr Danny Peeters as a Director of Goodman Limited					
Votes cast FOR the resolution	1,451,164,003	97.01			
Votes cast AGAINST the resolution	44,726,957	2.99			

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

OFFICE

Registered offices
Level 17
60 Castlereagh Street
Sydney NSW 2000
GPO Box 4703
Sydney NSW 2001
T: 1300 791 100
(within Australia)
+61 2 9230 7400
(outside Australia)
F: +61 2 9230 7444
Suite 901, Three Pacific Place,
1 Queen's Road East, Hong Kong
T: +852 2249 3100
F: +852 2525 2070
E: info-au@goodman.com
www.goodman.com

SECURITY REGISTRAR

**Computershare Investor
Services Pty Limited**

Level 5
115 Grenfell Street
Adelaide SA 5000
GPO Box 1903
Adelaide SA 5001
T: 1300 723 040
(within Australia)
+61 3 9415 4043
(outside Australia)
F: +61 8 8236 2305
E: www.investorcentre.com/
contact
www.computershare.com

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.

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)). 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 document is not an offer or invitation for subscription or purchase of securities or other financial products. 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 unless they are registered under the US Securities Act of 1933 or an exemption from registration is available. 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. 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 have 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 Goodman Group. These 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. All values are expressed in Australian currency unless otherwise stated. Images contained in this document have been used to enable the visualisation of development concepts only and are not intended to definitively represent the final product. December 2016

WWW.GOODMAN.COM

