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The directors (Directors) of Goodman Funds Management Limited (Responsible Entity), the responsible entity for Goodman Industrial Trust (GIT, Trust or Parent Entity), present their Directors' report together with the consolidated financial report of GIT and the entities it controlled (Consolidated Entity) at the end of, or during, the year ended 30 June 2015 and the audit 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 ordinary shares in GLHK are quoted as a single security on the Australian Securities Exchange (ASX) as Goodman Group stapled securities.

Principal activities

The principal activity of the Consolidated Entity during the year was property investment. There were no significant changes to the nature of the Consolidated Entity's activities during the year.

Directors

The Directors at any time during, or since the end of, the 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 (Managing Director, Greater China)	1 January 2013
Mr Danny Peeters (Executive Director, Corporate)	1 January 2013
Mr Phillip Pryke (Independent Director)	13 October 2010
Mr Anthony Rozic (Deputy Chief Executive Officer)	1 January 2013
Mr Jim Sloman, OAM (Independent Director)	1 February 2006

Details of the Directors' qualifications, experience and special responsibilities are set out on pages 8 to 10 in this Directors' report.

Company Secretary

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

	Appointment date
Mr Carl Bicego	24 October 2006

Details of the Company Secretary's qualifications and experience are set out on page 10 in this Directors' report.

Directors' meetings

The number of Directors' meetings held (including meetings of committees of Directors) and the number of meetings attended by each of the Directors during the financial year were:

	Board meetings		Audit Committee meetings		Remuneration and Nomination Committee meetings		Risk and Compliance Committee meetings	
Directors	**Held[1]**	**Attended[2]**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**
Mr Ian Ferrier	13	13	4	4	3	3	-	-
Mr Gregory Goodman	13	13	-	-	-	-	-	-
Mr Philip Fan	13	12	4	4	-	-	4	4
Mr John Harkness	13	12	4	4	-	-	4	4
Ms Anne Keating	13	12	-	-	3	3	4	4
Ms Rebecca McGrath	13	12	-	-	3	3	4	4
Mr Philip Pearce	13	13	-	-	-	-	-	-
Mr Danny Peeters	13	13	-	-	-	-	-	-
Mr Phillip Pryke	13	13	4	4	3	3	-	-
Mr Anthony Rozic	13	13	-	-	-	-	-	-
Mr Jim Sloman	13	13	-	-	3	3	4	4

1. Reflects the number of meetings individuals were entitled to attend.
2. Each Director attended every scheduled meeting. Several additional meetings were held on short notice for which some directors were unable to attend. However, they were able to review papers and provide their input into the meeting. At all times, there was a majority of independent directors at all meetings.

Operating and financial review

Goodman Group's strategy

Goodman Group's vision is to be a global leader in industrial property.

This vision is executed through five strategic "pillars", which are supported by the integrated "own+develop+manage" business model. These pillars are:

+ **Quality partnerships** – develop and maintain strong relationships with key stakeholders including customers, capital partners, suppliers and employees;
+ **Quality product and service** –deliver high quality products and customer service in key logistics markets globally by actively leveraging Goodman Group's industrial sector expertise, development and management experience and global operating platform;
+ **Culture and brand** – promote Goodman Group's unique and recognisable brand and embed Goodman Group's core values across each operating division to foster a strong and consistent culture;
+ **Operational efficiency** –optimise business resources to ensure effectiveness and drive efficiencies; and
+ **Capital efficiency** – maintain active capital management to facilitate appropriate returns and sustainability of the business.

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

	Consolidated	
	2015	**2014**
	$M	**$M**
Net property income	113.0	117.5
Share of net results of equity accounted investments (before asset revaluations and derivative mark to market movements)	239.0	236.0
Investment earnings	352.0	353.5
Profit attributable to unitholders of GIT (Unitholders)	903.3	454.0
Total comprehensive income attributable to Unitholders	1,169.4	644.8

Property investment

Investment earnings comprise gross property income, net of property expenses, and the Consolidated Entity's share of the results of equity accounted investments. The key drivers for maintaining or growing the Consolidated Entity's investment earnings are increasing the level of assets in partnerships (subject also to the Consolidated Entity's direct and indirect interest), maintaining or increasing occupancy and rental levels within the portfolio, changes to rent levels and changes in financing arrangements.

During the year, attractive capital market conditions have provided Goodman Group with ongoing opportunities to selectively rotate assets. As a result, $1.9 billion of properties across Goodman Group and its managed partnerships have been sold to third parties. However, Goodman Group's managed partnerships have continued to invest in new, well located assets funded, at least in part, by the proceeds from asset rotation. This continued investment has resulted in Goodman Group's assets under management increasing in most regions.

Goodman Group continues to progress its urban renewal strategy in Australia and has achieved positive planning outcomes on a number of sites. At 30 June 2015, the Consolidated Entity has $0.7 billion of sites conditionally contracted for sale, reflecting the strong demand for zoned residential sites and expects to realise these sale proceeds over the next three years, providing medium term capital to fund opportunities for the Consolidated Entity and its partnerships.

The Consolidated Entity's net property income has decreased compared to the prior year due to asset sales and the repositioning of assets for urban renewal. Share of net results of equity accounted investments (referred to as "partnerships") has been negatively impacted by the sale of Arlington Business Parks Partnership (ABPP) to GL during the year but is still higher compared to the prior year due to stronger leasing activity and growth in assets from acquisitions and developments.

Goodman Group's property fundamentals remain strong, reflecting the quality of the portfolio and customers. Occupancy has been maintained at 96% with a weighted average lease expiry of 4.8 years. Like-for-like rental net property income growth across the portfolio is 2.5% and reversions on new leasing deals are 4.7%.

Operating and financial review (cont)

Property investment (cont)

Property valuations
In relation to urban renewal, where zoning changes have occurred the sites have been externally valued to reflect the "highest and best use" and this has contributed approximately 55% of asset revaluation gains during the year. The strong investment markets in most divisions have also favourably impacted asset pricing and total net property valuation gains for the year, including both directly held properties and the Consolidated Entity's share of partnerships, are in excess of $550 million.

Statement of financial position

	Consolidated	
	2015	**2014**
	$M	**$M**
Stabilised investment properties	2,052.2	1,776.9
Cornerstone investments in partnerships	3,166.5	3,000.3
Development holdings	209.0	276.0
Loans to related parties	3,233.1	2,704.9
Cash	602.4	227.9
Other assets	359.9	178.5
Total assets	**9,623.1**	**8,164.5**
Interest bearing liabilities	2,604.8	2,160.5
Other liabilities	824.0	704.7
Total liabilities	**3,428.8**	**2,865.2**
Non-controlling interests	325.8	325.8
Net assets attributable to Unitholders	**5,868.5**	**4,973.5**

Stabilised investment properties
The value of stabilised investment properties has increased by $275.3 million to $2,052.2 million, which is primarily due to revaluation gains during the year of $381.8 million partially offset by asset disposals. The majority of the stabilised investment properties are in Australia and include a number of sites with potential for urban renewal. The positive planning outcomes on these urban renewal sites have been a key driver of the valuation gains.

Cornerstone investments in partnerships
The value of cornerstone investments in partnerships has increased by $166.2 million to $3,166.5 million, of which $147.7 million is a result of movement in foreign currency. Additional capital contributions to fund acquisitions and developments and share of results of partnerships, net of distributions, account for a further increase of approximately $340 million. This is offset by the disposal of the Consolidated Entity's investment in ABPP to GL and asset disposals in Australia and Continental Europe as the partnerships capitalise on the strong investment market. This strong investment market has also resulted in a tightening of capitalisation rates, resulting in valuation gains of $174.9 million.

Loans to related parties
Loans to related parties are primarily loans to GL, GLHK and their controlled entities. The majority of interest bearing liabilities in Goodman Group is held by the Consolidated Entity which on lends the proceeds to other members of Goodman Group to fund acquisitions and developments. Loans to related parties have increased by $528.2 million to $3,233.1 million. The increase is primarily due to movement in foreign currency and loans extended to GL to fund its acquisition of ABPP, partially offset by the repayment of loans by GL, GLHK and their controlled entities.

Cash and interest bearing liabilities
Interest bearing liabilities net of cash are $2,002.4 million compared to $1,932.6 million at 30 June 2014. The increase is primarily due to foreign currency exchange movements. Movements in other assets and other liabilities mainly reflect the changes in the Consolidated Entity's derivative financial instruments.

Operating and financial review (cont)

Issued capital

The movement in units on issue in GIT during the year is set out below:

	Consolidated	
	2015	**2014**
	M	**M**
Units on issue at the beginning of the year	1,727.7	1,713.2
Units issued	25.3	14.5
Units on issue at the end of the year	**1,753.0**	**1,727.7**

Capital management

Goodman Group has maintained a sound financial position with gearing at 17.3% (2014:19.5%), well within Goodman Group's target range. Interest cover remains high at 6.0 times.

At 30 June 2015, Goodman Group had available liquidity of $1.8 billion and a weighted average debt maturity profile of 4.7 years, with debt maturities fully covered to December 2019. Goodman Group's Standard and Poor's credit rating remains at BBB with a stable outlook and Moody's credit rating remains at Baa2/stable.

Furthermore, Goodman Group's distribution reinvestment plan (DRP) was active during the financial year, raising a total of $89.4 million, of which $68.3 million related to the Consolidated Entity.

Outlook

The majority of the Consolidated Entity's key markets are experiencing low inflation and low growth, which is likely to result in below-average rental growth in those markets. At the same time, government stimulus measures have generated significant liquidity and the demand for "yield assets' is driving capital values very strongly. Given these macro-economic conditions, development activities currently provide the best risk adjusted returns for the Consolidated Entity and opportunities exist to rotate capital in order to improve the overall quality of the Consolidated Entity's property portfolios and fund growth.

Urban renewal activity is expected to remain strong in the Australian market over the medium term. The impact of urban renewal on the Consolidated Entity's income statement will most likely manifest in the form of asset revaluations, with realisations over the next 3 years.

At the same time, Goodman Group will maintain its prudent capital management policy, with headline gearing targeted to remain low and significant available liquidity to be retained. This will allow Goodman Group to take advantage of future opportunities that might arise.

Overall, the Consolidated Entity will benefit from its globally diversified platform and is well positioned to achieve solid earnings growth for the year ending 30 June 2016.

Further information as to other likely developments in the operations of the Consolidated Entity and the expected results of those operations in future financial years has not been included in this Directors' report because disclosure of the information would be likely to result in unreasonable prejudice to the Consolidated Entity.

Distributions

The total distribution declared to ordinary Unitholders during the year was 22.2 cents per unit (2014: 20.7 cents per unit). Further details of distributions paid or declared during the year are set out in note 11 to the consolidated financial statements.

Environmental regulations

The Consolidated Entity has policies and procedures in place that are designed to ensure that, where operations are subject to any particular and significant environmental regulation under a law of Australia, those obligations are identified and appropriately addressed. The Directors have determined that there has not been any material breach of those obligations during the year.

Interests of the Responsible Entity

The Responsible Entity did not hold any units either directly or indirectly in the Consolidated Entity at any time during the year and up to the date of signature of the consolidated financial report.

Indemnification and insurance of officers and auditors

The Responsible Entity is entitled to be indemnified out of the assets of the Trust. Current and former directors of the Responsible Entity are entitled to be indemnified under the constitution of the Responsible Entity. The directors of Responsible Entity are also directors of GL. Deeds of Indemnity have been executed by GL, consistent with the Constitution of GL, in favour of each Director. The Deed indemnifies each Director to the extent permitted by law for liabilities (other than legal costs) incurred in their capacity as a director of GL, the Responsible Entity or other controlled entities of GL and, in respect of legal costs, for liabilities incurred in defending or resisting civil or criminal proceedings.

Goodman Group has insured to the extent permitted by law, current and former directors and officers of the Responsible Entity in respect of liability and legal expenses incurred in their capacity as a director or officer. As it is prohibited under the terms of the contract of insurance, the Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid.

The auditors of the Consolidated Entity are not indemnified by the Consolidated Entity or covered in any way by this insurance in respect of the audit.

Fees paid to and interests held by related entities and Directors

Fees were paid or are payable to Goodman Limited and its associated entities for services provided during the year. Details of these fees and the interests of the Responsible Entity and other related party information are set out in note 18 to the consolidated financial statements.

The relevant interest of each Director in Goodman Group stapled securities as notified by the Directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001 at the date of signature of this Directors' report is as follows:

Directors	Number of securities	Number of performance rights
Non-Executive		
Mr Ian Ferrier	159,309	-
Mr Philip Fan	59,463	-
Mr John Harkness	92,666	-
Ms Anne Keating	64,033	-
Ms Rebecca McGrath	20,395	-
Mr Phillip Pryke	108,232	-
Mr Jim Sloman	83,244	-
Executive		
Mr Gregory Goodman	41,476,923	3,763,653
Mr Philip Pearce	178,803	1,374,438
Mr Danny Peeters	896,903	1,887,302
Mr Anthony Rozic	539,690	1,932,551

At 30 June 2015, Mr Anthony Rozic held 1,000 of the perpetual preferred units (Goodman PLUS) issued by Goodman PLUS Trust. None of the other Directors holds any relevant interests in Goodman PLUS.

Qualifications, experience and special responsibilities of Directors and Company Secretary

Board of Directors

Mr Ian Ferrier, AM – Independent Chairman
Member of the Audit Committee and Remuneration and Nomination Committee
Appointed 23 February 2005; Tenure 10 years, 4 months

Ian was appointed Chairman on 28 July 2009 (having been Acting Chairman from 28 November 2008). Ian is a Fellow of Chartered Accountants Australia and New Zealand and has in excess of 40 years of experience in company corporate recovery and turnaround practice. Ian is also a director of a number of private and public companies. He is currently Chairman of Reckon Limited (a director since August 2004) and a director of EnergyOne Limited (since January 2007). He was formerly the Chairman of InvoCare Limited (from March 2001 to October 2013) and Australian Vintage Ltd from March 1991 to May 2015.

His experience is essentially concerned with understanding the financial and other issues confronting company management, analysing those issues and implementing policies and strategies which lead to a success. Ian has significant experience in property and development, tourism, manufacturing, retail, hospitality and hotels, infrastructure and aviation and service industries.

