19 August 2010

The Manager
Company Notices Section
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

GMP: GOODMAN GROUP (GMG) ANNOUNCEMENT –
GOODMAN INDUSTRIAL TRUST 30 JUNE 2010 FULL YEAR ACCOUNTS

We attach the Goodman Industrial Trust Full Year Accounts announced by Goodman Group.

Please contact the undersigned in relation to any queries.

Yours faithfully

Carl Bicego
Company Secretary

Goodman Industrial Trust
ARSN 091 213 839
and its Controlled Entities
Consolidated financial report for the year ended 30 June 2010

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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 2010 (year) and the audit report thereon.

GIT is deemed to be a controlled entity of Goodman Limited. GIT's units are stapled to shares in Goodman Limited and trade on the Australian Securities Exchange (ASX) as Goodman Group stapled securities.

Directors

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

	Appointment date
Mr Ian Ferrier, AM (Independent Chairman)	23 February 2005
Mr Gregory Goodman (Group Chief Executive Officer)	17 January 1995
Mr David S Clarke, AO (Non-Executive Director)	26 October 2000 (retired 2 July 2009)
Mr Patrick Goodman (Non-Executive Director)	23 February 2005
Ms Diane Grady, AM (Independent Director)	30 September 2007
Mr John Harkness (Independent Director)	1 September 2004
Mr James Hodgkinson (Non-Executive Director)	21 February 2003
Ms Anne Keating (Independent Director)	6 February 2004
Mr Jim Sloman, OAM (Independent Director)	1 February 2006

1. Mr Ian Ferrier assumed the role of Acting Chairman on 28 November 2008, when Mr David Clarke took leave of absence due to ill health. Mr Ian Ferrier was confirmed as Independent Chairman on 29 July 2009.

Details of the Directors' qualifications, experience and special responsibilities are set out on pages 8 and 9 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 9 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 year were:

	Board meetings		Audit Committee meetings		Remuneration and Nomination Committee meetings		Risk and Compliance Committee meetings		Investment Committee meetings		Moorabbin Sub-Committee meetings[2]	
Director	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**
Mr Ian Ferrier	18	17	5	4	5	5	-	-	5	5	9	9
Mr David Clarke[3]	-	-	-	-	-	-	-	-	-	-	-	-
Mr Gregory Goodman	16	15	-	-	-	-	-	-	5	5	-	-
Mr Patrick Goodman	17	17	-	-	-	-	4	4	-	-	-	-
Ms Diane Grady	18	17	-	-	5	5	-	-	-	-	-	-
Mr John Harkness	18	18	5	5	-	-	4	4	-	-	-	-
Mr James Hodgkinson	18	18	5	4	-	-	-	-	2	2	1	1
Ms Anne Keating	18	18	-	-	5	5	1	1	-	-	-	-
Mr Jim Sloman	18	15	-	-	-	-	4	3	5	3	9	8

1. Reflects the number of meetings individuals were entitled to attend. The Directors make themselves available as required but a number of the above meetings were unscheduled with the result that Directors may not have been able to attend the meeting.
2. A separate committee was established during the year to consider the potential acquisition of the business park at Moorabbin, currently owned by Goodman Holdings Group (refer to page 12). In addition to the nine meetings held during the year, Mr Jim Sloman also attended two meetings that were not official meetings of the sub-committee as a quorum was not reached. Mr James Hodgkinson attended one meeting as an alternate for Mr Jim Sloman.
3. Mr David Clarke retired as a Director on 2 July 2009

Directors absented themselves from meetings where they had a personal interest in the matters being discussed.

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.

Distributions

The total distribution declared to ordinary unitholders of GIT (Unitholders) during the year was 3.4 cents per unit (2009: 9.65 cents per unit). Further details of distributions paid or declared during the year are set out in note 4 to the financial statements.

Review of operations

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

	Consolidated	
	2010	**2009**
	$M	**$M**
Gross property income	**225.1**	**238.6**
Loss attributable to Unitholders	**(299.6)**	**(1,005.0)**

Value of assets

	Consolidated	
	30 June 2010	**30 June 2009**
	$M	**$M**
Carrying value of assets	**7,650.5**	**8,548.7**

The basis for valuation of assets is disclosed in notes 1 and 2 to the financial statements.

Issued capital

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

	Consolidated	
	2010	**2009**
	M	**M**
Units on issue at the beginning of the year	2,779.7	1,715.8
Units issued during the year	3,590.1	1,063.9
Units on issue at the end of the year	**6,369.8**	**2,779.7**

State of affairs

Key changes in the Consolidated Entity's state of affairs during the year were as follows:

(a) Equity raising

During August and September 2009, Goodman Limited and the entities it controlled (Goodman Group) undertook a fully underwritten equity raising to raise a total of $1,278.6 million from the issue of approximately 3.2 billion stapled securities at $0.40 per security via an institutional placement and a one for one non-renounceable entitlement offering. The Consolidated Entity's share of the capital raising amounted to $1,156.9 million.

