

Goodman Industrial Trust
ARSN 091 213 839
and its controlled entities
Interim financial report for the half year ended 31 December 2014

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Goodman Industrial Trust and its controlled entities
Directors' report
for the half year ended 31 December 2014

The directors (Directors) of Goodman Funds Management Limited (Responsible Entity), the responsible entity for Goodman Industrial Trust (GIT or Trust), present their Directors' report together with the interim financial report of GIT and the entities it controlled (Consolidated Entity) at the end of, or during, the half year ended 31 December 2014 (half year) and the review report thereon.

GIT is deemed to be a controlled entity of Goodman Limited (GL). In this consolidated financial report, GL and its controlled entities are referred to as Goodman Group.

GIT's units are stapled to both shares in GL and CHESS Depositary Interests (CDIs) over shares in Goodman Logistics (HK) Limited (GLHK). The units in GIT, shares in GL and CDIs over the ordinary shares in GLHK are quoted as a single security on the Australian Securities Exchange (ASX) as Goodman Group stapled securities.

Directors

The Directors at any time during, or since the end of, the half year were:

Directors	Appointment date
Mr Ian Ferrier, AM (Independent Chairman)	23 February 2005
Mr Gregory Goodman (Group Chief Executive Officer)	17 January 1995
Mr Philip Fan (Independent Director)	1 December 2011
Mr John Harkness (Independent Director)	1 September 2004
Ms Anne Keating (Independent Director)	6 February 2004
Ms Rebecca McGrath (Independent Director)	3 April 2012
Mr Philip Pearce (Executive Director)	1 January 2013
Mr Danny Peeters (Executive Director)	1 January 2013
Mr Phillip Pryke (Independent Director)	13 October 2010
Mr Anthony Rozic (Executive Director)	1 January 2013
Mr Jim Sloman, OAM (Independent Director)	1 February 2006

Company Secretary

The Company Secretary at any time during, or since the end of, the half year was:

Company Secretary	Appointment date
Mr Carl Bicego	24 October 2006

Operating and financial review

Review of operations

The performance of the Consolidated Entity, as represented by the results of its operations for the half year, was as follows:

	Consolidated	
	2014	2013
	\$M	\$M
Gross property income	81.5	84.4
Share of net results of equity accounted investments	222.6	161.4
Profit attributable to unitholders of GIT (Unitholders)	260.3	61.8
Total comprehensive income attributable to Unitholders	419.0	303.2

Goodman Industrial Trust and its controlled entities
Directors' report
for the half year ended 31 December 2014

Operating and financial review (cont)

Review of operations (cont)

The Consolidated Entity reported statutory profit available to Unitholders of \$260.3 million for the half year ended 31 December 2014, an increase of \$198.5 million from \$61.8 million in the comparative half year. Included in statutory profit available to Unitholders are property valuation gains of \$114.3 million (2013: gains of \$74.4 million) and losses of \$74.9 million (2013: losses of \$220.0 million) from fair value movements on derivative financial instruments and unrealised foreign exchange movements on translation of interest bearing liabilities. However, there is a corresponding gain of \$153.7 million (2013: gain of \$238.6 million) in the consolidated statement of comprehensive income relating to the net translation gains associated with the net assets of foreign operations, which is booked in reserves and not recognised in statutory profit available to Unitholders.

Value of assets

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$M	\$M
Carrying value of assets	8,841.5	8,164.5

Total assets have increased by \$677.0 million due primarily to an increase in loans to related parties. Loans to related parties have increased by \$490.3 million due mainly to foreign exchange movements of \$141.4 million and the sale of Arlington Business Parks Partnership (ABPP) to a subsidiary of GL for \$318.4 million.

Property investment

Goodman Group's property fundamentals remain robust reflecting the quality of the portfolio and customers. Occupancy has been maintained at 96% with a WALE of 4.8 years. Like for like rental net property income growth across the portfolio is 2.6% and reversions on new leasing deals are 3.4%.

Capital management

During the half year, Goodman Group entered into new bank facilities of \$320 million such that available liquidity at 31 December 2014 is \$1.5 billion with debt maturities covered up to December 2018. Gearing for Goodman Group remains low at 20.2% (30 June 2014: 19.5%) and interest cover remains stable at 5.9 times (30 June 2014: 5.9 times).

The distribution reinvestment plan was also in place for the six months ended 31 December 2014.

**Goodman Industrial Trust and its controlled entities
Directors' report
for the half year ended 31 December 2014**

Distributions

The distribution declared/announced to ordinary holders of GIT during the half year was 11.10 cents per unit (2013: 10.35 cents per unit), amounting to \$193.7 million (2013: \$177.9 million).

Events subsequent to balance date

In the opinion of the Directors, there were no events subsequent to balance date, and up to the date of signature of this interim financial report, which would require adjustment or disclosure in the interim financial report.

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the half year.

Rounding

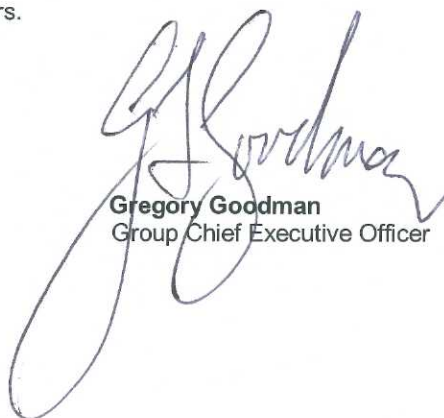
The Consolidated Entity is an entity of a kind referred to in Australian Securities & Investments Commission Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

The Directors' report is made in accordance with a resolution of the Directors.