Mr Gregory Goodman – Group Chief Executive Officer
Appointed 17 January 1995; Tenure 20 years, 5 months

Gregory is responsible for Goodman Group's overall operations and the implementation of its strategic plan. He has over 30 years of experience in the property industry with significant expertise in the industrial property arena. Gregory was a co-founder of Goodman Group, playing an integral role in establishing its specialist global position in the property market through various corporate transactions, including takeovers, mergers and acquisitions.

He is a director of Goodman (NZ) Limited (the manager of the New Zealand Exchange listed Goodman Property Trust), and director and/or representative on other subsidiaries, management companies and funds of Goodman Group.

Mr Philip Fan – Independent Director
Member of the Audit Committee and Risk and Compliance Committee
Appointed 1 December 2011; Tenure 3 years, 7 months

Philip was formerly an executive director and is now an independent non-executive director of Hong Kong Stock Exchange listed China Everbright International Ltd, a company which focuses on the business of environmental protection through the development and operation of numerous waste-to-energy and waste water treatment plants in China. Earlier in his career, he was an executive director of CITIC Pacific Ltd in charge of industrial projects in China. He is currently an independent non-executive director of the Hong Kong Stock Exchange listed Hysan Development Co Ltd, China Aircraft Leasing Group Holdings Limited, First Pacific Company Limited and Goulian Securities Co. Ltd. He is also a member of the Asia Advisory Committee of AustralianSuper.

Philip holds a Bachelor's Degree in Industrial Engineering and a Master's Degree in Operations Research from Stanford University, as well as a Master's Degree in Management Science from Massachusetts Institute of Technology.

Mr John Harkness – Independent Director
Chairman of the Audit Committee and Risk and Compliance Committee
Appointed 1 September 2004; Tenure 10 years, 10 months

John is a Fellow of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors. He was a partner of KPMG for 24 years and National Executive Chairman for five years. Since leaving KPMG in June 2000, John has held a number of non-executive director roles. He is currently Chairman of Charter Hall Retail Management Limited (director since August 2003), the management company of Charter Hall Retail REIT. He is also Chairman of the Reliance Rail group (since 2011). He was formerly a director of Sinclair Knight Merz Management Pty Limited (from 2010 to December 2013). John is a member of the Territorial Headquarters and Sydney Advisory Board of the Salvation Army and the Chairman of the National Foundation for Medical Research and Innovation.

Qualifications, experience and special responsibilities of Directors and Company Secretary (cont)

Board of Directors (cont)

Ms Anne Keating – Independent Director
Member of the Remuneration and Nomination Committee and Risk and Compliance Committee
Appointed 6 February 2004; Tenure 11 years, 5 months

Anne has 20 years of experience as a director of public companies. She is currently a director of REVA Medical, Inc. (since October 2010), GI Dynamics, Inc. (since June 2011) and The Garvan Institute of Medical Research. Anne is also the Chairman of Houlihan Lokey Australia Pty Ltd a private global investment bank based in Los Angeles. Anne was formerly a director of ClearView Wealth Limited (November 2010 to October 2012) as well as Spencer Street Station Redevelopment Holdings Limited, Insurance Australia Group Limited, STW Limited and Ardent Leisure Group (March 1998 to September 2014).

Anne is also a Governor of the Cerebral Palsy Alliance Research Foundation and was, until May 2012, a trustee for the Centennial Park and Moore Park Trust. Her last executive position was as General Manager, Australia for United Airlines for nine years until 2001.

Ms Rebecca McGrath – Independent Director
Member of the Remuneration and Nomination Committee and Risk and Compliance Committee
Appointed 3 April 2012; Tenure 3 years, 3 months

Rebecca is currently a non-executive director of CSR Limited (since February 2012), Incitec Pivot Limited (since September 2011) and OZ Minerals Limited (since November 2010) and an independent director of Barristers' Chambers Limited. During her executive career at BP plc, she held numerous senior roles in finance, operations, corporate planning, project management and marketing in Australasia, the United Kingdom and Europe. Her most recent executive experience was as Chief Financial Officer of BP Australasia.

Rebecca holds a Bachelor's Degree of Town Planning, a Masters of Applied Science (Project Management) and is a graduate of the Cambridge University Business and Environment Program. She is a Fellow of the Australian Institute of Company Directors.

Mr Philip Pearce - Managing Director, Greater China
Appointed 1 January 2013; Tenure 2 year, 6 months

Philip is responsible for the strategic development and continued expansion of Goodman Group's industrial investment business in the Greater China region. He joined Goodman Group in 2002 and has over 16 years of experience in real estate investment in the Asia Pacific region, including four years in Singapore with Ascendas-MGM Funds Management Limited, the manager of Ascendas Real Estate Investment Trust. Prior to joining Goodman Group, he was at AMP Henderson Global Investors in Sydney where he worked in various roles within the AMP Henderson Property Group including valuation, asset management and fund management.

Philip is a director and/or representative of Goodman Group's Greater China subsidiaries, management companies and funds. Philip holds a Bachelor of Commerce and Graduate Diploma in Finance and Investment.

Mr Danny Peeters - Executive Director, Corporate
Appointed 1 January 2013; Tenure 2 year, 6 months

Danny has oversight of Goodman Group's European Logistics and Business Park operations and strategy and is responsible for Goodman Group's investment in Brazil. Danny has been with Goodman Group since 2006 and has 17 years of experience in the property and logistics sectors. Danny is a director of Goodman Group's fund management entities, subsidiaries and the joint ventures in Europe and Brazil.

During his career, Danny has built up extensive experience in the design, implementation and outsourcing of pan-European supply chain and real estate strategies for various multinationals. Danny was Chief Executive Officer of Eurinpro, a developer of tailor made logistic property solutions in Europe acquired by Goodman Group in May 2006.

Qualifications, experience and special responsibilities of Directors and Company Secretary (cont)

Board of Directors (cont)

Mr Phillip Pryke – Independent Director
Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee
Appointed 13 October 2010; Tenure 4 years, 9 months

Phillip is a director of Co-Investor Group and Tru-Test Corporation Limited and the Deputy Chairman and lead independent director of New Zealand Exchange listed Contact Energy Limited. He is also a director of Goodman (NZ) Limited, the manager of the New Zealand Exchange listed Goodman Property Trust. He was formerly the Chairman of ASX listed Digital Performance Group Ltd (from January 2009 to August 2012).

Phillip has wide experience in the fishing, energy, financial services, and health and technology industries and holds a Bachelor of Economics Degree.

Mr Anthony Rozic – Deputy Chief Executive Officer
Appointed 1 January 2013; Tenure 2 year, 6 months

Anthony's responsibilities for Goodman Group include assisting in setting and managing strategy, business performance, corporate transactions and related operational projects with direct line management of marketing, information technology (IT), human resources, legal and compliance. Anthony joined Goodman Group in 2004 and until February 2009, was Group Chief Financial Officer where his responsibilities also included financial reporting, management reporting, forecasting and budgeting, tax, and capital and financial risk management. Anthony is a qualified Chartered Accountant and has over 20 years of experience in the property industry, having previously held a number of senior roles in the property funds management industry and chartered accountancy profession.

Anthony is also a director of Goodman Group's subsidiaries and was recently responsible for establishing Goodman Group's investment into the United States where he continues to be actively involved operationally.

Mr Jim Sloman, OAM – Independent Director
Member of the Remuneration and Nomination Committee and Risk and Compliance Committee
Appointed 1 February 2006; Tenure 9 years, 5 months

Jim has over 40 years of experience in the building and construction industries in Australia and overseas, including experience with Sir Robert McAlpine & Sons in London, Lend Lease Corporation in Australia and as Deputy Chief Executive and Chief Operating Officer of the Sydney Organising Committee for the Olympic Games (SOCOG) from 1997 to 2001. He was the CEO and a director of MI Associates Pty Limited, a company established by him and comprising some of the leading members of the former SOCOG senior management team. He advised on major events including the London 2012 Olympic Games and Rio de Janeiro 2016 Olympic Games. Jim is currently working as an adviser to the Qatar 2022 World Cup.

In addition, Jim is Chairman of Laing O'Rourke Australia Pty Limited and of several of its associated companies and a director of ISIS Holdings Pty Limited and of several of its associated companies. With his range of experience, Jim brings significant property, construction and major projects expertise to Goodman Group.

Company Secretary

Mr Carl Bicego – Company Secretary
Appointed 24 October 2006

Carl is the Company Secretary of Goodman Limited and its Australian controlled entities, as well as Legal Counsel – Head of Corporate in Australia. He has over 17 years of legal experience in corporate law and joined Goodman Group from law firm Allens Arthur Robinson in 2006. Carl holds a Masters of Laws and Bachelor of Economics/Bachelor of Laws (Hons).

Rights over Goodman Group stapled securities

Details of the performance rights over Goodman Group stapled securities held by the Directors are set out below. None of the Non-Executive Directors held any rights over Goodman Group stapled securities. No rights have been granted since the end of the financial year.

Performance rights

	Number of performance rights granted	Date performance rights granted	% vested in prior years	% vested in the year	% forfeited	Financial years in which grant vests
Executive Directors						
Mr Gregory Goodman	995,476	20 Nov 2014	-	-	-	2018 – 2020
	947,368	22 Nov 2013	-	-	-	2017 – 2019
	927,152	16 Nov 2012	-	-	-	2016 – 2018
	980,000	25 Nov 2011	-	33.2	0.5	2015 – 2017
	730,770	1 Feb 2011	33.3	33.3	-	2014 – 2016
	780,000	14 May 2010	66.7	33.3	-	2013 – 2015
Mr Philip Pearce	497,738	20 Nov 2014	-	-	-	2018 – 2020
	394,737	22 Nov 2013	-	-	-	2017 – 2019
	298,013	16 Nov 2012	-	-	-	2016 – 2018
	200,000	30 Sep 2011	-	33.2	0.5	2015 – 2017
	153,847	1 Feb 2011	33.3	33.3	-	2014 – 2016
	229,167	14 May 2010	66.7	33.3	-	2013 – 2015
Mr Danny Peeters	497,738	20 Nov 2014	-	-	-	2018 – 2020
	421,053	22 Nov 2013	-	-	-	2017 – 2019
	463,576	12 Oct 2012	-	-	-	2016 – 2018
	520,000	30 Sep 2011	-	33.2	0.5	2015 – 2017
	480,000	1 Feb 2011	33.3	33.3	-	2014 – 2016
	554,436	14 May 2010	66.7	33.3	-	2013 – 2015
Mr Anthony Rozic	542,987	20 Nov 2014	-	-	-	2018 – 2020
	421,053	22 Nov 2013	-	-	-	2017 – 2019
	463,576	12 Oct 2012	-	-	-	2016 – 2018
	520,000	30 Sep 2011	-	33.2	0.5	2015 – 2017
	480,000	1 Feb 2011	33.3	33.3	-	2014 – 2016
	520,834	14 May 2010	66.7	33.3	-	2013 – 2015

Unissued securities under option

Unissued securities under option include the performance rights awarded to employees of Goodman Group under the Long Term Incentive Plan (LTIP).

At the date of signature of this Directors' report, performance rights issued to employees under the LTIP and the applicable relative total securityholder return (TSR) or earnings per security (EPS) performance hurdles were:

Expiry date	Exercise price $	Number of performance rights[1]	Performance hurdles[2]
Sep 19	-	14,246,949	Relative TSR (25%) and operating EPS (75%)
Sep 18	-	12,300,550	Relative TSR (25%) and operating EPS (75%)
Sep 17	-	11,492,964	Relative TSR (25%) and operating EPS (75%)
Sep 16	-	6,808,125	Relative TSR (25%) and operating EPS (75%)
Sep 15	-	2,605,044	Relative TSR (25%) and operating EPS (75%)

1. The number of performance rights at the date of this Directors' report is net of any rights forfeited.
2. Performance hurdles are based on the results of Goodman Group.

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 Directors' report, that would require adjustment or disclosure in the consolidated financial report.

Declaration by Group Chief Executive Officer and Chief Financial Officer

The Group Chief Executive Officer and Chief Financial Officer declared in writing to the Board of GFML that, in their opinion, the financial records of the Consolidated Entity for the year ended 30 June 2015 have been properly maintained and the financial report of the Consolidated Entity for the year ended 30 June 2015 complies with accounting standards and presents a true and fair view of the Consolidated Entity's financial condition and operational results. This statement is required annually.

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

The lead auditor's independence declaration is set out on page 13 and forms part of this Directors' report for the 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 this Directors' report and the consolidated 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, 13 August 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 responsible entity for Goodman Industrial Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

John Teer
Partner

Sydney

13 August 2015

Goodman Industrial Trust and its Controlled Entities
Consolidated statement of financial position
as at 30 June 2015

		Consolidated	
		2015	2014
	Note	$M	$M
Current assets			
Cash	13(a)	602.4	227.9
Receivables	5	3,326.7	2,726.7
Inventories	4(b)	9.0	4.2
Other financial assets	9	4.4	0.1
Other assets		5.4	5.6
Total current assets		**3,947.9**	**2,964.5**
Non-current assets			
Receivables	5	12.0	39.6
Inventories	4(b)	125.5	98.3
Investment properties	4(b)	2,126.7	1,950.4
Investments accounted for using the equity method	4(b)	3,166.5	3,000.3
Other financial assets	9	244.5	111.4
Total non-current assets		**5,675.2**	**5,200.0**
Total assets		**9,623.1**	**8,164.5**
Current liabilities			
Deferred income		0.5	1.6
Payables	6	148.4	118.4
Provision for distributions	11	194.6	178.8
Other financial liabilities	9	50.5	0.8
Total current liabilities		**394.0**	**299.6**
Non-current liabilities			
Payables	6	82.7	102.1
Interest bearing liabilities	8	2,604.8	2,160.5
Other financial liabilities	9	347.3	303.0
Total non-current liabilities		**3,034.8**	**2,565.6**
Total liabilities		**3,428.8**	**2,865.2**
Net assets		**6,194.3**	**5,299.3**
Equity			
Issued capital	12	7,131.4	7,025.2
Reserves	14	252.0	(1,154.4)
Accumulated losses	15	(1,514.9)	(897.3)
Total equity attributable to Unitholders		**5,868.5**	**4,973.5**
Non-controlling interests	16	325.8	325.8
Total equity		**6,194.3**	**5,299.3**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes. To conform with the current year’s presentation, certain prior year comparatives have been reclassified (refer to note 5, 6 and 9).