(b) China Investment Corporation (CIC) convertible preference securities

On 16 October 2009, Goodman Group received $500 million from the issue of three tranches of convertible preference securities to CIC. Each tranche will receive a coupon of 10% per annum and can be converted to ordinary stapled securities as follows: tranche one of $225 million can be converted at a price of $0.43 per security from 31 October 2009; tranche two of $150 million can be converted at a price of $0.44 per security from 30 June 2010; and tranche three of $125 million can be converted at a price of $0.45 per security from 31 December 2010. During the financial year and up to the date of signature of the Directors' report none of the securities were converted.

Goodman Group may also elect to redeem the preferred equity if the closing price of Goodman Group's stapled securities for 20 out of 30 consecutive trading days is in excess of 125% of the conversion price as follows: tranche one from 31 December 2010; tranche two from 31 December 2011; and tranche three from 30 June 2012.

(c) Exercise of options over Goodman Group stapled securities

During the financial year, Macquarie Group exercised 243,278,351 options over stapled securities at a price of $0.2464 per stapled security and 150,021,649 options over stapled securities at a price of $0.3464 per stapled security.

(d) Financing initiatives

The proceeds from the equity raising have been used to retire the A$300 million drawn under the A$485 million secured loan provided by Macquarie Group and CIC and the amounts drawn under the $520 million tranche B of the syndicated multi-currency facility (SMCF). The Consolidated Entity also renegotiated a significant portion of both its bank debt facilities and the bank debt facilities of funds in which the Consolidated Entity has significant influence. This included:

+ extension from May 2011 to September 2012 of A$438 million of the A$520 million tranche C of the SMCF and extension from December 2012 to December 2013 of €340 million of the €525 million European revolving credit facility, along with amended covenants to the common terms deed poll, which applies to both facilities;
+ extension of facilities and renegotiation of covenants with Goodman Australia Industrial Fund;
+ renegotiation of the covenants for Goodman European Logistics Fund; and
+ renegotiation of covenants for Arlington Business Parks Partnership.

(e) Disposal of units in Goodman Property Trust (GMT)

During the year, Goodman Group completed the sale of 93 million units in GMT to a number of institutional investors at a price of NZ$0.95 per unit. The Consolidated Entity's share of the sale amounted to 41.3 million units. Subsequent to the disposal, the Consolidated Entity owns 17% of GMT, which is in line with Goodman Group's strategy of targeting a long-term holding of 15% to 20% for investments in funds managed by Goodman Group.

State of affairs (cont)

(f) Joint ventures with Canada Pension Plan Investment Board and CB Richard Ellis Realty Trust

On 6 August 2009, Goodman Group announced a strategic partnership with Canada Pension Plan Investment Board (CPPIB). CPPIB initially invested $163 million in a fund in China, Goodman China Logistics Holding Limited (GCLHL). This entity was funded on an 80/20 basis, with CPPIB holding the majority share. GCLHL owns four logistics assets and could invest a further $185 million to develop facilities on land owned by Goodman Group in Shanghai.

On 17 May 2010, a second fund, Goodman Australia Development Fund (GADF) was established in Australia, again funded on an 80/20 basis, with CPPIB holding the majority share. GADF has an initial equity commitment of $250 million with a target gross asset value of $400 million and will be seeded with the acquisition of the Consolidated Entity's Kmart development in Melbourne.

On 11 June 2010, Goodman Group announced the establishment of two new co-investment vehicles with CB Richard Ellis Realty Trust in Continental Europe and the United Kingdom. The co-investment vehicles will invest in pre-committed logistics development opportunities sourced through Goodman Group and will be funded on an 80/20 basis, with CB Richard Ellis Realty Trust holding the majority share.

The Continental Europe co-investment vehicle will target a total investment of €400 million over an initial investment term of three years, focusing on the core Western European markets of Germany, France and Benelux. The UK co-investment vehicle will target a total investment of £400 million over an initial investment term of three years.

Details of changes in the state of affairs of the Consolidated Entity subsequent to the year end are set out on page 12 in this Directors' report.

Strategy and outlook

Goodman Group's business strategy is to be the leading international provider of industrial property and business space to leading global customers in each of the markets in which the Consolidated Entity operates. Goodman Group's integrated "own+develop+manage" customer service model is a driving principle in the Consolidated Entity's operations.

The Consolidated Entity's "own+develop+manage" customer service model is intended to allow the Consolidated Entity to build an in-depth understanding of customer needs and to assist the Consolidated Entity in providing access to quality information on portfolio performance and market dynamics. The Consolidated Entity believes its ability to establish a better understanding of its clients' needs allows for better client management opportunities and enables the Consolidated Entity to provide a more tailored property management service. Goodman Group strives to meet the requirements of its customers "in-house" through the repositioning of existing assets or via the development of new pre-leased sites, while the "in-house" property management team works to efficiently satisfy customer needs.