Ian Ferrier, AM
Independent Chairman

Sydney, 12 February 2015



Gregory Goodman
Group Chief Executive Officer



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Goodman Funds Management Limited as the Responsible Entity for
Goodman Industrial Trust

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



KPMG

John Teer
Partner

Sydney

12 February 2015

Goodman Industrial Trust and its controlled entities
Consolidated interim statement of financial position
as at 31 December 2014

		Consolidated	
		31 Dec 2014	30 Jun 2014
	Note	\$M	\$M
Current assets			
Cash		300.2	227.9
Receivables	5	3,273.1	2,726.8
Inventories	6(b)	43.2	4.2
Other assets		1.3	5.6
Total current assets		3,617.8	2,964.5
Non-current assets			
Receivables	5	236.8	142.8
Inventories	6(b)	67.2	98.3
Investment properties	6(b)	1,927.8	1,950.4
Investments accounted for using the equity method	6(b)	2,982.7	3,000.3
Other financial assets		9.2	8.2
Total non-current assets		5,223.7	5,200.0
Total assets		8,841.5	8,164.5
Current liabilities			
Deferred income		1.1	1.6
Payables		101.9	119.2
Provisions		193.7	178.8
Total current liabilities		296.7	299.6
Non-current liabilities			
Payables		475.9	405.1
Interest bearing liabilities	8	2,478.6	2,160.5
Total non-current liabilities		2,954.5	2,565.6
Total liabilities		3,251.2	2,865.2
Net assets		5,590.3	5,299.3
Equity			
Issued capital	11	7,098.5	7,025.2
Reserves	12	(470.4)	(1,154.4)
Accumulated losses	13	(1,363.6)	(897.3)
Total equity attributable to Unitholders		5,264.5	4,973.5
Non-controlling interests	14	325.8	325.8
Total equity		5,590.3	5,299.3

The consolidated interim statement of financial position is to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its controlled entities
Consolidated interim income statement
for the half year ended 31 December 2014

		Consolidated	
		2014	2013
	Note	\$M	\$M
Revenue and other income			
Gross property income		81.5	84.4
Income from disposal of inventories		0.1	4.0
Net gain from fair value adjustments on investment properties	6(d)	19.7	27.6
Net gain on disposal of investment properties	4	6.7	0.8
Net gain on disposal of controlled entities	4	1.6	0.2
Share of net results of equity accounted investments	4	222.6	161.4
Net gain on disposal of equity investments	4	6.5	5.1
Other income		1.3	-
		340.0	283.5
Property and other expenses			
Property expenses		(24.3)	(23.1)
Inventory cost of sales		(0.1)	(2.6)
Trust expenses		(7.5)	(6.8)
Impairment losses	4	(3.4)	(1.5)
Other expenses		(1.1)	(1.2)
		(36.4)	(35.2)
Profit before interest and tax		303.6	248.3
Net finance income/(expense)			
Finance income	7	125.0	85.4
Finance expense	7	(155.2)	(259.3)
Net finance expense		(30.2)	(173.9)
Profit before income tax		273.4	74.4
Income tax expense		(2.2)	(1.8)
Profit for the half year		271.2	72.6
Profit attributable to Unitholders		260.3	61.8
Profit attributable to non-controlling interests		10.9	10.8
Profit for the half year		271.2	72.6

The consolidated interim income statement is to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its controlled entities
Consolidated interim statement of comprehensive income
for the half year ended 31 December 2014

		Consolidated	
		2014	2013
	Note	\$M	\$M
Profit for the half year		271.2	72.6
Other comprehensive income for the half year			
Items that are or may be reclassified to profit or loss			
Increase due to revaluation of other financial assets	12(a)	0.5	1.0
Cash flow hedges:			
- Change in value of financial instruments	12(b)	0.6	0.4
- Transfers from cash flow hedge reserve	12(b)	3.9	1.4
Effect of foreign currency translation		153.7	238.6
Other comprehensive income for the half year, net of tax		158.7	241.4
Total comprehensive income for the half year		429.9	314.0
Total comprehensive income attributable to:			
Unitholders		419.0	303.2
Non-controlling interests		10.9	10.8
Total comprehensive income for the half year		429.9	314.0

The consolidated interim statement of comprehensive income is to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its controlled entities
Consolidated interim statement of changes in equity
for the half year ended 31 December 2014

Half year ended 31 December 2013

Consolidated	Attributable to Unitholders					
		Issued capital	Reserves	Accumulated losses	Total	Non-controlling interests
	Note	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2013		6,973.2	(1,491.6)	(856.2)	4,625.4	331.5
Total comprehensive income for the half year						
Profit for the half year	13	-	-	61.8	61.8	10.8
Other comprehensive income for the half year		-	241.4	-	241.4	-
Total comprehensive income for the half year		-	241.4	61.8	303.2	10.8
Transfers		-	66.6	(66.6)	-	-
Contributions by and distributions to owners						
Distributions declared on ordinary units	10	-	-	(177.9)	(177.9)	-
Distributions paid on Goodman PLUS Trust Hybrid Securities (GPLUS)	10	-	-	-	-	(16.5)
Equity settled share based payments transaction relating to Goodman Group		-	(6.8)	-	(6.8)	-
Issue of ordinary units under the Goodman Group Long Term Incentive Plan (LTIP)		19.5	-	-	19.5	-
Balance at 31 December 2013		6,992.7	(1,190.4)	(1,038.9)	4,763.4	325.8