Goodman Industrial Trust and its Controlled Entities
Consolidated income statement
for the year ended 30 June 2015

		Consolidated	
		2015	**2014**
	Note	**$M**	**$M**
Revenue and other income			
Gross property income		160.6	164.0
Income from disposal of inventories		-	4.0
Net gain from fair value adjustments on investment properties	4(e)	381.8	23.8
Net gain on disposal of investment properties	2	6.7	0.8
Net gain on disposal of controlled entities	2	32.1	0.2
Share of net results of equity accounted investments	2	422.8	350.8
Net loss on disposal of equity investments	2	-	(1.2)
Other income		2.5	1.5
		1,006.5	**543.9**
Property and other expenses			
Property expenses		(47.6)	(46.5)
Inventory cost of sales		-	(2.7)
Trust expenses		(20.9)	(19.6)
Impairment losses	2	(7.6)	(4.5)
Other expenses		(2.4)	(2.5)
		(78.5)	**(75.8)**
Profit before interest and tax		**928.0**	**468.1**
Net finance income/(expense)			
Finance income	7	266.2	198.9
Finance expense	7	(267.8)	(185.6)
Net finance (expense)/income		**(1.6)**	**13.3**
Profit before income tax		**926.4**	**481.4**
Income tax expense		(1.9)	(6.0)
Profit for the year		**924.5**	**475.4**
Profit attributable to Unitholders		**903.3**	**454.0**
Profit attributable to non-controlling interests		21.2	21.4
Profit for the year		**924.5**	**475.4**

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

Goodman Industrial Trust and its Controlled Entities
Consolidated statement of comprehensive income
for the year ended 30 June 2015

		Consolidated	
		2015	**2014**
	Note	**$M**	**$M**
Profit for the year		**924.5**	**475.4**
Other comprehensive income for the year			
Items that are or may be reclassified to profit or loss			
Increase due to revaluation of other financial assets	14(a)	2.1	1.6
Cash flow hedges:			
- Change in value of financial instruments	14(b)	0.8	0.8
- Transfers from cash flow hedge reserve	14(b)	4.1	2.4
Effect of foreign currency translation	14	259.1	186.0
Other comprehensive income for the year, net of tax		**266.1**	**190.8**
Total comprehensive income for the year		**1,190.6**	**666.2**
Total comprehensive income attributable to:			
Unitholders		1,169.4	644.8
Non-controlling interests		21.2	21.4
Total comprehensive income for the year		**1,190.6**	**666.2**

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

Year ended 30 June 2014

Consolidated		Attributable to Unitholders					
		Issued capital	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	Note	$M	$M	$M	$M	$M	$M
Balance at 1 July 2013		**6,973.2**	**(1,491.6)**	**(856.2)**	**4,625.4**	**331.5**	**4,956.9**
Total comprehensive income for the year							
Profit for the year	15	-	-	454.0	**454.0**	21.4	**475.4**
Other comprehensive income for the year, net of tax		-	190.8	-	**190.8**	-	**190.8**
Total comprehensive income for the year		**-**	**190.8**	**454.0**	**644.8**	**21.4**	**666.2**
Transfers		-	138.4	(138.4)	**-**	-	**-**
Contributions by and distributions to owners							
Distributions declared on ordinary units	11	-	-	(356.7)	**(356.7)**	-	**(356.7)**
Distributions paid on Goodman PLUS	16	-	-	-	**-**	(27.1)	**(27.1)**
Issue of ordinary units under the Goodman Group DRP		32.5	-	-	**32.5**	-	**32.5**
Issue of ordinary units under the Goodman Group LTIP		19.5	-	-	**19.5**	-	**19.5**
Equity settled share based payments transaction relating to Goodman Group		-	8.0	-	**8.0**	-	**8.0**
Balance at 30 June 2014		**7,025.2**	**(1,154.4)**	**(897.3)**	**4,973.5**	**325.8**	**5,299.3**

Year ended 30 June 2015

Consolidated		Attributable to Unitholders					
		Issued capital	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	Note	$M	$M	$M	$M	$M	$M
Balance at 1 July 2014		**7,025.2**	**(1,154.4)**	**(897.3)**	**4,973.5**	**325.8**	**5,299.3**
Total comprehensive income for the year							
Profit for the year	15	-	-	903.3	**903.3**	21.2	**924.5**
Other comprehensive income for the year, net of tax		-	266.1	-	**266.1**	-	**266.1**
Total comprehensive income for the year		**-**	**266.1**	**903.3**	**1,169.4**	**21.2**	**1,190.6**
Transfers		-	1,132.6	(1,132.6)	**-**	-	**-**
Contributions by and distributions to owners							
Distributions declared on ordinary units	11	-	-	(388.3)	**(388.3)**	-	**(388.3)**
Distributions paid on Goodman PLUS	16	-	-	-	**-**	(21.2)	**(21.2)**
Issue of ordinary units under the Goodman Group DRP		68.3	-	-	**68.3**	-	**68.3**
Issue of ordinary units under the Goodman Group LTIP		38.0	-	-	**38.0**	-	**38.0**
Issue costs on ordinary units		(0.1)	-	-	**(0.1)**	-	**(0.1)**
Equity settled share based payments transaction relating to Goodman Group		-	7.7	-	**7.7**	-	**7.7**
Balance at 30 June 2015		**7,131.4**	**252.0**	**(1,514.9)**	**5,868.5**	**325.8**	**6,194.3**

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

Goodman Industrial Trust and its Controlled Entities
Consolidated cash flow statement
for the year ended 30 June 2015

		Consolidated	
		2015	**2014**
	Note	**$M**	**$M**
Cash flows from operating activities			
Property income received		163.5	171.8
Proceeds from disposal of inventories		-	4.4
Other cash receipts from services provided		0.4	6.7
Property expenses paid		(47.8)	(47.7)
Payments for inventories		(74.3)	(12.2)
Other cash payments in the course of operations		(23.9)	(37.6)
Dividends/distributions received from equity accounted investments		228.0	149.8
Interest received		13.4	14.5
Finance costs paid		(116.0)	(114.5)
Net income taxes paid		(3.6)	(0.6)
Net cash provided by operating activities	13(b)	**139.7**	**134.6**
Cash flows from investing activities			
Proceeds from disposal of investment properties		50.8	15.4
Proceeds from disposal of equity investments		-	226.5
Net cash movement on disposal of controlled entities		230.6	(7.3)
Payments for investment properties		(33.4)	(47.6)
Payments for equity investments		(145.5)	(256.4)
Net cash provided by/(used in) investing activities		**102.5**	**(69.4)**
Cash flows from financing activities			
Transaction costs from issue of units		(0.1)	-
Proceeds from borrowings		358.9	422.1
Repayments of borrowings		(279.0)	(535.2)
Loans from related parties		356.8	111.0
Distributions paid		(304.3)	(240.3)
Net cash provided by/(used in) financing activities		**132.3**	**(242.4)**
Net increase/(decrease) in cash held		374.5	(177.2)
Cash at the beginning of the year		227.9	405.1
Cash at the end of the year	13(a)	**602.4**	**227.9**

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

Non-cash transactions are included in note 13(c).

Basis of preparation

1 Basis of preparation

Goodman Industrial Trust was established in Australia. The consolidated financial report of GIT for the year ended 30 June 2015 comprises GIT and its controlled entities (Consolidated Entity) and the Consolidated Entity's interest 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 CHESS Depositary Interests (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.

(a) Statement of compliance

This consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRS) form the basis of Australian Accounting Standards adopted by the AASB. The consolidated financial report also complies with IFRS.

The consolidated financial report is presented in Australian dollars and was authorised for issue by the directors (Directors) of Goodman Funds Management Limited on 13 August 2015.

(b) Basis of preparation of the consolidated financial report

The consolidated financial report is prepared on the historical cost basis except that the following assets and liabilities are stated at fair value:

+ investment properties;
+ derivative financial instruments; and
+ financial instruments classified as available for sale.

(c) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Trust's controlled entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial report of GIT is presented in Australian dollars, which is the Trust's functional and presentation currency.

Transactions
Foreign currency transactions are translated to each entity's functional currency at rates approximating the foreign exchange rates ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at the reporting date are translated at the rates of exchange ruling on that date. Resulting exchange differences are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost are translated at rates of exchange ruling at the date of the initial transaction. Non-monetary items which are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of controlled foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars at foreign exchange rates ruling at the balance date.

Revenue and expenses are translated at weighted average rates for the financial year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve. On cessation of operations in a foreign region, the cumulative exchange differences relating to the operations in that region, that have been included in the foreign currency translation reserve, are reclassified to profit or loss.

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in the foreign currency translation reserve on consolidation.

Basis of preparation (cont)

1 Basis of preparation (cont)

(c) Foreign currency translation (cont)

Exchange rates used

The following exchange rates are the main exchange rates used in translating foreign currency transactions, balances and financial statements to Australian dollars:

	Weighted average		As at 30 June	
Australian dollars (AUD) to	**2015**	**2014**	**2015**	**2014**
New Zealand dollars (NZD)	1.0755	1.1064	1.1381	1.0772
Hong Kong dollars (HKD)	6.4869	7.1215	5.9739	7.3034
Japanese yen (JPY)	95.5310	92.7775	94.1320	95.4520
Euros (EUR)	0.6959	0.6770	0.6910	0.6883
British pounds sterling (GBP)	0.5304	0.5652	0.4903	0.5511
United States dollars (USD)	0.8366	0.9183	0.7708	0.9424

(d) Income tax

Under current Australian income tax legislation, GIT is not liable for income tax provided that each year the taxable income and any taxable capital gain derived from the sale of an asset are fully distributed to Unitholders. The wholly-owned entities of GIT that operate in certain foreign jurisdictions are liable to pay tax in those jurisdictions.

Tax allowances for building and plant and equipment depreciation are distributed to Unitholders in the form of tax deferred components of distributions. Any taxable capital gains are distributed.

(e) Changes in accounting policy

The AASB has issued new standards and amendments to standards that are first effective for the current accounting period of the Consolidated Entity. There are no significant changes in accounting policies for the current financial year.

(f) Australian Accounting Standards issued but not yet effective

As at the date of this financial report, the following Australian Accounting Standards were available for early adoption but have not been applied in preparing these financial statements:

+ revisions to AASB 9 Financial Instruments include requirements for the classification and measurement of financial assets. The revised AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and will become mandatory for the Consolidated Entity's 30 June 2019 financial statements. The Consolidated Entity has not yet determined the potential effect of the standard; and
+ AASB 15 Revenue from Contracts with Customers provides a single revenue recognition model based on the transfer of goods and services and the consideration expected to be received in return for that transfer. The new standard will become mandatory for the Consolidated Entity's 30 June 2019 financial statements. The Consolidated Entity has not yet determined the potential effect of the standard.

(g) Rounding

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

(h) Critical accounting estimates used in the preparation of the consolidated financial statements

The preparation of consolidated financial statements 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 4 – Property assets; and
+ Note 10 – Financial risk management.

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

Basis of preparation (cont)

1 Basis of preparation (cont)

(h) Critical accounting estimates used in the preparation of the consolidated financial statements (cont)

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 4 – Property assets; and
+ Note 10 – Financial risk management.

Results for the year

2 Profit before income tax

Gross property income
Gross property income comprises rental income entitlements under operating leases, net of incentives provided, plus recoverable outgoings.

Rental income entitlements under operating leases are recognised on a straight-line basis over the term of the lease contract. Where operating lease rental income is recognised relating to fixed increases in rentals in future years, an asset is recognised. This asset is a component of the relevant investment property carrying amount. The cost of lease incentives provided to customers is recognised on a straight-line basis over the life of the lease as a reduction of gross property income.

Recoverable outgoings are recognised as income when the relevant outgoings are recorded as an expense.

Disposal of inventories
The disposal of inventories is recognised when the significant risks and rewards of ownership have been transferred. The gain or loss on disposal of inventories is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal (less transaction costs and any provision for future rental guarantees) and is included in the income statement in the period of disposal.

Disposal of investment properties
The disposal of an investment property is recognised when the significant risks and rewards of ownership have been transferred. The gain or loss on disposal of investment properties is calculated as the difference between the carrying amount of the property at the time of the disposal and the proceeds on disposal (less transaction costs and any provision for future rental guarantees) and is included in the income statement in the period of disposal. Any previously unrealised valuation gains or losses are transferred from the asset revaluation reserve to accumulated losses/retained earnings.

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

	Consolidated	
	2015	**2014**
	$M	**$M**
Net consideration from disposal of investment properties	53.5	14.6
Carrying value of investment properties disposed - refer to note 4(e)	(46.8)	(13.8)
Net gain on disposal of investment properties	**6.7**	**0.8**
Net consideration received and receivable from the disposal of controlled entities - refer to note 17	225.1	211.8
Carrying value of net assets disposed - refer to note 17	(193.0)	(211.8)
Net gain on disposal of special purpose development entities	-	0.2
Net gain on disposal of controlled entities	**32.1**	**0.2**
Share of net results of investments in associates - refer to note 4(f)(i)		
- Operating results after tax (before revaluations)	204.6	213.7
- Fair value adjustments on investment properties	145.9	116.0
- Fair value adjustments on derivative financial instruments	9.4	(7.0)
Share of net results of investments in JVs - refer to note 4(f)(ii)		
- Operating results after tax (before revaluations)	34.4	22.3
- Fair value adjustments on investment properties	29.0	8.1
- Fair value adjustments on derivative financial instruments	(0.5)	(2.3)
Share of net results of equity accounted investments	**422.8**	**350.8**
Net consideration from disposal of equity investments[1]	-	416.2
Carrying value of equity investments disposed	-	(417.4)
Net loss on disposal of equity investments	**-**	**(1.2)**
Impairment of receivables	-	(0.5)
Impairment of inventories	(7.6)	(3.6)
Impairment of equity accounted investments	-	(0.1)
Impairment of other financial assets	-	(0.3)
Impairment losses	**(7.6)**	**(4.5)**

1. In the prior financial year, the Consolidated Entity disposed of units in Goodman Australia Industrial Fund for consideration of $53.1 million, Goodman Property Trust for consideration of $194.7 million and Goodman European Logistics Fund for consideration of $168.4 million.