The Consolidated Entity seeks to create value through expansion, both organically and through strategic acquisitions, while enhancing returns through the active management of its property portfolio. The cornerstone of this strategy is a substantial portfolio (including both directly owned property and cornerstone investments held by the Consolidated Entity) of quality industrial and business space assets, coupled with the Consolidated Entity's integrated property platform.

The Consolidated Entity intends to continue to follow this strategy in its existing markets.

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 the consolidated financial report because disclosure of the information would be likely to result in unreasonable prejudice to the Consolidated Entity.

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 has insured current and former directors and officers of the Consolidated Entity in respect of directors' and officers' liability and legal expenses. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of those contracts. The auditors of the Consolidated Entity are not indemnified in any way by this insurance cover.

Fees paid to and interests held by related entities and Directors

Fees were paid or are payable to Goodman Group 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 23 to the 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 the consolidated financial report is as follows:

Directors	Direct securities	Indirect securities	Total
Non-Executive			
Mr Ian Ferrier	**299,839**	**-**	**299,839**
Mr Patrick Goodman	**-**	**5,955,992**	**5,955,992**
Ms Diane Grady	**-**	**208,200**	**208,200**
Mr John Harkness	**269,368**	**-**	**269,368**
Mr James Hodgkinson	**333,730**	**920,572**	**1,254,302**
Ms Anne Keating	**-**	**304,866**	**304,866**
Mr Jim Sloman	**230,361**	**-**	**230,361**
Executive			
Mr Gregory Goodman	**5,955,992**	**-**	**5,955,992**

None of the Non-Executive Directors held any options over unissued securities at 30 June 2010. Mr Gregory Goodman held 9,700,000 options and 3,900,000 performance rights over securities of Goodman Group at 30 June 2010 (2009: 9,700,000 options and nil performance rights). Mr Patrick Goodman has an indirect interest in respect of those options and performance rights.

None of the Directors holds any interests in the hybrid securities issued by Goodman PLUS Trust, which are listed on the ASX.

Qualifications, experience and special responsibilities of Directors and Company Secretary

Board of Directors

Mr Ian Ferrier, AM – Independent Chairman
Appointed 23 February 2005

Ian was appointed Chairman on 28 July 2009 (having been Acting Chairman from 28 November 2008). Ian is a Fellow of The Institute of Chartered Accountants in Australia and has 45 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 InvoCare Limited (since 8 March 2001) and Australian Vintage Ltd (a director since 20 November 1991) and a director of EnergyOne Limited (since 15 January 2007) and Reckon Limited (since 17 August 2004). He was formerly a director of Australian Oil Limited (from 2 May 2005 to 7 January 2009). His experience is essentially concerned with understanding the financial and other issues confronting companies which require turnaround management, analysing those issues and implementing policies and strategies which lead to a successful rehabilitation. 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

Gregory is responsible for Goodman Group's overall operations and the implementation of its strategic plan. He has 28 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), J-REP Co., Ltd, the management companies of Goodman's unlisted funds and many of its subsidiaries.

Mr Patrick Goodman – Non-Executive Director
Appointed 23 February 2005

Patrick is the Managing Director of Goodman Holdings Group. The diversified interests of Goodman Holdings Group initially focused on direct and indirect property development and have expanded to include the management of a diverse portfolio across sectors covering aviation, food, rural, private and listed equity, infrastructure and financial services globally. Patrick is also a director of companies involved in information technology, property investment and management both in Australasia and the United States. During his 29 year career, he has had considerable public and private company experience both domestically and internationally.

Ms Diane Grady, AM – Independent Director
Appointed 30 September 2007

Diane has been a full-time non-executive director on various companies since 1994 and is currently a director of Woolworths Limited (since 5 July 1996) and BlueScope Steel Limited (since 10 May 2002) and the Chair of Ascham School Limited. Diane is also a senior adviser to McKinsey & Company. Previously, she was a director of Lend Lease Corporation Limited (from 1994 to 2002), Wattyl Ltd (from 1994 to 2006) and a Trustee of the Sydney Opera House. Prior to becoming an independent director, Diane was a partner with McKinsey & Company where she spent 15 years consulting to clients in a broad range of industries on strategic and organisational issues.