Half year ended 31 December 2014

Consolidated	Attributable to Unitholders					
		Issued capital	Reserves	Accumulated losses	Total	Non-controlling interests
	Note	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2014		7,025.2	(1,154.4)	(897.3)	4,973.5	325.8
Total comprehensive income for the half year						
Profit for the half year	13	-	-	260.3	260.3	10.9
Other comprehensive income for the half year		-	158.7	-	158.7	-
Total comprehensive income for the half year		-	158.7	260.3	419.0	10.9
Transfers		-	532.9	(532.9)	-	-
Contributions by and distributions to owners						
Distributions declared on ordinary units	10	-	-	(193.7)	(193.7)	-
Issue of ordinary units under the Goodman Group distribution reinvestment plan (DRP)		35.3	-	-	35.3	-
Distributions paid on Goodman PLUS	10	-	-	-	-	(10.9)
Equity settled share based payments transaction relating to Goodman Group		-	(7.6)	-	(7.6)	-
Issue of ordinary units under the Goodman Group LTIP		38.0	-	-	38.0	-
Balance at 31 December 2014		7,098.5	(470.4)	(1,363.6)	5,264.5	325.8

The consolidated interim statement of changes in equity is to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its controlled entities
Consolidated interim cash flow statement
for the half year ended 31 December 2014

	Consolidated	
	2014	2013
	\$M	\$M
Cash flows from operating activities		
Property income received	85.0	86.0
Proceeds from disposal of inventories	-	4.4
Other cash receipts from services provided	2.4	4.5
Property expenses paid	(19.5)	(19.5)
Payments for inventories	(34.0)	(4.7)
Other cash payments in the course of operations	(2.1)	(6.3)
Dividends/distributions received from equity accounted investments	122.9	82.4
Interest received	14.4	12.0
Finance costs paid	(78.2)	(78.7)
Net income taxes paid	(0.2)	(0.5)
Net cash provided by operating activities	90.7	79.6
Cash flows from investing activities		
Proceeds from disposal of investment properties	14.1	14.5
Proceeds from disposal of equity investments	-	298.3
Net cash movement on disposal of controlled entities	30.8	(7.3)
Payments for investment properties	(26.1)	(18.9)
Payments for equity investments	(91.3)	(136.1)
Net cash (used in)/provided by investing activities	(72.5)	150.5
Cash flows from financing activities		
Proceeds from borrowings	330.5	195.7
Repayments of borrowings	(254.8)	(261.3)
Loans from related parties	122.7	(90.3)
Distributions paid	(144.3)	(94.1)
Net cash provided by/(used in) financing activities	54.1	(250.0)
Net increase/(decrease) in cash held	72.3	(19.9)
Cash at the beginning of the half year	227.9	405.1
Cash at the end of the half year	300.2	385.2

The consolidated interim cash flow statement is to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Basis of preparation

1. Statement of significant accounting policies

Goodman Industrial Trust was established in Australia. The interim financial report for the half year comprises GIT and its controlled entities (Consolidated Entity) and the Consolidated Entity's interests in associates and joint ventures (JVs).

The stapling of GIT, GL and GLHK was implemented on 22 August 2012. Following approval of the stapling, units in GIT, shares in GL and CDIs over shares in GLHK were stapled to one another and are quoted as a single security on the ASX. Goodman Funds Management Limited (the responsible entity of GIT), GL and GLHK must at all times act in the best interests of the stapled entity.

Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and the requirements of GIT's constitution dated 13 December 1989, as amended. The interim financial report is presented in Australian dollars and was authorised for issue by the Directors on 12 February 2015.

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual report for the Consolidated Entity as at and for the year ended 30 June 2014.

There are no significant changes to the Consolidated Entity's interim income statement, statement of comprehensive income or statement of financial position as a result of the application of the new and amended standards and interpretations mandatory for annual reporting periods beginning on or after 1 July 2014. The Consolidated Entity has not applied any Australian Accounting Standards available for early adoption in the preparation of these financial statements.

Rounding

In accordance with Australian Securities & Investments Commission Class Order 98/100 dated 10 July 1998, the amounts shown in this interim financial report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

2. Critical accounting estimates used in the preparation of the financial report

The preparation of consolidated financial report requires estimates and assumptions concerning the application of accounting policies and the future to be made by the Consolidated Entity. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year can be found in the following notes:

- + Note 6 – Property assets; and
- + Note 9 – Financial instruments.

The accounting impacts of revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Measurement of fair values

A number of the Consolidated Entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Consolidated Entity uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy and have been defined as follows:

- + Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- + Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- + Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in the following notes:

- + Note 6 – Property assets; and
- + Note 9 – Financial instruments.

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Results for the half year

3. Segment reporting

The Consolidated Entity is based in Australia and has divisions in Australia, New Zealand, Asia, Continental Europe, the United Kingdom and North America.

The activities and services undertaken by the divisions are direct and indirect ownership of investment properties. Information regarding the operations of each reportable segment is included below.

Information about reportable segments

	Australia and New Zealand		Asia		Continental Europe		United Kingdom		North America		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Income statement												
External revenues												
Gross property income	76.4	76.0	-	-	-	-	5.1	8.4	-	-	81.5	84.4
Income from disposal of inventories	-	4.0	-	-	-	-	0.1	-	-	-	0.1	4.0
Other income	1.0	-	-	-	0.3	-	-	-	-	-	1.3	-
Total external revenues	77.4	80.0	-	-	0.3	-	5.2	8.4	-	-	82.9	88.4
Reportable segment profit/(loss) before tax	142.6	128.1	10.8	9.4	16.6	19.3	22.5	24.6	-	(0.2)	192.5	181.2
Share of net results of equity accounted investments:												
Operating results (excluding fair value adjustments)	82.4	71.5	10.7	9.3	16.4	19.2	12.7	17.9	-	(0.2)	122.2	117.7
Fair value adjustments - not included in reportable segment profit/(loss)	61.8	25.9	31.2	18.9	6.5	(2.8)	0.9	1.7	-	-	100.4	43.7
Other material non-cash items not included in reportable segment profit/(loss) before tax:												
Net gain/(loss) from fair value adjustments on investment properties	28.0	30.6	-	-	-	-	(8.3)	(3.0)	-	-	19.7	27.6
	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Statement of financial position												
Reportable segment assets	3,736.1	3,539.2	506.0	410.9	473.4	429.4	273.5	605.1	199.9	147.7	5,188.9	5,132.3
Included in reportable segments assets are:												
Investment properties	1,721.9	1,725.7	-	-	-	-	205.9	224.7	-	-	1,927.8	1,950.4
Investments accounted for using the equity method	1,799.7	1,690.9	505.9	409.3	464.0	420.9	13.2	331.5	199.9	147.7	2,982.7	3,000.3
Reportable segment liabilities	120.9	125.2	-	-	0.1	0.1	3.2	3.4	0.1	-	124.3	128.7