Results for the year (cont)

3 Segment reporting

The Consolidated Entity reports the results and financial position of its operating segments based on the internal reports regularly reviewed by the Group Chief Executive Officer in order to assess each segment's performance and to allocate resources to them.

An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are regularly reviewed by the Group Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group Chief Executive Officer include items that are directly attributable to a segment and the portion that can be allocated to the segment on a reasonable basis. Unallocated items include fair value adjustments and impairments, interest and tax expense, interest bearing receivables and payables, derivative financial instruments, provisions for distributions to Unitholders, provisions for distributions on hybrid securities, corporate assets, head office expenses and income tax assets and liabilities.

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 on the following page.

Results for the year (cont)

3 Segment reporting (cont)

Information about reportable segments

	Australia and New Zealand		Asia		Continental Europe		United Kingdom		North America		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income statement	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
External revenues												
Gross property income	151.9	147.3	-	-	-	-	8.7	16.7	-	-	160.6	164.0
Income from disposal of inventories	-	4.0	-	-	-	-	-	-	-	-	-	4.0
Other income	2.3	1.1	-	-	0.2	0.4	-	-	-	-	2.5	1.5
Total external revenues	**154.2**	**152.4**	**-**	**-**	**0.2**	**0.4**	**8.7**	**16.7**	**-**	**-**	**163.1**	**169.5**
Reportable segment profit/(loss) before tax	**268.6**	**239.7**	**22.9**	**19.2**	**37.5**	**34.0**	**52.1**	**58.3**	**8.5**	**(0.2)**	**389.6**	**351.0**
Share of net results of equity accounted investments												
Operating results (excluding fair value adjustments)	156.8	137.6	22.9	19.2	37.4	33.7	13.4	45.7	8.5	(0.2)	239.0	236.0
Fair value adjustments - not included in reportable segment profit/(loss)	102.5	64.5	60.7	49.7	19.1	0.4	1.5	0.2	-	-	183.8	114.8
Other material non-cash items not included in reportable segment profit/(loss) before tax												
Net gain/(loss) from fair value adjustments on investment properties	390.4	35.9	-	-	-	-	(8.6)	(12.1)	-	-	381.8	23.8
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Statement of financial position	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Reportable segment assets	**4,149.5**	**3,539.2**	**576.8**	**410.9**	**480.2**	**429.4**	**115.1**	**605.1**	**243.1**	**147.7**	**5,564.7**	**5,132.3**
Included in reportable segments assets are:												
Investment properties	2,094.6	1,725.7	-	-	-	-	32.1	224.7	-	-	2,126.7	1,950.4
Investments accounted for using the equity method	1,864.4	1,690.9	575.0	409.3	469.6	420.9	14.5	331.5	243.0	147.7	3,166.5	3,000.3
Reportable segment liabilities	**124.2**	**125.2**	**-**	**-**	**(0.7)**	**0.1**	**9.7**	**3.4**	**0.1**	**-**	**133.3**	**128.7**

Results for the year (cont)

3 Segment reporting (cont)

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

	2015 $M	2014 $M
Revenues		
Total revenue for reportable segments	163.1	169.5
Consolidated revenues	**163.1**	**169.5**
Profit or loss		
Total profit before tax for reportable segments	389.6	351.0
Other non-cash items not included in reportable segment profit before tax	558.4	133.4
Unallocated amounts: other corporate expenses	(20.0)	(16.3)
Net finance (expense)/income - refer to note 7	(1.6)	13.3
Consolidated profit before income tax	**926.4**	**481.4**
Assets		
Assets for reportable segments	5,564.7	5,132.3
Unallocated amounts: loans to GL, GLHK and their controlled entities	3,222.2	2,698.1
Other unallocated amounts	836.2	334.1
Consolidated total assets	**9,623.1**	**8,164.5**
Liabilities		
Liabilities for reportable segments	133.3	128.7
Unallocated amounts: interest bearing liabilities	2,604.8	2,160.5
Other unallocated amounts	690.7	576.0
Consolidated total liabilities	**3,428.8**	**2,865.2**

Operating assets and liabilities

4 Property assets

(a) Types of property assets

The Consolidated Entity's investment in property assets includes both inventories and investment properties, which may be held either directly or through its investments in partnerships (both associates and JVs).

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. Where property developments are forecast to be completed and sold more than 12 months after the balance date, then the inventories are classified as non-current.

Work in progress in relation to land subdivision and development projects includes the costs of acquisition, planning, management and development and holding costs such as interest and taxes. Work in progress is carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

Inventories are carried at the lower of cost or net realisable value. The calculation of net realisable 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.

Investment properties

Investment properties comprise investment interests in land and buildings held for the purpose of leasing to produce rental income and/or for capital appreciation. Investment properties are carried at fair value. 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 under the circumstances.

Components of investment properties
Land and buildings (including integral plant and equipment) comprising investment properties are regarded as composite assets and are disclosed as such in the consolidated financial report. Investment properties are not depreciated as they are subject to continual maintenance and regularly revalued on the basis described below.

Investment property carrying values include the costs of acquiring the properties and subsequent costs of development, including costs of all materials used in construction, costs of managing the project, holding costs and borrowing costs incurred during the development period.

Amounts provided to customers as lease incentives and assets relating to fixed rental income increases in operating lease contracts are included within investment property values. Lease incentives are amortised over the term of the lease on a straight-line basis.

Direct expenditure associated with leasing a property is capitalised within investment property values and amortised over the term of the lease.

Stabilised investment properties
Stabilised investment properties are completed investment properties that are capable of earning rental income. An independent valuation of stabilised investment properties is obtained at least every three years to use as a basis for measuring the fair value of the properties. The independent registered valuers determine the market value based on market evidence and assuming a willing, but not anxious, buyer and seller, a reasonable period to sell the property, and the property being reasonably exposed to the market.

At each balance date occurring between obtaining independent valuations, the Directors review the carrying value of the Consolidated Entity's investment properties to be satisfied that, in their opinion, the carrying value of the investment properties reflects the fair value of the investment properties at that date. Changes in fair value are recognised directly in the income statement. The net of unrealised revaluations from investment properties is transferred to the asset revaluation reserve from accumulated losses/retained earnings.

Investment properties under development
Investment properties under development include land, new investment properties in the course of construction and investment properties that are being redeveloped. Property under development for future use as an investment property is measured at fair value.

Deposits for investment properties
Deposits and other costs associated with acquiring investment properties that are incurred prior to the Consolidated Entity obtaining legal title are recorded at cost and disclosed as other assets in the statement of financial position.

Operating assets and liabilities (cont)

4 Property assets (cont)

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

	Note	Consolidated 2015 $M	Consolidated 2014 $M
Inventories			
Current	4(d)	9.0	4.2
Non-current	4(d)	125.5	98.3
		134.5	**102.5**
Investment properties			
Stabilised investment properties		2,052.2	1,776.9
Investment properties under development		74.5	173.5
	4(e)	**2,126.7**	**1,950.4**
Investments accounted for using the equity method			
Associates	4(f)(i)	2,495.0	2,459.3
JVs	4(f)(ii)	671.5	541.0
		3,166.5	**3,000.3**
Total property assets		**5,427.7**	**5,053.2**

(c) Estimates and assumptions in determining property carrying values

Inventories

For both inventories held directly and inventories held in partnerships, 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 knowledgably, prudently and without compulsion.

Approach to determination of fair value
The approach to determination of fair value of 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 upturns and downturns in property markets 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. In making the determination of whether a market segment is active, the following characteristics are considered:
+ function of the asset (distribution/warehouse or suburban office);
+ location of asset (city, suburb or regional area);
+ carrying value of the asset (categorised by likely appeal to private (including syndicates), national and 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.

Operating assets and liabilities (cont)

4 Property assets (cont)

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

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 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.

Market assessment
At 30 June 2015, 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 portfolios (including partnerships) are set out in the table below:

	Total portfolio weighted average capitalisation	
	2015	**2014**
Division	**%**	**%**
Australia	**7.3**	7.7
Hong Kong	**6.0**	6.0
Logistics - Continental Europe	**6.9**	7.5
Logistics - United Kingdom	**7.6**	9.0

During the current financial year, the fair values of 94% (2014: 82%) of these stabilised investment properties held directly by the Consolidated Entity (by reference to carrying value) were determined based on a valuation by an independent valuer who held a recognised and relevant professional qualification and had recent experience in the location and category of the investment property being valued.

For partnerships, typically 100% of the stabilised investment property portfolios are valued by an independent valuer in each financial year.

Investment properties under development
External valuations are generally not performed for investment properties under development held directly by the Consolidated Entity, but instead valuations are determined using the feasibility studies supporting the developments. 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 8% to 16%.

This practice of determining fair value by reference to the development feasibility is generally also applied for the Consolidated Entity's investments in partnerships. However, a certain number of entities do obtain independent valuations for investment properties under development each financial year.

Operating assets and liabilities (cont)

4 Property assets (cont)

(d) Inventories

	Consolidated	
	2015	**2014**
	$M	**$M**
Current		
Development land	9.0	4.2
	9.0	**4.2**
Non-current		
Development land	125.5	98.3
	125.5	**98.3**

During the year, impairments of $7.6 million (2014: $3.6 million) were recognised to write down development land to net realisable value.

(e) Investment properties

Reconciliation carrying amount of directly held investment properties

	Consolidated	
	2015	**2014**
	$M	**$M**
Carrying amount at the beginning of the year	1,950.4	2,108.8
Capital expenditure	37.2	41.9
Disposals:		
- Carrying value of properties sold	(46.8)	(13.8)
- On disposal of interests in controlled entities	(204.9)	(233.2)
Transfers to inventories	(1.6)	-
Net gain from fair value adjustments	381.8	23.8
Effect of foreign currency translation	10.6	22.9
Carrying amount at the end of the year	**2,126.7**	**1,950.4**
Analysed by segment:		
Australia and New Zealand	2,094.6	1,725.7
United Kingdom	32.1	224.7
	2,126.7	**1,950.4**

Other information regarding directly held investment properties

The fair value measurement approach for directly held investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see notes 1(h) and 4(a)). The majority of the Consolidated Entity's directly held investment properties are in Australia, including assets in Sydney, NSW that have been rezoned for residential mixed use. These sites have seen a significant value uplift during the year as a result of the change in zoning, with the valuations of these sites determined by reference to comparable sales data, as summarised in the table below:

Valuation technique	**Significant unobservable input**	**2015**	**2014**
Direct comparison	Rate per residential unit site	$100,000 to $300,000	n/a

For the Consolidated Entity's remaining investment properties in Australia, the valuation technique used in measuring the fair value, as well as the values assumed for the significant unobservable inputs are summarised in the table below:

Valuation technique	**Significant unobservable inputs**	**2015**	**2014**
Income capitalisation	Range of net market rents (per square metre per annum)	$42 to $300	$50 to $235
	Capitalisation rate (weighted average)	7.30%	7.64%

The estimated fair value would increase if net market rents were higher and/or if capitalisation rates were lower. The estimated fair value would decrease if the net market rents were lower and/or if the capitalisation rates were higher.

Operating assets and liabilities (cont)

4 Property assets (cont)

(e) Investment properties (cont)

The Consolidated Entity leases out investment properties under operating leases. The weighted average lease expiry of Goodman Group's directly held investment properties in Australia is 3.8 years. On expiry, the terms are renegotiated. None of the leases includes contingent rentals. Further details on non-cancellable operating lease commitments receivable from investment property customers are shown in the table below:

Non-cancellable operating lease commitments receivable from investment property customers

	Consolidated	
	2015	**2014**
	$M	**$M**
Non-cancellable operating lease commitments receivable:		
- Within one year	107.8	121.8
- One year or later and no later than five years	275.8	294.2
- Later than five years	113.3	54.1
	496.9	**470.1**

(f) Investments accounted for using the equity method

Investments accounted for using the equity method comprise of associates and joint ventures, which are collectively referred to by the Consolidated Entity as "partnerships".

Associates

An associate is an entity over which the Consolidated Entity exercises significant influence but not control over their financial and operating policies. In the consolidated financial statements, investments in associates are accounted for using the equity method. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. Under this method, the Consolidated Entity's share of post-acquisition gains or losses of associates is recognised in the consolidated income statement and its share of post-acquisition movements in reserves is recognised in consolidated reserves. Cumulative post-acquisition movements in both profit or loss and reserves are adjusted against the cost of the investment.

Joint ventures

A JV is an arrangement in which the Consolidated Entity has joint control, whereby the Consolidated Entity has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. In the consolidated financial statements, investments in joint ventures are accounted for using the equity method. Investments in JVs are carried at the lower of the equity accounted amount and recoverable amount. The Consolidated Entity's share of the JVs' net profit or loss is recognised in the consolidated income statement from the date joint control commences to the date joint control ceases. Movements in reserves are recognised directly in the consolidated reserves.

Transactions eliminated on consolidation
Unrealised gains resulting from transactions with associates and JVs, including those relating to contributions of non-monetary assets on establishment, are eliminated to the extent of the Consolidated Entity's interest. Unrealised gains relating to associates and JVs are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence an impairment of an asset.

Operating assets and liabilities (cont)

4 Property assets (cont)

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

(i) Investments in associates

The Consolidated Entity's associates are set out below:

		Consolidated share of associate's net results recognised		Consolidated ownership interest		Consolidated investment carrying amount	
Name of associate	**Country of establishment**	**2015 $M**	**2014 $M**	**2015 %**	**2014 %**	**2015 $M**	**2014 $M**
Property investment							
Goodman Australia Industrial Fund (GAIF)	Australia	**148.3**	114.1	**27.5**	27.5	**1,025.3**	943.9
Goodman Trust Australia (GTA)	Australia	**68.8**	53.7	**19.9**	19.9	**479.4**	412.4
Goodman Property Trust (GMT)[1]	New Zealand	**-**	8.7	**-**	-	**-**	-
Goodman Hong Kong Logistics Fund (GHKLF)	Cayman Islands	**83.6**	68.8	**20.0**	20.0	**575.0**	409.4
Goodman European Logistics Fund (GELF)	Luxembourg	**45.8**	32.3	**20.4**	20.4	**415.3**	374.6
Arlington Business Parks Partnership (ABPP)[2]	United Kingdom	**13.4**	45.1	**-**	36.3	**-**	319.0
		359.9	**322.7**			**2,495.0**	**2,459.3**

1. During the prior financial year, the Consolidated Entity disposed of its entire investment in GMT to a controlled entity of GL.
2. During the current financial year, the Consolidated Entity disposed of a controlled entity that held its entire investment in ABPP to a controlled entity of GL (refer to note 17).