Mr John Harkness – Independent Director
Appointed 1 September 2004

John is a Fellow of The Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors. He was a partner of KPMG for 24 years and National Executive Chairman for five years. Since retiring from KPMG in June 2000, John has held a number of non-executive director roles. He is currently Chairman of ICA Property Development Funds and Sydney Foundation for Medical Research. John is a director of Charter Hall Retail Management Limited (since 18 August 2003), the management company of Charter Hall Retail REIT, and Crane Group Limited (since 1 September 2000). He was formerly the Chairman of Lipa Pharmaceuticals Limited (from 17 June 2004 to 6 November 2007). John is President of Northern Suburbs Rugby Football Club Limited and a member of the Territorial Headquarters and Sydney Advisory Board of the Salvation Army.

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

Mr James Hodgkinson – Non-Executive Director
Appointed 21 February 2003

James is a senior investment banker with real estate specialisation, most recently, as an Executive Director of Macquarie Group. James has extensive experience as principal in the establishment, strategy and growth of a number of both listed and unlisted investment vehicles and operating businesses in Australia, Asia and North America. James was also Chief Executive Officer of Macquarie Industrial Trust for six years prior to that trust's merger with GIT. He is a director of Goodman (NZ) Limited, the manager of the New Zealand Exchange listed Goodman Property Trust, and J-REP Co., Ltd. James is active in the 'not for profit' sector and has initiated and assisted in the fund raising initiatives and strategic support of a number of community based organisations, including as Founder and Chairman of the Spastic Centre of NSW's 20/Twenty Challenge and as a Founding Governor of the Cerebral Palsy Foundation. James has a Bachelor of Economics, is a Certified Practising Accountant and is a Fellow of the Australian Property Institute.

Ms Anne Keating – Independent Director
Appointed 6 February 2004

Anne is a non-executive director with board positions in a range of industries. She is on the boards of Ardent Leisure Management Limited (since 30 March 1998) and Ardent Leisure Limited (since 28 April 2003) (being the management companies of Ardent Leisure Group), Ausflag Limited, STW Communications Group Limited (since 17 May 1995) and the Garvan Institute of Medical Research (since 16 January 2009). Anne is also a member of the Advisory Council of RBS Group (Australia) Pty Ltd (formerly ABN AMRO), a Governor of the Cerebral Palsy Foundation and a Trustee for the Centennial Park and Moore Park Trust. Anne was previously on the board of Spencer Street Station Redevelopment Holdings Limited (from 31 December 2003 to 14 May 2008) and prior to that was a director of Insurance Australia Group Limited for seven years. Her last executive position was as General Manager, Australia for United Airlines for nine years until 2001.

Mr Jim Sloman, OAM – Independent Director
Appointed 1 February 2006

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 and Lend Lease Corporation Limited 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 is currently the Chairman of MI Associates Pty Limited, a company established by him and comprising some of the leading members of the former SOCOG senior management team. MI Associates is working as an adviser to the organisers of the London Olympic Games following its work on London's winning bid for the 2012 Olympic Games. In addition, Jim is a director of Prime Infrastructure Holdings Limited (since 9 February 2010), Prime Infrastructure RE Limited (since 9 February 2010) (the management company of Prime Infrastructure Trust), ISIS Holdings Pty Limited and several of its associated companies and is also a member of the Laing O'Rourke Australia Advisory Panel. With his range of experience, Jim brings significant property, construction and major projects expertise to Goodman Group.

Company Secretary

Mr Carl Bicego – Company Secretary

Carl is the Company Secretary of Goodman Group and its Australian subsidiaries as well as Legal Counsel – Head of Corporate in Australia. He has over 10 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 and options over Goodman Group stapled securities

Details of the rights and options over stapled securities of Goodman Group held by Mr Gregory Goodman are set out below. None of the other Directors held any rights or options over stapled securities.

	Number of performance rights granted	Grant date	Fair value per performance right[1] $	Exercise price per right[1]	Expiry date	Number of performance rights vested
Executive Director						
Mr Gregory Goodman	3,900,000	14 May 2010	0.60	-	1 Sep 2014	-

1. Goodman Group stapled securities are issued for nil consideration on vesting.

	Number of options granted	Grant date	Fair value per option $	Exercise price per option[1]	Expiry date	Number of option vested
Executive Director						
Mr Gregory Goodman	7,000,000	17 Nov 2008	0.04	3.01	30 June 2013	-
	2,700,000	26 Nov 2007	0.77	6.27	30 June 2013	-

1. As a consequence of the entitlement offer on 6 August 2009, the exercise prices of certain options issued to Mr Gregory Goodman have been reduced. The amounts disclosed in the table above reflect the reduced exercise price, where relevant.

No rights or options have been granted since the end of the financial year.