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Results for the half year (cont)

3. Segment reporting (cont)

Reconciliation of reportable segment revenues, profit or loss and assets and liabilities

	2014	2013
	\$M	\$M
Revenues		
Total revenue for reportable segments	82.9	88.4
Consolidated revenues	82.9	88.4
Profit or loss		
Total profit before tax for reportable segments	192.5	181.2
Other non-cash items not included in reportable segment profit before tax	116.2	72.2
Unallocated amounts: other corporate expenses	(5.1)	(5.1)
Net finance expense - refer to note 7	(30.2)	(173.9)
Consolidated profit before income tax	273.4	74.4
	31 Dec 2014	30 Jun 2014
	\$M	\$M
Assets		
Assets for reportable segments	5,188.9	5,132.3
Unallocated amounts: loans to GL and GLHK	3,188.0	2,698.1
Other unallocated amounts	464.6	334.1
Consolidated total assets	8,841.5	8,164.5
Liabilities		
Liabilities for reportable segments	124.3	128.7
Unallocated amounts: interest bearing liabilities	2,478.6	2,160.5
Other unallocated amounts	648.3	576.0
Consolidated total liabilities	3,251.2	2,865.2

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Results for the half year (cont)

4. Profit before income tax

Profit before income tax has been arrived at after crediting/(charging) the following items:

	Consolidated	
	2014	2013
	\$M	\$M
Net consideration from disposal of investment properties	50.8	14.6
Carrying value of investment properties disposed - refer to note 6(d)	(44.1)	(13.8)
Net gain on disposal of investment properties	6.7	0.8
Net consideration received and receivable from the disposal of controlled entities ¹	30.7	211.8
Carrying value of net assets disposed	(29.1)	(211.8)
Net gain on disposal of special purpose development entities	-	0.2
Net gain on disposal of controlled entities	1.6	0.2
Share of net results of investments in associates - refer to note 6(e)(i)		
- Operating results after tax (before revaluations)	106.9	107.5
- Fair value adjustments on investment properties	86.0	45.0
- Fair value adjustments on derivative financial instruments	6.6	(2.8)
Share of net results of investments in JVs - refer to note 6(e)(ii)		
- Operating results after tax (before revaluations)	15.3	10.2
- Fair value adjustments on investment properties	8.6	1.8
- Fair value adjustments on derivative financial instruments	(0.8)	(0.3)
Share of net results of equity accounted investments	222.6	161.4
Net consideration from disposal of equity investments ²	318.4	351.5
Carrying value of equity investments disposed	(311.9)	(346.4)
Net gain on disposal of equity investments	6.5	5.1
Impairment of inventories	(3.4)	(1.5)
Impairment losses	(3.4)	(1.5)

- During the half year, the Consolidated Entity disposed of its entire interest in a wholly owned subsidiary, Goodman West Thurrock (Jersey) Limited, for a net consideration of \$30.7 million. The net assets of the subsidiary comprised an investment property with a carrying value of \$31.1 million and trade and other payables with a carrying value of \$2.0 million.
- During the half year, the Consolidated Entity disposed of its entire interest in ABPP to a subsidiary of GL for a net consideration of \$318.4 million. During the prior half year, the Consolidated Entity disposed of units in Goodman Australia Industrial Fund for consideration of \$53.1 million, Goodman Property Trust for consideration of \$132.3 million and Goodman European Logistics Fund for consideration of \$166.1 million.

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Operating assets

5. Receivables

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$M	\$M
Current		
Trade receivables	0.7	1.6
Other receivables	84.2	25.4
Amounts due from related parties	0.2	1.6
Loans to related parties	3,188.0	2,698.1
Derivative financial instruments	-	0.1
	3,273.1	2,726.8
Non-current		
Other receivables	35.1	32.8
Loans to related parties	7.2	6.8
Derivative financial instruments	194.5	103.2
	236.8	142.8

6. Property assets

(a) Types of property assets

The Consolidated Entity's investment in property assets includes both inventories (held for development and sale) and investment properties (held for capital appreciation and gross property income), which may be held either directly or through its investments in associates and JVs.

Inventories are carried at the lower of cost or net realisable value and investment properties are carried at fair value. The calculation of both net realisable value and 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 under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of inventories and investment properties (both directly held and in associates and JVs) are set out below.

(b) Summary of the Consolidated Entity's investment in property assets

		Consolidated	
		31 Dec 2014	30 Jun 2014
	Note	\$M	\$M
Inventories			
Current		43.2	4.2
Non-current		67.2	98.3
		110.4	102.5
Investment properties			
Stabilised investment properties	6(d)	1,751.5	1,776.9
Investment properties under development	6(d)	176.3	173.5
		1,927.8	1,950.4
Investments accounted for using the equity method			
Associates	6(e)(i)	2,365.6	2,459.3
JVs	6(e)(ii)	617.1	541.0
		2,982.7	3,000.3
Total property assets		5,020.9	5,053.2

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Operating assets (cont)

6. Property assets (cont)

(c) Estimates and assumptions in determining property carrying values

Inventories

Inventories relate to land and property developments that are held for sale or development and sale in the normal course of the Consolidated Entity's business.