The reconciliation of the carrying value during the year is as follows:

	Consolidated	
Movement in carrying amount of investments in associates	**2015 $M**	**2014 $M**
Carrying amount at the beginning of the year	2,459.3	2,518.8
Share of net results after tax (before revaluations)	204.6	213.7
Share of fair value adjustments on investment properties	145.9	116.0
Share of fair value adjustments on derivative financial instruments	9.4	(7.0)
Share of net results	359.9	322.7
Share of movement in reserves	0.4	0.3
Transfer to investments in JVs	-	(47.8)
Acquisitions	53.2	184.7
Disposals:		
- Carrying value of investments sold	-	(419.7)
- On disposal of interests in controlled entities	(321.7)	-
Distributions received	(164.6)	(143.3)
Effect of foreign currency translation	108.5	43.6
Carrying amount at the end of the year	**2,495.0**	**2,459.3**

Operating assets and liabilities (cont)

4 Property assets (cont)

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

(i) Investments in associates (cont)

The table below includes further information regarding the Consolidated Entity's investments in associates held at the end of the financial year:

	GAIF		GTA		GHKLF		GELF		ABPP[1]	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Summarised statement of financial position										
Total current assets	436.3	46.3	380.3	39.1	46.0	161.7	348.5	134.4	-	328.3
Total non-current assets	5,534.1	5,607.3	3,231.7	3,322.3	3,813.9	2,695.0	3,202.1	3,064.8	-	1,276.2
Total current liabilities	528.1	154.7	238.0	237.4	85.1	66.0	117.1	124.4	-	410.8
Total non-current liabilities	1,788.7	2,140.8	1,129.0	1,202.1	905.8	748.5	1,399.2	1,240.0	-	315.0
Net assets (100%)	**3,653.6**	**3,358.1**	**2,245.0**	**1,921.9**	**2,869.0**	**2,042.2**	**2,034.3**	**1,834.8**	**-**	**878.7**
Consolidated ownership interest	27.5%	27.5%	19.9%	19.9%	20.0%	20.0%	20.4%	20.4%	-	36.3%
Consolidated share of net assets	1,005.8	924.5	447.2	382.5	573.8	408.4	414.3	373.6	-	319.0
Capitalised costs	2.8	2.7	-	-	1.2	1.0	1.0	1.0	-	-
Distributions receivable[2]	16.7	16.7	32.2	29.9	-	-	-	-	-	-
Carrying amount of investment in associate	**1,025.3**	**943.9**	**479.4**	**412.4**	**575.0**	**409.4**	**415.3**	**374.6**	**-**	**319.0**
Summarised statement of comprehensive income										
Revenue	473.6	468.6	321.8	284.6	200.0	166.6	226.0	202.0	44.9	149.5
Profit after tax and revaluations	538.7	413.9	345.3	269.5	417.8	379.2	221.1	144.0	37.0	115.9
Other comprehensive income	0.5	-	(0.4)	3.4	-	-	-	-	-	-
Total comprehensive income (100%)	**539.2**	**413.9**	**344.9**	**272.9**	**417.8**	**379.2**	**221.1**	**144.0**	**37.0**	**115.9**
Distributions received	**67.0**	**63.8**	**30.1**	**27.1**	**15.6**	**17.9**	**28.6**	**32.6**	**23.3**	**-**

1. The summarised statement of comprehensive income of ABPP is for the period from the start of the financial year to the date the Consolidated Entity disposed of its entire investment in ABPP.
2. Distributions receivable relate to distributions provided for but not paid by the associate at 30 June 2015. This is applicable to trusts in Australia where unitholders are presently entitled to income at the end of the financial year.

Operating assets and liabilities (cont)

4 Property assets (cont)

(f) 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:

Name of JV	Country of establishment	Consolidated share of net results recognised 2015 $M	2014 $M	Consolidated ownership interest 2015 %	2014 %	Consolidated investment carrying amount 2015 $M	2014 $M
Property investment							
KWASA Goodman Industrial Trust (KGIT)	Australia	**24.5**	17.1	**40.0**	40.0	**195.1**	185.0
Goodman Australia Development Fund (GADF)	Australia	**17.8**	8.7	**20.0**	20.0	**73.3**	59.0
Property development							
Goodman North America Partnership (GNAP)	USA	**8.5**	(0.2)	**53.0**	53.0	**243.0**	147.6
Other JVs		**12.1**	2.5			**160.1**	149.4
		62.9	**28.1**			**671.5**	**541.0**

The reconciliation of the carrying value during the year is as follows:

Movement in carrying amount of investments in JVs	Consolidated 2015 $M	2014 $M
Carrying amount at the beginning of the year	541.0	365.7
Share of net results after tax (before revaluations)	34.4	22.3
Share of fair value adjustments on investment properties	29.0	8.1
Share of fair value adjustments on derivative financial instruments	(0.5)	(2.3)
Share of net results	62.9	28.1
Impairment	-	(0.1)
Transfer from investments in associates	-	47.8
Acquisitions	92.2	123.7
Capital return	(0.4)	(2.5)
Distributions/dividends received	(63.4)	(20.7)
Effect of foreign currency translation	39.2	(1.0)
Carrying amount at the end of the year	**671.5**	**541.0**

Operating assets and liabilities (cont)

4 Property assets (cont)

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

(ii) Investments in JVs (cont)

The table below includes further information regarding the Consolidated Entity's principal investments in JVs held at the end of the financial year:

	KGIT		GADF		GNAP	
	2015	2014	2015	2014	2015	2014
	$M	$M	$M	$M	$M	$M
Summarised statement of financial position						
Current assets						
Cash and cash equivalents	1.1	4.4	1.0	0.7	38.0	16.3
Other current assets	1.8	3.4	80.8	1.6	27.2	20.2
Total current assets	**2.9**	**7.8**	**81.8**	**2.3**	**65.2**	**36.5**
Total non-current assets	**793.2**	**764.9**	**349.6**	**368.4**	**406.8**	**248.5**
Current liabilities	**6.1**	**12.3**	**15.5**	**4.5**	**21.6**	**13.1**
Non-current liabilities						
Financial liabilities	298.4	297.0	61.9	82.7	0.5	-
Other non-current liabilities	4.1	1.3	-	0.2	-	0.3
Total non-current liabilities	**302.5**	**298.3**	**61.9**	**82.9**	**0.5**	**0.3**
Net assets (100%)	**487.5**	**462.1**	**354.0**	**283.3**	**449.9**	**271.6**
Consolidated ownership interest	40.0%	40.0%	20.0%	20.0%	53.0%	53.0%
Consolidated share of net assets	195.0	184.8	70.8	56.7	238.4	143.9
Capitalised costs	0.1	0.2	1.6	1.6	4.6	3.7
Distributions receivable[1]	-	-	0.9	0.7	-	-
Carrying amount of investment in JV	**195.1**	**185.0**	**73.3**	**59.0**	**243.0**	**147.6**
Summarised statement of comprehensive income						
Revenue	71.6	68.5	17.7	22.4	0.7	-
Interest income	0.1	0.1	0.1	-	-	-
Interest expense	(12.5)	(13.5)	(3.8)	(3.7)	(0.1)	-
Profit/(loss) after tax	61.2	42.7	89.0	43.5	16.0	(0.4)
Total comprehensive income (100%)	**61.2**	**42.7**	**89.0**	**43.5**	**16.0**	**(0.4)**
Distributions received	**14.4**	**13.9**	**13.8**	**3.0**	**29.8**	**-**

1. Distributions receivable relate to distributions provided for but not paid by the JV at 30 June 2015. This is applicable to trusts in Australia where unitholders are presently entitled to income at the end of the financial year

For the Consolidated Entity's other JVs not included in the table above, the total profit after tax and revaluations is $57.8 million (2014: loss of $3.6 million) and other comprehensive income is $nil (2014: $nil).

Operating assets and liabilities (cont)

5 Receivables

Receivables comprise loans to related parties and trade and other receivables and are recognised on the date that they are originated, initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

The Consolidated Entity derecognises a receivable when the contractual rights to the cash flows from the receivable expire or it transfers the rights to receive the contractual cash flows on the receivable in a transaction in which substantially all the risks and rewards of the receivable are transferred.

Impairment
The carrying amounts of receivables is assessed at each balance date to determine whether there is any indication of impairment. If such indication exists, the receivable is written down to the present value of the estimated future cash flows discounted at the original effective interest rate. The impairment is recognised in profit or loss in the reporting period in which it occurs.

Calculation of recoverable amount
The recoverable amount of the Consolidated Entity's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment.

Reversals of impairment
Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

	Consolidated	
	2015	**2014**
	$M	**$M**
Current		
Loans to related parties	3,222.2	2,698.1
Trade receivables	3.8	1.6
Other receivables	98.6	25.4
Amounts due from related parties	2.1	1.6
	3,326.7	**2,726.7**
Non-current		
Loans to related parties	10.9	6.8
Other receivables	1.1	32.8
	12.0	**39.6**

1. In relation to the comparative period, derivative financial instruments of $103.3 million have been reclassified from receivables to other financial assets (refer to note 9). The Directors have determined that it would be more appropriate to classify the Consolidated Entity's derivative financial instruments as a component of other financial assets rather than receivables.

The maximum exposure to credit risk at the balance date is the fair value of each class of receivable mentioned above. There is no material difference between the carrying values and the fair values of all current and non-current receivables.

Receivables (current and non-current) denominated in currencies other than Australian dollars are as follows:

Amounts in A$M	NZD	JPY	EUR	GBP	USD
2015	**333.9**	**92.5**	**185.1**	**2,219.1**	**545.5**
2014	275.9	225.9	130.7	1,650.9	528.5

Loans to related parties
The Consolidated Entity's loans to related parties principally relate to loans to GL, GLHK and their controlled entities and loans to associates and JVs. The interest rates on loans to related parties were 1.1% to 10.1% per annum (2014: 1.2% to 10.4% per annum). During the current financial year, no impairment losses were recognised in respect of loans to GL, GLHK and their controlled entities and the cumulative impairment losses on these loans remain at $246.2 million (2014: $246.2 million). These impairment losses were a result of the devaluation of property assets. Further details of loans to related parties are set out in note 18.

Operating assets and liabilities (cont)

6 Payables

Trade and other payables are recognised initially on the trade date at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised cost.

The Consolidated Entity derecognises trade and other payables when the contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Consolidated Entity has legal right to offset the amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

	Consolidated	
	2015	**2014**
	$M	**$M**
Current		
Trade payables	1.0	1.7
Other payables and accruals	126.3	91.3
Rental income received in advance	2.3	1.6
Loans from related parties[1]	18.8	23.8
	148.4	**118.4**
Non-current		
Other payables and accruals	82.7	102.1
	82.7	**102.1**

1. Details of loans from related parties are set out in note 18.
2. In relation to the comparative period, derivative financial instruments of $303.8 million have been reclassified from payables to other financial liabilities (refer to note 9). The Directors have determined that it would be more appropriate to classify the Consolidated Entity's derivative financial instruments as a component of other financial liabilities rather than payables.

Capital management

7 Net finance (expense)/income

Loan facilities
Income from the provision of loan facilities including establishment fees, line fees and interest income is recognised over the relevant service period on an effective yield basis.

Finance income
Interest is brought to account on an accruals basis using the effective interest rate method, and, if not received at balance date, is reflected in the statement of financial position as a receivable.

Finance costs
Expenditure incurred in obtaining debt finance is offset against the principal amount of the interest bearing liability to which it relates, and is recognised as a finance cost on an effective interest rate basis over the life of the facility or until the facility is significantly modified. Where a facility is significantly modified, any unamortised expenditure in relation to that facility and incremental expenditure incurred in modifying the facility are recognised as a finance cost in the year in which the significant modification occurs.

Finance costs relating to a qualifying asset are capitalised as part of the cost of that asset using a weighted average cost of debt. Qualifying assets are assets which take a substantial time to get ready for their intended use or sale. All other finance costs are expensed using the effective interest rate method.

	Consolidated	
	2015	**2014**
	$M	**$M**
Finance income		
Interest income from:		
- Related parties	209.9	180.1
- Other parties	2.7	4.5
Fair value adjustments on derivative financial instruments[1]	53.6	-
Foreign exchange gain[2]	-	14.3
	266.2	**198.9**
Finance expense		
Interest expense from third party loans, overdrafts and derivatives	(115.0)	(104.6)
Other borrowing costs	(14.3)	(19.8)
Fair value adjustments on derivative financial instruments[1]	-	(81.0)
Foreign exchange loss[2]	(160.0)	-
Capitalised borrowing costs	21.5	19.8
	(267.8)	**(185.6)**
Net finance (expense)/income	**(1.6)**	**13.3**

1. These amounts include 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.
2. Includes foreign exchange loss of $160.0 million (2014: gain of $14.4 million) relating to unrealised gains/(losses) on translation of the United States senior notes (refer to note 8(c)) and the Japanese yen denominated private placement (refer to note 8(d)).

Capital management (cont)

8 Interest bearing liabilities

(a) Bank loans, unsecured

Interest bearing liabilities comprise of bank loans, bonds and private placements. Interest bearing liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost using the effective interest rate method.