At the date of signature of the Directors' report, performance rights issued under the employee long term incentive plan and the applicable total securityholder return (TSR) or earnings per security (EPS) performance hurdles are:

Performance rights

Date granted	Expiry date	Exercise price $	Number of performance rights	Performance hurdles[1]
14 May 2010	1 Sep 2014	-	49,813,610	TSR[2] (50%) and EPS[3] (50%)

1. Performance hurdles are based on the results of Goodman Group.
2. The TSR vesting condition is determined by Goodman Group's relative TSR over the three year period from 1 July 2009 to 30 June 2012, as determined by the Board of Goodman Group. Goodman Group's TSR performance will be measured against the TSR performance of the entities comprising the ASX 200 index.
3. The EPS vesting condition is determined by the Goodman Group's aggregated operating EPS over the three year period from 1 July 2009 to 30 June 2012, compared to the target EPS and stretch target EPS as determined by the Board of Goodman Group.

Rights and options over Goodman Group stapled securities (cont)

At the date of signature of the Directors' report, unissued securities under option issued to employees and the applicable return on equity (ROE) performance hurdles are:

Date granted	Expiry date	Exercise price[1] $	Number of unissued options	Performance hurdle[2]
3 Nov 2005	30 Jun 2011	4.00	3,153,445	11% ROE
9 Dec 2005	31 Dec 2011	4.20	11,250,000	11% ROE
14 Jun 2006	31 Dec 2011	5.15	2,119,000	12% ROE
13 Oct 2006	30 Sep 2012	6.27	7,522,500	12% ROE
10 Apr 2007	31 Dec 2012	7.14	19,745,000	12% ROE
22 Jun 2007	31 Dec 2012	7.04	6,310,000	12% ROE
19 Oct 2007	30 Jun 2013	6.27	31,746,500	12% ROE
26 Nov 2007	30 Jun 2013	6.27	2,700,000	12% ROE
5 Sep 2008	30 Jun 2013	2.98	42,925,000	12% ROE
5 Sep 2008	30 Jun 2013	3.01	3,850,000	12% ROE
17 Nov 2008	30 Jun 2013	3.01	7,000,000	12% ROE

1. As a consequence of the entitlement offer on 6 August 2009, the exercise prices of certain options on issue have been reduced. The amounts disclosed in the table above reflect the reduced exercise price, where relevant.
2. Performance hurdles are based on the results of Goodman Group. The ROE performance hurdle requires the Goodman Group achieving compound annual growth ROE as set out above. These hurdles are calculated since the end of the previously reported 12 month period immediately preceding the date of grant (as reported in the Annual Report or Half Yearly Review of Goodman Group).

At the date of signature of the Directors' report, unissued securities under option issued to CIC are:

Date granted	Expiry date	Exercise price $	Number of unissued options
19 May 2009	22 May 11	0.2464	170,721,649
15 Jun 2009	22 May 11	0.3464	105,278,351

Events subsequent to balance date

On 16 August 2010, Goodman Group announced the proposed strategic acquisition of Moorabbin Airport and business park, Victoria for $201.5 million from Goodman Holdings Group. Mr Gregory Goodman and Mr Patrick Goodman are directors of and shareholders in Goodman Holdings Group. The transaction, which is subject to review by an independent expert, approval by securityholders of Goodman Group and government and regulatory approvals, would be funded via issue of ordinary equity in Goodman Group of $146.5 million, $35.0 million of vendor finance and $20.0 million cash to fund working capital.

On 17 August 2010, the Consolidated Entity entered into a new £85 million (A$150 million) unsecured loan with an international bank. The loan is revolving and available in multiple currencies for a three year term. As a result, the Consolidated Entity's total liquidity position has increased to approximately A$1.65 billion.

In the opinion of the Directors, other than this proposed strategic acquisition and the new loan facility, 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.

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

Gregory Goodman
Group Chief Executive Officer

Sydney, 19 August 2010

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 2010, 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

KPMG

John Teer
Partner

Sydney, 19 August 2010

Goodman Industrial Trust and its Controlled Entities
Balance sheet
as at 30 June 2010

		Consolidated	
		2010	**2009**
	Note	**$M**	**$M**
Current assets			
Cash	22(a)	474.8	216.7
Receivables	5	1,989.2	2,461.4
Inventories	6	28.7	-
Assets classified as held for sale	7	-	182.9
Other assets	8	27.8	31.5
Total current assets		**2,520.5**	**2,892.5**
Non-current assets			
Receivables	5	445.1	430.1
Inventories	6	70.7	-
Investment properties	9	2,500.2	2,870.7
Investments accounted for using the equity method	10	2,071.4	2,327.4
Other financial assets	11	42.6	28.0
Total non-current assets		**5,130.0**	**5,656.2**
Total assets		**7,650.5**	**8,548.7**
Current liabilities			
Deferred income		4.8	8.1
Payables	12	124.7	204.9
Provisions	13	124.8	11.6
Interest bearing liabilities	14	84.1	975.4
Liabilities classified as held for sale	7	-	10.1
Total current liabilities		**338.4**	**1,210.1**
Non-current liabilities			
Deferred income		0.6	1.8
Payables	12	224.1	186.6
Provisions	13	4.1	-
Interest bearing liabilities	14	2,193.3	3,254.2
Total non-current liabilities		**2,422.1**	**3,442.6**
Total liabilities		**2,760.5**	**4,652.7**
Net assets		**4,890.0**	**3,896.0**
Equity			
Issued capital	15	6,442.9	5,229.1
Reserves	16	(1,983.1)	(1,439.3)
Accumulated losses	17	(320.3)	(212.6)
Total equity attributable to Unitholders		**4,139.5**	**3,577.2**
Minority interests	18	750.5	318.8
Total equity		**4,890.0**	**3,896.0**