For both inventories held directly and inventories held in associates and JVs, external valuations are not performed but instead valuations are determined using the feasibility studies supporting the land and property developments. The end values of the developments in the feasibility studies are based on assumptions such as capitalisation rates, letting up periods and incentives that are consistent with those observed in the relevant market. Where the feasibility study calculations indicate that the forecast cost of a completed development will exceed the net realisable value, then the inventories are impaired.

Investment properties

Stabilised investment properties

Stabilised investment properties refer to investment properties which are not under development. The fair value of stabilised investment properties is based on current prices in an active market for similar properties in the same location and condition and subject to similar lease and other contracts. The current price is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Approach to determination of fair value

The approach to determination of fair value of stabilised investment properties is applied to both investment properties held directly and investment properties held in associates and JVs.

Valuations are determined based on assessments and estimates of uncertain future events, including movements in the property cycle and availability of similar properties, vacancy rates, market rents and capitalisation and discount rates. Recent and relevant sales evidence and other market data are taken into account. Valuations are either based on an external, independent valuation or on an internal valuation.

External valuations are undertaken only where market segments were observed to be active. Such a determination is made based on the criteria set out below:

- + function of the asset (distribution/warehouse or suburban office);
- + location of asset (city, suburb or regional area);
- + carrying value of asset (categorised by likely appeal to private (including syndicates) or national or institutional investors); and
- + categorisation as primary or secondary based on a combination of location, weighted average lease expiry, quality of tenant covenant (internal assessment based on available market evidence) and age of construction.

Each property asset is assessed and grouped with assets in the same or similar market segments. Information on all relevant recent sales is also analysed using the same criteria to provide a comparative set. Unless three or more sales are observed in an individual market segment (taken together with any comparable market segments as necessary), that market segment is considered inactive.

Where a market segment is observed to be active, then external, independent valuations are performed for stabilised investment properties where there has been more than a 25 basis point movement in capitalisation rates and/or there has been a material change in tenancy profile and/or there has been a change in planning consents and/or there has been significant capital expenditure and/or it has been three years since the previous external, independent valuation. For all other stabilised investment properties in an active market segment, an internal valuation is performed based on observable capitalisation rates and referenced to independent market data.

Where a market segment is observed to be inactive, then no external, independent valuations are performed and internal valuations are undertaken based on discounted cash flow (DCF) calculations. The DCF calculations are prepared over a 10 year period. The key inputs considered for each individual calculation are rental growth rates, discount rates, market rental rates and letting up incentives. Discount rates are computed using the 10 year bond rate or equivalent in each jurisdiction plus increments to reflect country risk, tenant credit risk and industry risk. Where possible, the components of the discount rate are benchmarked to available market data.

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Operating assets (cont)

6. Property assets (cont)

(c) Estimates and assumptions in determining property carrying values (cont)

Market assessment

At 31 December 2014, all markets in which the Consolidated Entity operated were observed to be active and no adjustments were made to the carrying value of stabilised investment properties arising from internal valuations using DCF calculations. The overall weighted average capitalisation rates for the divisional portfolio (including funds managed by Goodman Group) are set out in the table below:

Division	Total portfolio weighted average capitalisation rate	
	31 Dec 2014	30 Jun 2014
	%	%
Australia	7.5	7.7
Hong Kong	6.0	6.0
Logistics - Continental Europe	7.1	7.5
Logistics - United Kingdom	9.0	9.0

Investment properties under development

External valuations are generally not performed for investment properties under development, but instead valuations are determined using the Consolidated Entity's feasibility studies supporting the properties under development. The end values of the developments in the feasibility studies are based on assumptions to determine capitalisation rates, letting up periods and incentives that are consistent with those observed in the relevant market adjusted for a profit and risk factor. This profit and risk factor is dependent on the function, location and size of the development and is generally in a market range of 5% to 15%.

(d) Investment properties

Reconciliation carrying amount of directly held investment properties

	Stabilised investment properties		Investment properties under development		Consolidated	
	2014	2013	2014	2013	2014	2013
	\$M	\$M	\$M	\$M	\$M	\$M
Carrying amount at the beginning of the half year	1,776.9	1,836.2	173.5	272.6	1,950.4	2,108.8
Capital expenditure	12.7	9.3	9.3	12.4	22.0	21.7
Transfers	-	(8.0)	-	8.0	-	-
Disposals:						
- Carrying value of properties sold	(44.1)	(1.4)	-	(12.4)	(44.1)	(13.8)
- On disposal of interests in controlled entities	(31.1)	(128.8)	-	(104.4)	(31.1)	(233.2)
Net gain/(loss) from fair value adjustments	26.8	27.6	(7.1)	-	19.7	27.6
Effect of foreign currency translation	10.3	26.8	0.6	1.4	10.9	28.2
Carrying amount at the end of the half year	1,751.5	1,761.7	176.3	177.6	1,927.8	1,939.3
Analysed as:						
Australia and New Zealand					1,721.9	1,700.6
United Kingdom					205.9	238.7
					1,927.8	1,939.3

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Operating assets (cont)

6. Property assets (cont)

(e) Investments accounted for using the equity method

(i) Investments in associates

The Consolidated Entity's associates are set out below:

		Consolidated share of associate's result recognised		Consolidated ownership interest		Consolidated investment carrying amount	
	Country of establishment/ incorporation	31 Dec 2014 \$M	31 Dec 2013 \$M	31 Dec 2014 %	30 Jun 2014 %	31 Dec 2014 \$M	30 Jun 2014 \$M
Name							
Property investment associates							
Goodman Australia Industrial Fund (GAIF)	Australia	88.2	49.0	27.5	27.5	998.6	943.9
Goodman Trust Australia (GTA)	Australia	35.4	31.0	19.9	19.9	446.1	412.4
Goodman Property Trust (GMT) ¹	New Zealand	-	6.9	-	-	-	-
Goodman Hong Kong Logistics Fund	Cayman Islands	42.0	28.3	20.0	20.0	505.9	409.4
Goodman European Logistics Fund (GELF)	Luxembourg	20.7	15.3	20.4	20.4	415.0	374.6
Arlington Business Parks Partnership (ABPP) ²	United Kingdom	13.2	19.2	-	36.3	-	319.0
		199.5	149.7			2,365.6	2,459.3

1. During the prior financial year, the investment in GMT was disposed to a controlled entity of GL.

2. During the half year, the Consolidated Entity disposed of its entire interest in ABPP to a subsidiary of GL for a net consideration of \$318.4 million.

The reconciliation of the carrying amount of investments in associates during the half year is as follows:

	Consolidated	
	2014	2013
	\$M	\$M
Movement in carrying amount of investments in associates		
Carrying amount at the beginning of the half year	2,459.3	2,518.8
Transfers to investments in JVs	-	(47.8)
Share of net results after tax (before revaluations)	106.9	107.5
Share of fair value adjustments on investment properties	86.0	45.0
Share of fair value adjustments on derivative financial instruments	6.6	(2.8)
Share of net results	199.5	149.7
Share of movement in reserves	0.3	0.3
Acquisitions	53.4	104.7
Disposals	(311.9)	(347.6)
Distributions received	(111.3)	(87.7)
Effect of foreign currency translation	76.3	89.8
Carrying amount at the end of the half year	2,365.6	2,380.2

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Operating assets (cont)

6. Property assets (cont)

(e) Investments accounted for using the equity method (cont)

(ii) Investments in JVs

A summary of the results and ownership interest of the Consolidated Entity's principal JVs are set out below:

		Consolidated share of JVs result recognised		Consolidated ownership interest		Consolidated investment carrying amount	
	Country of establishment/ incorporation	31 Dec 2014 \$M	31 Dec 2013 \$M	31 Dec 2014 %	30 Jun 2014 %	31 Dec 2014 \$M	30 Jun 2014 \$M
Name							
Property investment JVs							
KWASA Goodman Industrial Trust	Australia	10.5	7.5	40.0	40.0	188.1	185.0
Property development JVs							
Goodman North America Partnership	United States of America	-	(0.2)	53.0	53.0	199.9	147.6
Other JVs		12.6	4.4			229.1	208.4
		23.1	11.7			617.1	541.0

The reconciliation of the carrying amount of investments in JVs during the half year is as follows:

	Consolidated	
	2014 \$M	2013 \$M
Movement in carrying amount of investments in JVs		
Carrying amount at the beginning of the half year	541.0	365.7
Transfers from investments in associates	-	47.8
Share of net results after tax (before revaluations)	15.3	10.2
Share of fair value adjustments on investment properties	8.6	1.8
Share of fair value adjustments on derivative financial instruments	(0.8)	(0.3)
Share of net results	23.1	11.7
Acquisitions	37.9	56.0
Distributions received	(11.6)	(9.8)
Effect of foreign currency translation	26.7	9.8
Carrying amount at the end of the half year	617.1	481.2

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Capital management

7. Finance income and expense

	Consolidated	
	2014	2013
	\$M	\$M
Finance income		
Interest income from:		
- Related parties	97.3	83.1
- Other parties	1.3	2.3
Fair value adjustments on derivative financial instruments ¹	26.4	-
	125.0	85.4
Finance expense		
Interest expense from third party loans, overdrafts and derivatives	(52.3)	(45.2)
Other borrowing costs	(6.3)	(7.9)
Fair value adjustments on derivative financial instruments ¹	-	(182.2)
Foreign exchange loss ²	(107.1)	(34.7)
Capitalised borrowing costs	10.5	10.7
	(155.2)	(259.3)
Net finance expense	(30.2)	(173.9)

1. Includes both the fair value movements on derivatives where the hedge relationship has not been designated and amortisation from the cash flow hedge reserve of gains or losses on derivative contracts that were previously hedge accounted (refer to note 12(b)). The remaining balance included in the cash flow hedge reserve that relates to derivative contracts that were previously hedge accounted will be amortised over future periods.
2. Foreign exchange loss includes an unrealised loss of \$107.1 million (2013: unrealised loss of \$34.7 million) on translation of the United States senior notes and the Japanese yen denominated foreign private placement (refer to note 8).

8. Interest bearing liabilities

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$M	\$M
Bank loans, unsecured	235.6	155.4
Euro medium-term notes, unsecured	477.1	453.6
United States senior notes, unsecured	1,622.8	1,406.0
Foreign private placements, unsecured	167.8	170.2
Borrowing costs	(24.7)	(24.7)
	2,478.6	2,160.5

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Capital management (cont)

9. Financial instruments

Fair values of financial instruments

The carrying amounts shown in the statement of financial position and fair values of financial assets and liabilities are as follows:

	Carrying amount 31 Dec 2014 \$M	Fair value 31 Dec 2014 \$M	Carrying amount 30 Jun 2014 \$M	Fair value 30 Jun 2014 \$M
Consolidated				
Financial assets				
Cash	300.2	300.2	227.9	227.9
Receivables:				
- Loans to related parties	3,195.2	3,195.2	2,704.9	2,704.9
- Trade and other receivables	120.2	120.2	61.4	61.4
- Interest rate swaps	48.3	48.3	28.6	28.6
- Cross currency interest rate swaps	146.2	146.2	74.6	74.6
- Foreign exchange contracts	-	-	0.1	0.1
- Other financial assets	9.2	9.2	8.2	8.2
	3,819.3	3,819.3	3,105.7	3,105.7
Financial liabilities				
Payables:				
- Trade payables and other payables and accruals	198.7	198.7	220.5	220.5
- Interest rate swaps	77.4	77.4	74.7	74.7
- Cross currency interest rate swaps	301.7	301.7	229.1	229.1
Interest bearing liabilities ¹	2,478.6	2,863.0	2,160.5	2,522.1
Provisions	193.7	193.7	178.8	178.8
	3,250.1	3,634.5	2,863.6	3,225.2

1. The fair value of certain fixed rate interest bearing liabilities has been determined by reference to the quoted market prices at 31 December 2014.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method:

	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
As at 31 December 2014				
Available for sale financial assets	-	-	9.2	9.2
Derivative financial assets	-	194.5	-	194.5
	-	194.5	9.2	203.7
Derivative financial liabilities	-	379.1	-	379.1
	-	379.1	-	379.1
As at 30 June 2014				
Available for sale financial assets	-	-	8.2	8.2
Derivative financial assets	-	103.3	-	103.3
	-	103.3	8.2	111.5
Derivative financial liabilities	-	303.8	-	303.8
	-	303.8	-	303.8

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Capital management (cont)

9. Financial instruments (cont)

Valuation techniques used to derive Level 2 and Level 3 fair values

The Level 2 derivative financial instruments held by the Consolidated Entity consist of interest rate swaps, cross currency interest rate swaps and foreign exchange contracts. The fair values of derivative financial instruments are determined using generally accepted pricing models which discount estimated future cash flows based on the terms and maturity of each contract and current market interest rates and/or foreign currency rates. Fair values also reflect the current creditworthiness of the derivative counterparties.

The Level 3 available for sale financial assets held by the Consolidated Entity relate primarily to Goodman Property Opportunities Lux Sàrl (GPO). The fair value was determined by reference to the net asset value of GPO, which incorporated the fair values of investment properties.

10. Distributions

(a) Distributions declared and paid by GIT

	Distribution cpu	Total amount \$M	Date of payment
Distributions for the half year ended			
- 31 Dec 2014	11.10	193.7	20 Feb 2015
- 31 Dec 2013	10.35	177.9	21 Feb 2014

(b) Distributions declared and paid by Goodman PLUS Trust

Goodman PLUS Trust, a controlled entity of the Consolidated Entity, has hybrid securities on issue which have been accounted for as equity.

	Distribution cpu	Total amount \$M	Date of payment
Distributions for the half year ended 31 December 2014			
- 30 Sep 2014	165.7	5.4	30 Sep 2014
- 31 Dec 2014	166.3	5.5	31 Dec 2014
	332.0	10.9	
Distributions for the half year ended 31 December 2013¹			
- 30 Sep 2013	169.1	5.5	30 Sep 2013
- 31 Dec 2013	162.7	5.3	31 Dec 2013
	331.8	10.8	

1. In the prior half year, the distribution for the quarter ended 30 June 2013 amounting to \$5.7 million was paid on 1 July 2013.

11. Issued capital

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$M	\$M
1,745,460,061 (30 June 2014: 1,727,685,976) fully paid units on issue	7,246.9	7,173.6
Less: Issue costs ¹	(148.4)	(148.4)
	7,098.5	7,025.2

1. Issue costs associated with the issue of units have been directly paid from the proceeds of the issues.

Terms and conditions

A stapled security means one unit in GIT stapled to one share in GL and one CDI over an ordinary share in GLHK. Holders of stapled securities are entitled to receive distributions and dividends as declared from time to time and are entitled to one vote per stapled security at Securityholders' meetings. In the event of a winding up of GL, GIT and GLHK, Securityholders rank after creditors and are fully entitled to any proceeds of liquidation.

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Other items

12. Reserves

Consolidated			
		31 Dec 2014	30 Jun 2014
	Note	\$M	\$M
Asset revaluation reserve	12(a)	(414.2)	(950.6)
Cash flow hedge reserve	12(b)	(5.7)	(9.7)
Foreign currency translation reserve	12(c)	(99.9)	(251.1)
Employee compensation reserve	12(d)	49.4	57.0
Total reserves		(470.4)	(1,154.4)
		2014	2013
		\$M	\$M
(a) Asset revaluation reserve			
Balance at the beginning of the half year		(950.6)	(1,030.9)
Increase due to revaluation of other financial assets		0.5	1.0
Transfers to accumulated losses		532.9	66.6
Effect of foreign currency translation		3.0	(72.9)
Balance at the end of the half year		(414.2)	(1,036.2)
(b) Cash flow hedge reserve			
Balance at the beginning of the half year		(9.7)	(12.7)
Change in value of financial instruments		0.6	0.4
Transfers to the income statement		3.9	1.4
Effect of foreign currency translation		(0.5)	(0.7)
Balance at the end of the half year		(5.7)	(11.6)
(c) Foreign currency translation reserve			
Balance at the beginning of the half year		(251.1)	(497.0)
Net exchange differences on conversion of foreign operations		151.2	312.2
Balance at the end of the half year		(99.9)	(184.8)
(d) Employee compensation reserve			
Balance at the beginning of the half year		57.0	49.0
Equity settled share based payments transaction relating to Goodman Group		(7.6)	(6.8)
Balance at the end of the half year		49.4	42.2
Total reserves		(470.4)	(1,190.4)

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Other items (cont)