		Consolidated	
	Note	2015 $M	2014 $M
Bank loans, unsecured	8(a)	227.0	155.4
Euro medium-term notes, unsecured	8(b)	509.9	453.6
United States senior notes, unsecured	8(c)	1,719.0	1,406.0
Foreign private placements, unsecured	8(d)	171.9	170.2
Borrowing costs		(23.0)	(24.7)
		2,604.8	**2,160.5**

Facility	Facility maturity date	Facility limit - A$M equivalent	Amounts drawn down in A$M equivalents NZD
Bank loan 1	31 Jul 2018	150.0	-
Bank loan 2	31 Jul 2018	149.4	147.6
Bank loan 3	31 Jul 2018	144.7	-
Bank loan 4	31 Jul 2018	191.7	-
Bank loan 5	31 Jul 2018	105.0	-
Bank loan 6	31 Jul 2018	43.9	35.5
Bank loan 7	31 Aug 2018	104.0	-
Bank loan 8	31 Aug 2018	43.9	43.9
Bank loan 9	31 Dec 2018	159.0	-
Bank loan 10	30 Sep 2019	37.5	-
Bank loan 11	30 Sep 2019	48.7	-
Total bank loans, unsecured	**at 30 Jun 2015**	**1,177.8**	**227.0**
	at 30 Jun 2014	1,296.7	155.4

(b) Euro medium-term notes, unsecured

As at 30 June 2015, Goodman Australia Finance Pty Limited, a controlled entity of GIT, has on issue A$509.9 million (2014: A$453.6 million) Euro medium-term notes. All notes were issued at a fixed coupon of 9.75% payable annually. The notes mature on 16 July 2018. The notes are listed on the Singapore Stock Exchange and the market value of the notes using the quoted price at 30 June 2015 was A$620.3 million (2014: A$566.2 million).

(c) United States senior notes, unsecured

As at 30 June 2015, the Consolidated Entity has notes on issue in the United States 144A/Reg S bond market as follows:

+ A$421.6 million (US$325.0 million) maturing on 12 November 2020. The senior unsecured notes were issued at a fixed coupon of 6.375% payable semi-annually;
+ A$648.7 million (US$500.0 million) maturing on 15 April 2021. The senior unsecured notes were issued at a fixed coupon of 6.375% payable semi-annually; and
+ A$648.7 million (US$500.0 million) maturing on 22 March 2022. The senior unsecured notes were issued at a fixed coupon of 6.0% payable semi-annually.

(d) Foreign private placements, unsecured

As at 30 June 2015, the Consolidated Entity had the following unsecured foreign private placements:

+ A$39.1 million (€27.0 million) denominated in Euros. The facility has a variable coupon payable quarterly and expires on 30 June 2023; and
+ A$132.8 million (¥12.5 billion) denominated in Japanese yen. The facility has a fixed coupon of 3.32% payable semi-annually and expires on 3 April 2023.

Capital management (cont)

8 Interest bearing liabilities (cont)

(e) Finance facilities

	Consolidated	
	Facilities available $M	**Facilities utilised $M**
At 30 June 2015		
Bank loans, unsecured	1,177.8	227.0
Euro medium-term notes, unsecured	509.9	509.9
United States senior notes, unsecured	1,719.0	1,719.0
Foreign private placements, unsecured	171.9	171.9
Bank guarantees[1]	-	30.1
	3,578.6	**2,657.9**
At 30 June 2014		
Bank loans, unsecured	1,296.7	155.4
Euro medium-term notes, unsecured	453.6	453.6
United States senior notes, unsecured	1,406.0	1,406.0
Foreign private placements, unsecured	170.2	170.2
Bank guarantees[1]	-	25.6
	3,326.5	**2,210.8**

1. Bank guarantees relate to the Consolidated Entity's unsecured bank facilities.

9 Other financial assets and liabilities

Derivative financial instruments and hedging
The Consolidated Entity uses derivative financial instruments to hedge its economic exposure to foreign exchange and interest rate risks arising from operating, investing and financing activities. In accordance with its treasury policy, the Consolidated Entity does not hold or issue derivative financial instruments for speculative trading purposes.

The Consolidated Entity's derivative financial instruments are not designated as a hedge for accounting purposes, and accordingly the movements in the fair value of derivative financial instruments are recognised in the income statement.

Cash flow hedges
Certain of the Consolidated Entity's investments in associates and JVs continue to designate interest rate swaps as a cash flow hedge for accounting purposes. The Consolidated Entity's share of the effective portion of changes in the fair value of derivatives in associates and JVs that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve. The gain or loss relating to any ineffective portion is recognised in the income statement.

Other financial assets

	Consolidated	
	2015 $M	**2014 $M**
Current		
Derivative financial instruments	4.4	0.1
	4.4	**0.1**
Non-current		
Derivative financial instruments[1]	234.0	103.2
Investment in unlisted securities, at fair value	10.5	8.2
	244.5	**111.4**

1. Includes fair values of cross currency interest rate swaps amounting to $176.9 million (2014: $46.3 million) entered into to hedge the United States senior notes (refer to note 8(c)).
2. In relation to the comparative period, derivative financial instruments of $103.3milion have been reclassified from receivables to other financial assets (refer to note 5). The Directors have determined that it would be more appropriate to classify the Consolidated Entity's derivative financial instruments as a component of other financial assets rather than receivables.

Capital management (cont)

9 Other financial assets and liabilities (cont)

Other financial liabilities

	Consolidated	
	2015	**2014**
	$M	**$M**
Current		
Derivative financial instruments	50.5	0.8
	50.5	**0.8**
Non-current		
Derivative financial instruments[1]	347.3	303.0
	347.3	**303.0**

1. Includes fair values of cross currency interest rate swaps amounting to $64.4 million (2014: $74.5 million) entered into to hedge the United States senior notes (refer to note 8(c)) and the Japanese yen denominated private placement (refer to note 8(d)).
2. In relation to the comparative period, derivative financial instruments of $303.8million have been reclassified from payables to other financial liabilities (refer to note 6). The Directors have determined that it would be more appropriate to classify the Consolidated Entity's derivative financial instruments as a component of other financial liabilities rather than payables.

10 Financial risk management

The Directors have ultimate responsibility for the Consolidated Entity's capital management and financial risk management processes and have established policies, documented in the Consolidated Entity's financial risk management (FRM) policy document, to ensure both the efficient use of capital and the appropriate management of the exposure to financial risk.

The Group Investment Committee is Goodman Group's primary forum where recommendations regarding capital allocation and financial risk management (in accordance in the FRM policy) are discussed and approved. The Group Investment Committee meets every week during the financial year.

Goodman Group's treasury function is responsible for preparing the following reports for consideration at each of the Consolidated Entity's Board meetings:

+ analysis of capital allocation and funding requirements against the Consolidated Entity's gearing constraint;
+ analysis of the Consolidated Entity's liquidity and funding position;
+ analysis of the Consolidated Entity's debt maturity profile;
+ a review of all the hedge exposures and the completed hedges;
+ compliance with the Consolidated Entity's hedging policy and recommendations for future hedging strategies; and
+ full mark to market of all derivative positions.

Under the FRM policy, the Consolidated Entity's derivative financial instruments are not designated as a hedge for accounting purposes, and accordingly such derivative financial instruments are, marked to market with the movement in value recognised in profit or loss.

Capital management

The Consolidated Entity's principal capital management objectives are to maintain a strong capital base and provide funds for operating activities, capital expenditure and investment opportunities as they arise. This is achieved through an appropriate mix of debt, equity and hybrid instruments.

The Consolidated Entity is able to alter the capital mix by issuing new stapled securities or hybrid securities, through the operation of a DRP, adjusting the timing of capital expenditure and selling assets to reduce borrowings. Goodman Group also manages capital through its distribution policy in which distributions made to Securityholders are based on the greater of 60% of operating profit or taxable income of GIT.

Goodman Group monitors capital on the basis of both the gearing ratio and the weighted average cost of debt. Gearing is reviewed on a Goodman Group basis and the gearing ratio for Goodman Group is calculated as the total interest bearing liabilities less cash as a percentage of the total assets excluding cash.

Capital management (cont)

10 Financial risk management (cont)

Goodman Group's key financial risks are market risk (including foreign exchange and interest rate risk), liquidity risk and credit risk.

(a) Market risk

Foreign exchange risk
The Consolidated Entity is exposed to foreign exchange risk through its investments in New Zealand, Hong Kong, Continental Europe, the United Kingdom and North America. Foreign exchange risk represents the loss that would be recognised from fluctuations in currency prices against the Australian dollar as a result of the Consolidated Entity's net investment in foreign operations, future commercial transactions, and other foreign currency denominated assets and liabilities.

In managing foreign currency risks, the Consolidated Entity aims to reduce the impact of short-term fluctuations on the Consolidated Entity's earnings and net assets. However, over the long term, permanent changes in foreign exchange will have an impact on both earnings and net assets.

Goodman Group's capital hedge policy for each overseas region is to hedge between 70% and 95% of foreign currency denominated assets with foreign currency denominated liabilities. This is achieved by borrowing in the same functional currency as the overseas investments to form a natural economic hedge against any foreign currency fluctuations and/or using derivatives such as cross currency interest rate swaps (CCIRS) and foreign exchange contracts (FECs).

As at 30 June 2015, the principal that is hedged, the weighted average exchange rates and the periods to expiry, by currency, are set out below:

	2015			2014		
CCIRS: AUD receivable Expiry by currency	**Amounts payable**	**Amounts receivable**	**Weighted average exchange rate**	**Amounts payable**	**Amounts receivable**	**Weighted average exchange rate**
NZD payable	**NZD'M**	**A$M**	**NZD/AUD**	**NZD'M**	**A$M**	**NZD/AUD**
2 - 5 years	**(100.0)**	**65.4**	**1.2252**	(100.0)	79.8	1.2530
	(100.0)	**65.4**		**(100.0)**	**79.8**	
HKD payable	**HKD'M**	**A$M**	**HKD/AUD**	**HKD'M**	**A$M**	**HKD/AUD**
Less than one year	**(1,050.0)**	**128.4**	**8.1868**	-	-	-
1 - 2 years	**-**	**-**	**-**	(1,050.0)	128.4	8.1868
2 - 5 years	**(1,540.0)**	**204.1**	**7.5622**	(1,540.0)	204.1	7.5622
	(2,590.0)	**332.5**		**(2,590.0)**	**332.5**	
JPY payable	**JPY'M**	**A$M**	**JPY/AUD**	**JPY'M**	**A$M**	**JPY/AUD**
2 - 5 years	**(11,000.0)**	**128.0**	**86.0500**	(18,000.0)	207.6	86.7772
	(11,000.0)	**128.0**		**(18,000.0)**	**207.6**	
EUR payable	**EUR'M**	**A$M**	**EUR/AUD**	**EUR'M**	**A$M**	**EUR/AUD**
Less than one year	**(50.0)**	**69.2**	**0.7226**	-	-	-
1 - 2 years	**-**	**-**	**-**	(50.0)	69.2	0.7226
2 - 5 years	**(420.0)**	**541.3**	**0.7765**	(420.0)	541.3	0.7771
	(470.0)	**610.5**		**(470.0)**	**610.5**	
GBP payable	**GBP'M**	**A$M**	**GBP/AUD**	**GBP'M**	**A$M**	**GBP/AUD**
2 - 5 years	**(170.0)**	**282.2**	**0.6035**	(170.0)	282.2	0.6035
	(170.0)	**282.2**		**(170.0)**	**282.2**	

FECs: GBP receivable Expiry by currency	**Amounts payable**	**Amounts receivable**	**Weighted average exchange rate**	**Amounts payable**	**Amounts receivable**	**Weighted average exchange rate**
AUD payable	**A$M**	**GBP'M**	**AUD/GBP**	**A$M**	**GBP'M**	**AUD/GBP**
Less than 1 year	**(171.1)**	**85.0**	**0.4969**	-	-	-
2 - 5 years	**(103.2)**	**50.0**	**0.4843**	-	-	-
	(274.3)	**135.0**		**-**	**-**	

Capital management (cont)

10 Financial risk management (cont)

(a) Market risk (cont)

At 30 June 2015, the Consolidated Entity's notes issued in the United States 144A/Reg S bond market and also foreign private placements denominated in Japanese yen create both an interest rate and a foreign currency risk exposure. Goodman Group's policy is to minimise its exposure to both interest rate and exchange rate movements. Accordingly, the Consolidated Entity has entered into USD/EUR, USD/GBP and JPY/GBP CCIRS, to provide a capital hedge against assets denominated in Euros and British pounds sterling. Details of these CCIRS are set out below:

	2015			2014		
CCIRS: USD receivable Expiry by currency	**Amounts payable**	**Amounts receivable**	**Weighted average exchange rate**	**Amounts payable**	**Amounts receivable**	**Weighted average exchange rate**
EUR payable	**EUR'M**	**USD'M**	**USD/EUR**	**EUR'M**	**USD'M**	**USD/EUR**
Over 5 years	**(327.4)**	**455.0**	**0.7195**	(376.7)	525.0	0.7175
	(327.4)	**455.0**		**(376.7)**	**525.0**	
GBP payable	**GBP'M**	**USD'M**	**USD/GBP**	**GBP'M**	**USD'M**	**USD/GBP**
Over 5 years	**(132.0)**	**210.0**	**0.6286**	(166.0)	265.0	0.6263
	(132.0)	**210.0**		**(166.0)**	**265.0**	
CCIRS: JPY receivable Expiry by currency	**Amounts payable**	**Amounts receivable**	**Weighted average exchange rate**	**Amounts payable**	**Amounts receivable**	**Weighted average exchange rate**
GBP payable	**GBP'M**	**JPY'M**	**JPY/GBP**	**GBP'M**	**JPY'M**	**JPY/GBP**
Over 5 years	**(85.9)**	**11,300.0**	**0.0076**	(85.9)	11,300.0	0.0076
	(85.9)	**11,300.0**		**(85.9)**	**11,300.0**	

Sensitivity analysis

Throughout the financial year, if the Australian dollar had been 5% (2014: 5%) stronger against all other currencies, with all other variables held constant, the profit attributable to Unitholders, excluding derivative mark to market and unrealised foreign exchange movements, would have decreased by A$4.5 million (2014: A$11.1 million decrease). If the Australian dollar had been 5% (2014: 5%) weaker against all other currencies, with all other variables held constant, the profit attributable to Unitholders, excluding derivative mark to market and unrealised foreign exchange movements, would have increased by A$4.5 million (2014: A$12.2 million increase).