The balance sheet is to be read in conjunction with the accompanying notes.

Goodman Industrial Trust and its Controlled Entities
Income statement
for the year ended 30 June 2010

	Note	Consolidated 2010 $M	2009 $M
Revenue and other income			
Gross property income		225.1	238.6
Net loss from fair value adjustments on investment properties	9	(132.7)	(374.7)
Net gain on disposal of investment properties	3	1.7	9.1
Net (loss)/gain on disposal of controlled entities	3	(0.1)	33.8
Net (loss)/gain on disposal of equity investments	3	(8.0)	10.9
Share of net results of equity accounted investments	3	(194.6)	(412.3)
Distributions from equity investments		19.7	16.0
Other income		6.6	4.0
		(82.3)	**(474.6)**
Property and other expenses			
Property expenses		(55.9)	(63.1)
Trust expenses		(2.3)	(3.7)
Management fee		(27.8)	(12.4)
Impairment losses	3	(48.9)	(389.7)
Other expenses		(6.1)	(6.8)
		(141.0)	**(475.7)**
Loss before interest and tax		**(223.3)**	**(950.3)**
Financing costs			
Financial income	3	210.5	193.0
Financial expenses	3	(234.7)	(218.2)
Net financing costs		**(24.2)**	**(25.2)**
Loss before income tax		**(247.5)**	**(975.5)**
Income tax benefit/(expense)		**0.2**	**(5.5)**
Loss for the year		**(247.3)**	**(981.0)**
Loss attributable to Unitholders		(299.6)	(1,005.0)
Profit attributable to minority interests		52.3	24.0
Loss for the year		**(247.3)**	**(981.0)**

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

Goodman Industrial Trust and its Controlled Entities
Statement of comprehensive income
for the year ended 30 June 2010

		Consolidated	
		2010	2009
	Note	$M	$M
Loss for the year		**(247.3)**	**(981.0)**
Other comprehensive income			
Change in fair value of other financial assets	16	14.7	8.1
Transfers to income statement due to disposal of investments	16	-	2.8
Cash flow hedges:			
- Change in value of financial instruments	16	(0.4)	(282.2)
- Transfers to income statement	16	52.7	(16.4)
Effect of foreign currency translation	16	(204.8)	(88.0)
Other comprehensive income for the year		**(137.8)**	**(375.7)**
Total comprehensive income for the year		**(385.1)**	**(1,356.7)**
Attributable to:			
Unitholders		(437.4)	(1,380.7)
Minority interests		52.3	24.0
Total comprehensive income for the year		**(385.1)**	**(1,356.7)**

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

Goodman Industrial Trust and its Controlled Entities
Statement of changes in equity
for the year ended 30 June 2010

Consolidated		**Attributable to Unitholders**							**Minority interests**	**Total equity**
		Issued equity	**Asset revaluation reserve**	**Cash flow hedge reserve**	**Foreign currency translation reserve**	**Capital profits reserve**	**Accumulated losses**	**Total**		
	Note	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Balance at 1 July 2008		**4,349.2**	**(330.3)**	**72.6**	**23.9**	**231.4**	**(0.6)**	**4,346.2**	**320.6**	**4,666.8**
Total comprehensive income for the year	16,17									
Loss for the year		-	-	-	-	-	(1,005.0)	**(1,005.0)**	24.0	**(981.0)**
Total other comprehensive income for the year		-	14.7	(295.8)	(94.6)	-	-	**(375.7)**	-	**(375.7)**
Transfers		-	(968.1)	-	-	(93.1)	1,061.2	**-**	-	-
Total comprehensive income for the year		**-**	**(953.4)**	**(295.8)**	**(94.6)**	**(93.1)**	**56.2**	**(1,380.7)**	**24.0**	**(1,356.7)**
Contributions by and distributions to owners										
Ordinary units issued to Unitholders		904.1	-	-	-	-	-	**904.1**	-	**904.1**
Issue costs due to ordinary units		(28.9)	-	-	-	-	-	**(28.9)**	-	**(28.9)**
Ordinary units issued under the earn-out provisions of the Eurinpro acquisition		4.7	-	-	-	-	-	**4.7**	-	**4.7**
Issue costs due to Goodman PLUS Trust hybrid securities		-	-	-	-	-	-	**-**	(1.8)	**(1.8)**
Distributions declared on ordinary units	4	-	-	-	-	-	(268.2)	**(268.2)**	-	**(268.2)**
Distributions declared on Goodman PLUS Trust hybrid securities	4	-	-	-	-	-	-	**-**	(24.0)	**(24.0)**
Balance at 30 June 2009		**5,229.1**	**(1,283.7)**	**(223.2)**	**(70.7)**	**138.3**	**(212.6)**	**3,577.2**	**318.8**	**3,896.0**

