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Goodman Australia Industrial Fund announces capital management initiatives to raise \$320 million

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Release Immediate

Goodman Australia Industrial Fund (GAIF or Fund) today announces that it will undertake \$320 million of equity raising initiatives to strengthen its balance sheet and position it well to benefit from the recent signs of improving economic conditions. The initiatives are:

- + \$120 million to be raised from the introduction of a 12 month mandatory distribution reinvestment plan (DRP) effective 1 July 2009 (subject to GAIF investor approval, which is to be sought at GAIF's AGM to be held on 4 December 2009).**
- + A \$200 million pro rata non-renounceable 1 for 10 rights issue at a fixed price of 75 cents. The raising is cornerstoned to \$164 million (\$79 million by Goodman and a further \$85 million by two existing GAIF investors).**

GAIF is Australia's largest unlisted industrial fund with \$4.1 billion of high quality industrial and business space assets under management in all major regions around Australia. The Fund has a weighted average lease term of approx. 6.3 years and includes blue chip companies such as Coles, Toll, Coca-Cola Amatil and Linfox among its customers.

Goodman Group (Goodman or Group) CEO and Chairman of GAIF, Greg Goodman said, "GAIF is the leading player in logistics and business space across Australia and is well supported by its key investors. These further capital initiatives are the final steps in GAIF's capital management plan following the significant refinance of its bank debt platform announced as part of the Group's capital management initiatives in August 2009."

Goodman is committing to its pro-rata share of the entitlement offer.

The completion of the equity raising initiatives by GAIF will also achieve:

- + Reduction in gearing to 33%, comfortably within the Fund's target range of 30% to 40%.**
- + Significant headroom to covenants across all of GAIF's finance facilities.**

"We are pleased with the strong support from GAIF's existing investors in underpinning this equity raising. Together with the recently completed NZ\$150 million, five year bond issue for our listed fund in New Zealand, Goodman Property Trust, we are confident that investor support is returning for high quality, well managed property investment products.

The ongoing support of both equity and debt providers for our fund management platform is a critical element to the successful execution of the Group's strategy of expanding operations in our core markets of Europe and Asia Pacific." Mr Goodman added.

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About Goodman

Goodman Group is an integrated property group with operations throughout Australia, New Zealand, Asia, Europe and the United Kingdom. Goodman Group, comprised of the stapled entities Goodman Limited and Goodman Industrial Trust, is the largest industrial property group listed on the Australian Securities Exchange and one of the largest listed specialist fund managers of industrial property and business space globally.

Goodman's global property expertise, integrated own+develop+manage customer service offering and significant fund management platform ensures it creates innovative property solutions that meet the individual requirements of its customers, while seeking to deliver long-term returns for investors.