Interest rate risk

The Consolidated Entity's interest rate risk arises from variable rate borrowings and also fixed rate to floating rate CCIRS that hedge the currency risk associated with the USD denominated notes and JPY denominated private placement. The Consolidated Entity adopts a policy of ensuring that between 60% and 100% of its current year exposure to changes in interest rates on borrowings is on a fixed rate basis. The Consolidated Entity enters into interest rate swaps (IRS) to manage cash flow risks associated with the interest rates on borrowings that are floating. The IRS contracts are for 90 day intervals and involve quarterly payments or receipts of the net amount of interest.

Capital management (cont)

10 Financial risk management (cont)

(a) Market risk (cont)

Interest rate risk (cont)

At 30 June 2015, the Consolidated Entity's interest rate risk exposure on interest bearing liabilities together with the net exposure based on the Consolidated Entity's existing derivative financial instruments, are set out below:

	Interest bearing liabilities A$M	Impact of derivatives CCIRS[1] A$M	IRS A$M	Net interest rate exposure A$M
30 June 2015				
Fixed rate liabilities	2,361.7	(982.8)	762.8	2,141.7
Floating rate liabilities	266.1	1,164.8	(762.8)	668.1
	2,627.8	**182.0**	**-**	**2,809.8**
30 June 2014				
Fixed rate liabilities	1,990.6	(956.7)	1,170.3	2,204.2
Floating rate liabilities	194.6	1,119.0	(1,170.3)	143.3
	2,185.2	**162.3**	**-**	**2,347.5**

1. The impact of the CCIRS amends the total borrowings exposure as a result of the difference in the foreign currency exchange rate at the end of the financial year between the contracted rate and the year end spot rate.

As a result of the fixed rate interest bearing liabilities and derivative financial instruments that exist at the end of the financial year, the Consolidated Entity would have the following fixed interest rate exposure at the end of each of the next five financial years:

	2015		2014	
Number of years post balance date	**Fixed interest rate exposure A$M**	**Weighted average interest rate % per annum**	**Fixed interest rate exposure A$M**	**Weighted average interest rate % per annum**
1 year	2,397.9	4.95%	2,250.8	4.12%
2 years	2,388.5	5.00%	2,083.5	4.57%
3 years	2,297.6	4.94%	1,800.3	4.98%
4 years	1,538.2	3.78%	1,504.9	5.29%
5 years	1,183.2	3.84%	844.8	3.64%

Sensitivity analysis
Based on the Consolidated Entity's net interest rate exposure at 30 June 2015, if interest rates on borrowings had been 100 basis points per annum (2014: 100 basis points per annum) higher/lower, with all other variables held constant, the Consolidated Entity's profit attributable to Unitholders for the financial year would have been A$6.7 million lower/higher (2014: A$1.4 million).

Price risk
The Consolidated Entity is not exposed to price risk.

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's objective is to maintain sufficient liquidity to fund working capital, capital expenditure, investment opportunities, debt expiries and distributions. This is achieved through the monthly preparation of a three year cash flow forecast to understand the uses of funds and to identify potential shortfalls in funding. This allows the Consolidated Entity to plan for renewal of debt facilities, negotiation of new debt facilities, new issues of securities, including the DRP, and other potential sources of funding.

Goodman Group's treasury function is responsible for reporting details of all debt maturities to the Board at its regular meetings. Goodman Group's treasury function is also responsible for reporting to the Board all the information and term sheets relating to any financing arrangements being contemplated or negotiated by the Consolidated Entity for its review and approval.

The Consolidated Entity seeks to spread its debt maturities such that the total debt maturing in a single financial year does not exceed Board approved policy levels.

Capital management (cont)

10 Financial risk management (cont)

(b) Liquidity risk (cont)

The contractual maturities of financial liabilities are set out below:

	Carrying amount $M	Contractual cash flows $M	Less than 1 year $M	1 - 2 year(s) $M	2 - 3 years $M	3 - 4 years $M	4 - 5 years $M	More than 5 years $M
As at 30 June 2015								
Non-derivative financial liabilities								
Payables	231.1	232.0	148.4	48.0	16.2	1.9	7.5	10.0
Bank loans, unsecured[1]	227.0	230.3	-	-	-	230.0	0.3	-
Euro medium-term notes, unsecured	509.9	710.8	97.7	49.9	49.9	513.3	-	-
United States senior notes, unsecured	1,719.0	2,422.8	140.6	108.6	108.6	108.6	108.9	1,847.5
Foreign private placements, unsecured	171.9	215.9	6.5	5.3	5.3	5.3	5.3	188.2
Total non-derivative financial liabilities	**2,858.9**	**3,811.8**	**393.2**	**211.8**	**180.0**	**859.1**	**122.0**	**2,045.7**
Derivative financial liabilities/(assets) - net								
Net settled[2]	22.4	11.3	4.4	5.7	(1.9)	1.8	0.8	0.5
Gross settled[3]:								
(Inflow)	-	(504.0)	(91.1)	(89.8)	(84.7)	(62.9)	(58.3)	(117.2)
Outflow	137.0	652.6	96.7	50.4	211.2	145.0	50.2	99.1
Total derivative financial liabilities/(assets) - net	**159.4**	**159.9**	**10.0**	**(33.7)**	**124.6**	**83.9**	**(7.3)**	**(17.6)**
As at 30 June 2014								
Non-derivative financial liabilities								
Payables	220.5	207.5	118.4	38.3	11.2	20.0	2.0	17.6
Bank loans, unsecured[1]	155.4	160.6	-	0.3	-	-	160.3	-
Euro medium-term notes, unsecured	453.6	677.1	86.8	44.5	44.4	44.4	457.0	-
United States senior notes, unsecured	1,406.0	2,073.3	114.9	89.1	88.9	88.9	88.9	1,602.6
Foreign private placements, unsecured	170.2	220.1	6.5	5.4	5.3	5.3	5.3	192.3
Total non-derivative financial liabilities	**2,405.7**	**3,338.6**	**326.6**	**177.6**	**149.8**	**158.6**	**713.5**	**1,812.5**
Derivative financial liabilities/(assets) - net								
Net settled[2]	46.0	47.6	20.2	11.4	6.9	4.6	1.4	3.1
Gross settled[3]:								
(Inflow)	-	(600.5)	(108.2)	(110.4)	(110.2)	(94.2)	(62.7)	(114.8)
Outflow	154.5	748.8	56.8	93.4	77.8	204.6	126.4	189.8
Total derivative financial (assets)/liabilities - net	**200.5**	**195.9**	**(31.2)**	**(5.6)**	**(25.5)**	**115.0**	**65.1**	**78.1**

1. Contractual cash flows relating to bank loans exclude any estimate of interest payments that might arise under the Consolidated Entity's revolving loan facilities.
2. Net settled relates to IRS and forward foreign currency contracts.
3. Gross settled relates to CCIRS.

Capital management (cont)

10 Financial risk management (cont)

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the Consolidated Entity which have been recognised on the statement of financial position, is the carrying amount (refer to note 5).

The Consolidated Entity has a policy of assessing the creditworthiness of all potential customers and is not materially exposed to any one customer. The Consolidated Entity evaluates all customers' perceived credit risk and may require the lodgement of rental bonds or bank guarantees, as appropriate, to reduce credit risk. In addition, all rents are payable monthly in advance.

The Consolidated Entity minimises credit risk by dealing with major financial institutions in relation to cash and short-term borrowings. Concentration of credit risk exists from time to time on receivables for the proceeds of disposals of investment properties. The credit risk is minimised as legal title is only transferred upon receipt of proceeds for the sale of those assets and typically Goodman will have either received a cash deposit or be the beneficiary of a bank guarantee for 10% to 20% of the total proceeds.

From time to time, the Consolidated Entity also makes loans to partnerships. In making its investment decisions, the Consolidated Entity will undertake a detailed assessment of the credit risks associated with the relevant counterparties.

The credit risks associated with financial instruments are managed by:

+ transacting with multiple derivatives counterparties that have a long-term investment credit rating; and
+ utilising International Swaps and Derivatives Association (ISDA) agreements with derivative counterparties in order to limit exposure to credit risk through netting of amounts receivable and amounts payable to individual counterparties (refer to note 10(d) below).

(d) Master netting or similar agreements

The Consolidated Entity enters into derivative transactions under ISDA master netting off agreements. Under these agreements, where certain credit events occur (such as a default), all outstanding transactions under the agreement are terminated and a single net termination value is payable in full and final settlement.

As the Consolidated Entity does not have any current legally enforceable right to offset, the fair values associated with derivative financial instruments have been presented gross in the statement of financial position. However, if a credit event occurred, the ISDA master netting off agreement would allow A$144.5 million (2014: A$95.6 million) of financial assets and financial liabilities in relation to the Consolidated Entity's derivative financial instruments to be offset.

Capital management (cont)

10 Financial risk management (cont)

(e) Fair value of financial instruments

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

Consolidated	Note	Carrying amount 2015 $M	Fair value 2015 $M	Carrying amount 2014 $M	Fair value 2014 $M
Financial assets					
Cash	13(a)	602.4	602.4	227.9	227.9
Receivables:	5				
- Loans to related parties		3,233.1	3,233.1	2,704.9	2,704.9
- Trade and other receivables		105.6	105.6	61.4	61.4
Other financial assets:	9				
- Interest rate swaps		43.0	43.0	28.6	28.6
- CCIRS		189.1	189.1	74.6	74.6
- FECs		6.3	6.3	0.1	0.1
- Investments in unlisted securities		10.5	10.5	8.2	8.2
		4,190.0	**4,190.0**	**3,105.7**	**3,105.7**
Financial liabilities					
Payables	6	231.1	231.1	220.5	220.5
Interest bearing liabilities[1]	8	2,604.8	2,974.8	2,160.5	2,522.1
Other financial liabilities:	9				
- Interest rate swaps		71.7	71.7	74.7	74.7
- CCIRS		326.1	326.1	229.1	229.1
		3,233.7	**3,603.7**	**2,684.8**	**3,046.4**

1. The fair value of certain fixed rate interest bearing liabilities has been determined by reference to the quoted market prices at 30 June 2015 (refer to note 8).

(f) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method (see note 1(h)):

	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
As at 30 June 2015				
Available for sale financial assets	-	-	10.5	10.5
Derivative financial assets	-	238.4	-	238.4
	-	**238.4**	**10.5**	**248.9**
Derivative financial liabilities	-	397.8	-	397.8
	-	**397.8**	**-**	**397.8**
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**

There were no transfers between the levels during the year.

Capital management (cont)

10 Financial risk management (cont)

(f) Fair value hierarchy (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, adjusted for specific features of the instruments.

11 Provision for distributions

Distribution payable

Provisions for distributions payable are recognised in the reporting period in which the distributions are declared for the entire undistributed amount regardless of the extent to which they will be paid in cash.

Distributions declared and paid/payable by GIT

	Distribution cpu	Total amount $M	Date of payment
Distributions for the current financial year			
- 31 Dec 2014	11.10	193.7	20 Feb 2015
- 30 Jun 2015	11.10	194.6	26 Aug 2015
	22.20	**388.3**	
Distributions for the prior financial year			
- 31 Dec 2013	10.35	177.9	21 Feb 2014
- 30 Jun 2014	10.35	178.8	26 Aug 2014
	20.70	**356.7**	

Movement in provision for distributions to Unitholders

	Consolidated	
	2015 $M	**2014 $M**
Balance at the beginning of the year	178.8	77.5
Provisions for distributions	388.3	356.7
Distribution paid	(283.1)	(213.2)
Distribution reinvestment plan	(89.4)	(42.2)
Balance at the end of the year	**194.6**	**178.8**

The Goodman Group DRP was active for the 30 June 2014 and 31 December 2014 distribution. As a consequence, $89.4 million of the distribution paid during the year was issued in the form of Goodman Group stapled securities. The Goodman Group DRP is active for the 30 June 2015 distribution.

Capital management (cont)

12 Issued capital

Ordinary units

Ordinary units of the Trust are classified as equity. Incremental costs directly attributable to issues of ordinary units and options are recognised as a deduction from equity, net of any tax effects.

	Consolidated 2015 $M	Consolidated 2014 $M
1,753,035,922 (2014: 1,727,685,976) fully paid units on issue	7,279.9	7,173.6
Less: Issue costs[1]	(148.5)	(148.4)
	7,131.4	**7,025.2**

1. Issue costs associated with the issue of units have been directly paid from the proceeds of the issues. These costs have been deducted from the issued capital in the statement of financial position, rather than charged as an expense of GIT, as they are considered to form part of the net equity raised.

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.

	Units
Units on issue at 1 July 2013	1,713,233,947
Issued under the Goodman Group Long Term Incentive Plan	5,465,002
Issued under the Goodman Group Tax Exempt Plan	43,860
Issued under the Goodman Group DRP	8,943,167
Units on issue at 30 June 2014	**1,727,685,976**
Units on issue at 1 July 2014	1,727,685,976
Issued under the Goodman Group Long Term Incentive Plan	8,843,233
Issued under the Goodman Group Tax Exempt Plan	42,336
Issued under the Goodman Group DRP	16,464,377
Units on issue at 30 June 2015	**1,753,035,922**

Other items

13 Notes to the cash flow statement

(a) Reconciliation of cash

For the purpose of the cash flow statement, cash includes cash on hand at the bank and short-term deposits at call. Cash at the balance date as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2015	**2014**
	$M	**$M**
Cash assets	**602.4**	**227.9**

(b) Reconciliation of profit for the year to net cash provided by operating activities

	Consolidated	
	2015	**2014**
	$M	**$M**
Profit for the year	**924.5**	**475.4**
Items classified as investing activities		
Net gain on disposal of investment properties	(6.7)	(0.8)
Net gain on disposal of controlled entities	(32.1)	-
Net loss on disposal of equity investments	-	1.2
Non-cash items		
Net gain from fair value adjustments on investment properties	(381.8)	(23.8)
Impairment losses	7.6	4.5
Share of net results of equity accounted investments	(422.8)	(350.8)
Net finance expense/(income)	1.6	(13.3)
Income tax expense	1.9	6.0
Operating profit before changes in working capital and provisions	**92.2**	**98.4**
Changes in assets and liabilities during the year:		
- Increase in receivables	(43.8)	(23.8)
- Increase in inventories	(37.0)	(13.0)
- Decrease in other assets	4.9	9.1
- Increase in payables	1.7	1.9
- Increase in provisions	-	12.8
	18.0	**85.4**
Dividends/distributions received from equity accounted investments	227.9	149.8
Net finance costs paid	(102.6)	(100.0)
Net income taxes paid	(3.6)	(0.6)
Net cash provided by operating activities	**139.7**	**134.6**

(c) Non-cash transactions

Distribution reinvestment plan

In the current financial year:

+ the Goodman Group DRP was active for the August 2014 and February 2015 distribution. In relation to these distributions, $89.4 million was in the form of stapled securities in Goodman Group; and
+ the Consolidated Entity received its distributions of $31.7 million from GTA and GADF in the form of units in the respective fund.