Goodman Industrial Trust and its Controlled Entities
Statement of changes in equity
for the year ended 30 June 2010

Consolidated (cont)		**Attributable to Unitholders**							**Minority interests**	**Total equity**
		Issued equity	**Asset revaluation reserve**	**Cash flow hedge reserve**	**Foreign currency translation reserve**	**Capital profits reserve**	**Accumulated losses**	**Total**		
	Note	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Balance at 1 July 2009		**5,229.1**	**(1,283.7)**	**(223.2)**	**(70.7)**	**138.3**	**(212.6)**	**3,577.2**	**318.8**	**3,896.0**
Total comprehensive income for the year	16,17									
Loss for the year		-	-	-	-	-	(299.6)	**(299.6)**	52.3	**(247.3)**
Total other comprehensive income for the year		-	101.0	75.9	(328.3)	13.6	-	**(137.8)**	-	**(137.8)**
Transfers		-	(375.0)	-	-	(31.0)	406.0	**-**	-	**-**
Total comprehensive income for the year		**-**	**(274.0)**	**75.9**	**(328.3)**	**(17.4)**	**106.4**	**(437.4)**	**52.3**	**(385.1)**
Contributions by and distributions to owners										
Ordinary units issued to Unitholders		1,260.2	-	-	-	-	-	**1,260.2**	-	**1,260.2**
Issue costs due to ordinary units		(46.4)	-	-	-	-	-	**(46.4)**	-	**(46.4)**
Increase due to China Investment Corporation (CIC) convertible preference securities issued		-	-	-	-	-	-	**-**	452.3	**452.3**
Issue costs due to CIC convertible preference securities		-	-	-	-	-	-	**-**	(20.6)	**(20.6)**
Distributions declared on ordinary units	4	-	-	-	-	-	(214.1)	**(214.1)**	-	**(214.1)**
Distributions declared on Goodman PLUS Trust hybrid securities	4	-	-	-	-	-	-	**-**	(18.3)	**(18.3)**
Distributions declared on CIC convertible preference securities	4	-	-	-	-	-	-	**-**	(34.0)	**(34.0)**
Balance at 30 June 2010		**6,442.9**	**(1,557.7)**	**(147.3)**	**(399.0)**	**120.9**	**(320.3)**	**4,139.5**	**750.5**	**4,890.0**

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

Goodman Industrial Trust and its Controlled Entities
Cash flow statement
for the year ended 30 June 2010

		Consolidated	
		2010	**2009**
	Note	**$M**	**$M**
Cash flows from operating activities			
Property income received		225.4	261.5
Other cash receipts from services provided		80.7	4.4
Property expenses paid		(51.1)	(70.3)
Other cash payments in the course of operations		(81.8)	(26.2)
Dividends/distributions received		53.7	135.4
Interest and other finance costs paid		(162.8)	(142.9)
Interest received		50.2	14.8
Income taxes paid		(0.9)	(3.3)
Net cash provided by operating activities	22(b)	**113.4**	**173.4**
Cash flows from investing activities			
Proceeds from sale of investment properties		41.4	203.5
Proceeds from sale of controlled entities (net of cash disposed)	20	186.8	12.4
Cash included in assets held for sale		-	(21.3)
Proceeds from sale of equity investments		31.1	282.1
Payments to acquire controlled entities (net of cash acquired)		-	(10.5)
Payments for equity investments		(116.1)	(880.5)
Payments for investment properties and developments		(54.7)	(318.9)
Net cash provided by/(used in) investing activities		**88.5**	**(733.2)**
Cash flows from financing activities			
Proceeds from issue of units to Unitholders		1,260.2	904.1
Proceeds from issue of CIC convertible preference securities		500.0	-
Transaction costs from issue of securities		(46.4)	(30.8)
Transaction costs from issue of CIC convertible preference securities		(20.6)	-
Proceeds from borrowings		895.3	5,271.1
Repayments of borrowings		(2,514.8)	(5,372.2)
Loans from/(to) related parties		125.4	(185.8)
Distributions paid	4	(142.9)	(438.6)
Net cash provided by financing activities		**56.2**	**147.8**
Net increase/(decrease) in cash held		258.1	(412.0)
Cash at the beginning of the year		216.7	628.7
Cash at the end of the year	22(a)	**474.8**	**216.7**

Non-cash financing and investing activities are included in note 22(c).