13. Accumulated losses

	Consolidated	
	2014	2013
	\$M	\$M
Balance at the beginning of the half year	(897.3)	(856.2)
Profit attributable to Unitholders	260.3	61.8
Transfers from asset revaluation reserve	(532.9)	(66.6)
Distributions declared	(193.7)	(177.9)
Balance at the end of the half year	(1,363.6)	(1,038.9)

14. Non-controlling interests

Non-controlling interests comprise:

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$M	\$M
Goodman PLUS ¹	325.8	325.8

1. The non-controlling interest balance is net of issue costs.

Goodman PLUS

Goodman PLUS Trust, a controlled entity of GIT, had 3,269,665 hybrid securities on issue at a face value of \$100 each. The hybrid securities are preferred, perpetual non-call securities which are listed on the ASX. Goodman PLUS Trust pays, at its discretion, distributions at a market rate plus a margin. The hybrid securities may be exchanged or repurchased in certain circumstances.

15. Significant non-cash transactions

Distribution reinvestment plans

During the half year:

- + the Goodman Group DRP was activated for the June 2014 distribution which was paid in August 2014. Of the total distribution paid in August 2014, \$45.4 million was issued in the form of stapled securities in Goodman Group; and
- + the Consolidated Entity received a distribution from Goodman Australia Development Fund of \$1.4 million in the form of units in the fund.

In the prior half year, the Consolidated Entity received a distribution from GTA of \$13.5 million in the form of units in the fund.

Disposal of equity investment

During the half year, the Consolidated Entity disposed of its entire interest in ABPP to a controlled entity of GL for a net consideration of \$318.4 million in the form of a related party loan to a controlled entity of GL.

Disposal of controlled entities

During the prior half year, the Consolidated Entity disposed of two intermediate holding companies that collectively owned 100% of the ordinary shares of Moorabbin Airport Corporation Pty Ltd, to GL for a deemed consideration of \$211.8 million in the form of a related party loan to GL.

Goodman Industrial Trust and its controlled entities
Notes to the interim financial report
for the half year ended 31 December 2014

Other items (cont)

16. Commitments

Managed funds

At 31 December 2014, the Consolidated Entity has made an equity commitment of \$100.0 million (30 June 2014: \$123.2 million) into GELF.

In relation to GAIF and GELF, the Consolidated Entity offers limited liquidity facilities to investors, which allow the investors to sell to Goodman Group some or all of their investment in the funds. Limits apply to these liquidity facilities and Goodman Group is only required to offer to purchase up to \$7.5 million of the issued capital of GAIF each quarter and 2.5% of the issued capital of GELF each quarter. Furthermore, the Consolidated Entity is only required to purchase units where its co-investment in GAIF or GELF is below a prescribed limit. Currently, Goodman Group's interest (together with its custodian's interest) in GAIF and GELF is below the prescribed limit and both liquidity facilities are open for investors.

Stapling agreement with GL and GLHK

In accordance with the stapling agreement between GIT, GL and GLHK, on request each party (and its subsidiaries) must provide financial support to the other party (and its subsidiaries). The financial support to the other party (and its subsidiaries) may include:

- + lending money or providing financial accommodation;
- + guaranteeing any loan or other financing facility including providing any security;
- + entering into any covenant, undertaking, restraint or negative pledge on the obtaining of any financial accommodation or the provision of any guarantee or security in connection with any financial accommodation; and
- + entering into any joint borrowing or joint financial accommodation and providing any guarantee, security, indemnities and undertakings in connection with the relevant joint borrowing or joint financial accommodation.

A party need not do anything under the above arrangements to the extent that the party considers that it is not in the interests of the Goodman Group Securityholders as a whole, or would cause a member of the party's group to contravene or breach applicable laws or particular finance arrangements.

17. Related parties

Significant transactions with related parties

During the half year, the Consolidated Entity disposed of its entire interest in ABPP to a controlled entity of GL for a net consideration of \$318.4 million in the form of a related party loan to the controlled entity of GL.

18. Events subsequent to balance date

In the opinion of the Directors, there were no events subsequent to balance date, and up to the date of signature of this interim financial report, which would require adjustment or disclosure in the interim financial report.

Goodman Industrial Trust and its controlled entities
Directors' declaration

In the opinion of the directors of Goodman Funds Management Limited, the responsible entity for Goodman Industrial Trust:

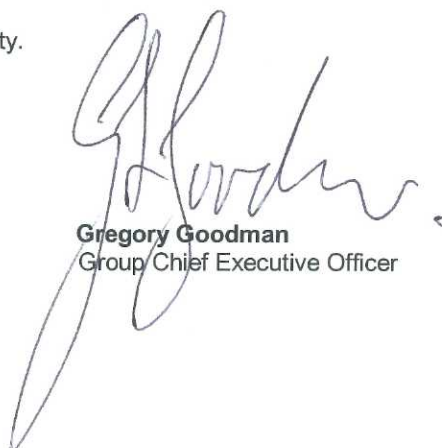
- (a) the interim financial report and accompanying notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2014 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Responsible Entity.



Ian Ferrier, AM
Independent Chairman

Sydney, 12 February 2015



Gregory Goodman
Group Chief Executive Officer

Independent auditor's review report to the unit holders of Goodman Industrial Trust

We have reviewed the accompanying interim financial report of Goodman Industrial Trust, which comprises the consolidated interim statement of financial position as at 31 December 2014, consolidated interim income statement, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim cash flow statement for the half-year ended on that date, notes 1 to 18 comprising a statement of significant accounting policies and other explanatory information and the directors' declaration of the Consolidated Entity comprising the trust and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of Goodman Funds Management Limited ("the Responsible Entity") are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Goodman Industrial Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Goodman Industrial Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

John Teer
Partner

Sydney

12 February 2015