In the prior financial year, the Consolidated Entity received its distributions of $16.1 million from GTA, GMT and GADF in the form of units in the respective fund.

Other items (cont)

14 Reserves

		Consolidated	
	Note	2015 $M	2014 $M
Asset revaluation reserve	14(a)	170.5	(950.6)
Cash flow hedge reserve	14(b)	(5.0)	(9.7)
Foreign currency translation reserve	14(c)	21.8	(251.1)
Employee compensation reserve	14(d)	64.7	57.0
Total reserves		**252.0**	**(1,154.4)**

	2015 $M	2014 $M
(a) Asset revaluation reserve		
Balance at the beginning of the year	(950.6)	(1,030.9)
Increase due to revaluation of other financial assets	2.1	1.6
Transfers to accumulated losses	1,132.6	138.4
Effect of foreign currency translation	(13.6)	(59.7)
Balance at the end of the year	**170.5**	**(950.6)**
(b) Cash flow hedge reserve		
Balance at the beginning of the year	(9.7)	(12.7)
Change in value of financial instruments	0.8	0.8
Transfers to other comprehensive income	4.1	2.4
Effect of foreign currency translation	(0.2)	(0.2)
Balance at the end of the year	**(5.0)**	**(9.7)**
(c) Foreign currency translation reserve		
Balance at the beginning of the year	(251.1)	(497.0)
Net exchange differences on conversion of foreign operations	272.9	245.9
Balance at the end of the year	**21.8**	**(251.1)**
(d) Employee compensation reserve		
Balance at the beginning of the year	57.0	49.0
Equity settled share based payments transaction relating to Goodman Group	7.7	8.0
Balance at the end of the year	**64.7**	**57.0**
Total reserves	**252.0**	**(1,154.4)**

15 Accumulated losses

	Consolidated	
	2015 $M	2014 $M
Balance at the beginning of the year	(897.3)	(856.2)
Profit attributable to Unitholders	903.3	454.0
Transfers from asset revaluation reserve	(1,132.6)	(138.4)
Distributions declared	(388.3)	(356.7)
Balance at the end of the year	**(1,514.9)**	**(897.3)**

Other items (cont)

16 Non-controlling interests

Goodman PLUS Trust, a controlled entity of GIT, has 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. Accordingly, these hybrid securities have been classified as equity and presented as other non-controlling interests. Incremental costs directly attributable to the issue of hybrid securities are recognised as a deduction from equity, net of any tax effects.

At 30 June 2015, the movement in Goodman PLUS was as follows:

	Consolidated	
	2015 $M	2014 $M
Balance at the beginning of the year	325.8	331.5
Profit attributable to non-controlling interests	21.2	21.4
Distributions paid to holders of Goodman PLUS	(21.2)	(27.1)
Balance at the end of the year[1]	**325.8**	**325.8**

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

The key terms of the Goodman PLUS are as follows:

+ distributions under Goodman PLUS are payable quarterly on 31 March, 30 June, 30 September and 31 December at a margin of 3.90% per annum over the three month Bank Bill Swap Rate;
+ the first remarketing date is 30 September 2017 and thereafter every five years. After 30 September 2017 the Goodman PLUS may be repurchased or exchanged;
+ a step-up margin of 0.25% per annum will apply if Goodman PLUS are not repurchased, exchanged or successfully remarketed on or before 30 September 2022;
+ a final step-up margin of 0.75% per annum will apply if Goodman PLUS are not repurchased or exchanged on or before 31 December 2038; and
+ Goodman PLUS holders will have the right to require Goodman PLUS Trust to elect to repurchase or exchange the Goodman PLUS on 31 December 2073.

Distributions declared during the current financial year by Goodman PLUS Trust to holders of hybrid securities were $21.2 million (2014: $21.4 million), or 647.9 cents per unit (2014: 655.6 cents per unit).

Other items (cont)

17 Controlled entities

Controlled entities are entities controlled by the Trust. The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Parent Entity as at 30 June 2015 and the results of all such entities for the year ended 30 June 2015.

Where an entity either began or ceased to be controlled during the year, the results for that entity are included only from/to the date control commenced or ceased.

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

The significant controlled entities of GIT are set out below:

Significant controlled entities	Country of incorporation/ establishment
BDE Unit Trust	Australia
Carter Street Trust	Australia
GIT Investments Holding Trust No.3	Australia
Goodman Australia Finance Pty Limited	Australia
Goodman Capital Trust	Australia
Goodman Europe Development Trust	Australia
Goodman Finance Australia Trust	Australia
Goodman Funding Pty Limited	Australia
Goodman Hong Kong Investment Trust	Australia
Goodman PLUS Trust	Australia
Goodman Treasury Trust	Australia
Goodman Ultimo Trust	Australia
Homebush Subtrust	Australia
IBC Trust	Australia
MGA Industrial Portfolio Trust	Australia
MIP Trust	Australia
MGI HK Finance	Cayman Islands
ABPP Investment Jersey Limited	Jersey
Goodman Finance (Jersey) Limited	Jersey
Goodman Finance (Lux) Sàrl	Luxembourg
Goodman Finance Two (Lux) Sàrl	Luxembourg
Goodman Finance NZ Limited	New Zealand
Tarpon Properties REIT Inc	United States

Other items (cont)

17 Controlled entities (cont)

Disposal of interests in controlled entities

During the year, the Consolidated Entity disposed of its entire interest in ABPP Investment Jersey Limited, which in turn, held the Consolidated Entity's entire interest in ABPP, to GL for a nominal consideration which reflects its fair value. In addition, the Consolidated Entity disposed of its entire interest in five controlled entities to a third party for a net consideration of $225.1 million. The effect of the disposal on the statement of financial position of the Consolidated Entity is as follows:

	$M
Total assets	527.1
Total liabilities	(334.1)
Net assets disposed, at fair value	**193.0**
Net consideration	**225.1**

In the prior year, the Consolidated Entity disposed of its entire interest in Moorabbin Airport Corporation Pty Limited to GL for a consideration of $211.8 million.

18 Related party disclosures

Key management personnel disclosures

GIT does not employ personnel in its own right. However, it is required to have an incorporated responsible entity to manage its activities and the Responsible Entity is considered to be the key management personnel of the Consolidated Entity.

Transactions with Responsible Entity
In accordance with GIT's Constitution, the Responsible Entity is entitled to be reimbursed where expenses have been incurred on behalf of GIT:

	Consolidated	
	2015	**2014**
	$	**$**
Reimbursement of expenses	**10,422,084**	**10,654,813**

As at 30 June 2015, no amounts were owed to the Responsible Entity (2014: $nil).

Goodman Group

Other Goodman Group entities perform a number of services for the Consolidated Entity. The fees, costs and expenses for the services performed during the year are as follows:

	Consolidated	
	2015	**2014**
	$	**$**
Property services fees (including property management and leasing)	3,612,329	4,060,773
Development management and project fees	3,061,128	3,023,294
Building supervisor costs reimbursed	1,035,983	1,070,273
Reimbursement of expenses	9,190,858	6,189,012
	16,900,298	**14,343,352**

In addition to the above, interest bearing loans exist between the Consolidated Entity and other Goodman Group entities. At 30 June 2015, interest bearing loans of $3,456.9 million (2014: $2,901.3 million) were receivable by the Consolidated Entity from other Goodman Group entities and $16.6 million (2014: $15.8 million) were payable by the Consolidated Entity to other Goodman Group entities. Loans to related Goodman Group entities bear interest at rates referenced to the Consolidated Entity's external funding arrangements.

Other items (cont)

18 Related party disclosures (cont)

Transactions with associates and JVs

Transactions between the Consolidated Entity and its partnerships during the year were as follows:

	Revenue from disposals of assets		Interest charged on loans	
	2015 $M	2014 $M	2015 $M	2014 $M
Associates	44.0	-	-	-
JVs	-	-	0.4	0.6

Amounts due from partnerships at 30 June 2015 were as follows:

	Amounts due from related parties[1]		Loans provided by the Consolidated Entity[2]	
	2015 $M	2014 $M	2015 $M	2014 $M
Associates	2.1	1.6	-	-
JVs	-	-	10.9	6.8

1. Amounts due from related parties were receivable within 30 days.
2. Loans provided to associates and JVs have generally been provided on an arm's length basis. At 30 June 2015, the principal loan balance related to a shareholder loan provided to GGGAIF Huntingwood East which incurred interest at 5.1% per annum.

19 Commitments

Investment properties

At 30 June 2015, capital expenditure commitments on the Consolidated Entity's existing investment property portfolio are $25.6 million (2014: $4.7 million).

Partnerships

At 30 June 2015, the Consolidated Entity had an equity commitment of $97.6 million (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 the Consolidated Entity 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.

Other items (cont)

20 Auditors' remuneration

	Consolidated	
	2015	**2014**
	$000	**$000**
Audit services		
Auditor of GIT:		
- Audit and review of financial reports (KPMG Australia)	477.4	395.7
- Audit and review of financial reports (overseas KPMG firms)	150.6	141.1
	628.0	**536.8**
Other regulatory services		
- Other regulatory services (KPMG Australia)	72.4	42.7
- Other regulatory services (overseas KPMG firms)	-	3.3
Other assurance services		
- Property advisory services (KPMG Australia)	8.9	-
Taxation services		
- Taxation compliance services (KPMG Australia)	-	2.4
- Taxation compliance services (overseas KPMG firms)	31.0	11.5
- Other taxation advice (overseas KPMG firms)	16.9	-
	129.2	**59.9**
Total paid/payable to KPMG	**757.2**	**596.7**
Other auditors		
- Audit and review of financial reports (non-KPMG firms)	-	-

21 Parent Entity disclosures

The individual financial statements for the Parent Entity show the following aggregate amounts:

	2015	**2014**
	$M	**$M**
Result of the Parent Entity		
Profit for the year	12.7	293.2
Other comprehensive income	91.6	24.1
Total comprehensive income for the year	**104.3**	**317.3**
Financial position of the Parent Entity at year end		
Current assets	1,507.3	1,829.9
Total assets	4,729.2	4,877.1
Current liabilities	181.8	166.0
Total liabilities	181.8	166.0
Total equity of the Parent Entity comprising of:		
Issued capital	7,131.4	7,025.2
Reserves	(196.5)	(283.6)
Accumulated losses	(2,387.5)	(2,030.5)
Total equity	**4,547.4**	**4,711.1**

Parent Entity capital commitments

The Parent Entity has no capital commitments (2014: $nil).

Other items (cont)

21 Parent Entity disclosures (cont)

Parent Entity contingencies

Capitalisation Deed Poll
GIT, GL, GLHK and certain of their wholly-owned controlled entities are "investors" under a Capitalisation Deed Poll (CDP) dated 23 May 2007. Under the CDP, each investor undertakes to pay to the relevant controlled entity borrower (borrower) any amounts owing under the CDP when the borrower fails to make a payment. Any payments by an investor to a borrower will be by way of loan to, or proceeds for the subscription of equity in, the borrower by the investor. As at 30 June 2015, the Consolidated Entity had A$227.0 million (2014: A$155.4 million) of debt which had the benefit of the CDP.

Euro medium-term note programme
Under the Euro medium-term note programme (refer to note 8(b)), Goodman Australia Finance Pty Limited, a controlled entity of GIT, issued £250 million notes, maturing on 16 July 2018, at a fixed coupon of 9.75% per annum. Goodman Funds Management Limited, as responsible entity of GIT, and GL and GLHK have unconditionally and irrevocably guaranteed on a joint and several basis the payment of principal and interest in respect of these Euro medium-term notes.

United States senior notes
Under the issue of notes in the United States 144A/Reg S bond market (refer to note 8(c)), Goodman Funding Pty Limited, a controlled entity of GIT, issued US$325.0 million, US$500.0 million and US$500.0 million notes maturing on 12 November 2020, 15 April 2021 and 22 March 2022 respectively. Goodman Funds Management Limited, as responsible entity of GIT, and GL and GLHK have unconditionally and irrevocably guaranteed on a joint and several basis the payment of principal and interest in respect of the notes.

Goodman PLUS guarantee
Goodman Funds Management Limited, as responsible entity of GIT and GL and GLHK guarantee jointly and severally, unconditionally and irrevocably the payment of the moneys owing to the holders of Goodman PLUS (refer to note 16) under the terms of issue and subscription terms for those securities.

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 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.

22 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 the consolidated financial report, that would require adjustment or disclosure in the consolidated financial report.

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

(a) the consolidated financial statements and the notes that are set out on pages 14 to 56, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
  (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) 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.

The directors of the Responsible Entity have been given the declarations required by section 295A of the Corporations Act 2001 from the Group Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

The directors of the Responsible Entity draw attention to note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

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

Ian Ferrier, AM
Independent Chairman

Gregory Goodman
Group Chief Executive Officer

Sydney, 13 August 2015

Independent auditor's report to the Unitholders of Goodman Industrial Trust

We have audited the accompanying financial report of Goodman Industrial Trust (the Trust), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, notes 1 to 22 comprising a summary 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Goodman Funds Management Limited (the Responsible Entity) are responsible for the preparation of the 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 financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Consolidated Entity comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Consolidated Entity's financial position and of its performance.

KPMG

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of Goodman Industrial Trust is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

KPMG

John Teer
Partner

Sydney
13 August 2015

Eileen Hoggett
Partner

Sydney
13 August 2015