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

1 Statement of significant accounting policies

Goodman Industrial Trust (GIT, Trust or Parent Entity) is established in Australia. The consolidated financial report of GIT for the year ended 30 June 2010 comprises GIT and its controlled entities (Consolidated Entity) and the Consolidated Entity's interest in associates and joint venture entities.

The stapling of GIT and Goodman Limited (GL) was approved at separate meetings of the respective Unitholders and Shareholders on 25 January 2005. Following approval of the stapling, units in GIT and shares in GL were stapled to one another and are quoted as a single security on the Australian Securities Exchange (ASX). Both Goodman Funds Management Limited (Responsible Entity), the responsible entity for the Trust, and GL must at all times act in the best interest of the stapled entity.

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 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 19 August 2010.

Changes in accounting policy

Starting as of 1 July 2009, the Consolidated Entity has changed its accounting policies in the following areas:

+ business combinations, refer to note 1(b);
+ investment properties – refer to note 1(e);
+ segment reporting, refer to note 1(q); and
+ presentation of financial statements, refer to note 1(r).

The Corporations Amendment (Corporate Reporting Reform) Act 2010 amended the Corporations Act 2001 to require the presentation of consolidated financial statements only. Summarised financial information of the Parent Entity is disclosed in note 26.

The significant accounting policies which have been adopted in the preparation of the consolidated financial report are set out below.

(a) 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.

(b) Principles of consolidation

Business combinations

All business combinations that occurred on or after 1 July 2004 and on or prior to 30 June 2009 were accounted for by applying the purchase method.

Change in accounting policy
The Consolidated Entity has adopted revised AASB 3 *Business Combinations* (2008) and amended AASB 127 *Consolidated and Separate Financial Statements* (2008) for business combinations occurring in the financial year starting 1 July 2009. All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. The change in accounting policy is applied prospectively and had no material impact on earnings per share/security. All business combinations that occurred on or after 1 July 2004 and on or prior to 30 June 2009 were accounted for by applying the purchase method.

For every business combination, the Consolidated Entity identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Consolidated Entity takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control has passed from one party to another.

(b) Principles of consolidation (cont)

Business combinations (cont)

Measuring goodwill
The Consolidated Entity measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Consolidated Entity to the previous owners of the acquiree, and equity interests issued by the Consolidated Entity. Consideration transferred also includes the fair value of any contingent consideration and share based payment awards of the acquiree that are replaced mandatorily in the business combination.

Contingent liabilities
A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Non-controlling interest
The Consolidated Entity measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs
Transaction costs that the Consolidated Entity incurs in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

Accounting for acquisitions of non-controlling interests
The Consolidated Entity has adopted revised AASB 3 *Business Combinations* (2008) and amended AASB 127 *Consolidated and Separate Financial Statements* (2008) for acquisitions of non-controlling interests occurring in the financial year starting 1 July 2009. Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Controlled entities
The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Parent Entity as at 30 June 2010 and the results of all such entities for the year ended 30 June 2010. Control exists when the Parent Entity has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

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.

Accounting for hybrid and convertible preference securities
Goodman PLUS Trust and China Hybrid Investment Sub-trust are-wholly owned subsidiaries of GIT. Both trusts have issued convertible hybrid securities (Hybrid Securities) which meet the definition of equity for the purposes of the Consolidated Entity. Accordingly, the Hybrid Securities have been classified as equity and presented as minority interests. Incremental costs directly attributable to the issue of Hybrid Securities are recognised as a deduction from equity, net of any tax effects.

Associates
Associates are those entities over which the Consolidated Entity exercises significant influence but not control and which are not intended for sale in the near future. 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 profits 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 venture entities (JVEs)
A JVE is an entity that is jointly controlled by the Consolidated Entity. In the consolidated financial statements, investments in JVEs are accounted for using equity accounting principles. Investments in JVEs are carried at the lower of the equity accounted amount and recoverable amount.

The Consolidated Entity's share of the JVE's net profit or loss is recognised in the consolidated income statement from the date joint control commences until the date joint control ceases. Movements in reserves are recognised directly in consolidated reserves.

1 Statement of significant accounting policies (cont)

(b) Principles of consolidation (cont)

Joint venture entities (JVEs) (cont)

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

Unrealised gains resulting from transactions with associates and JVEs, 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 JVEs 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 recoverable amounts.

(c) Revenue recognition

Rental income
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 as a reduction of gross operating lease rental income.

Recoverable outgoings
Recovery of certain outgoings is accrued on an estimated basis and adjusted when the actual amounts are invoiced to respective customers.

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.

Interest 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 balance sheet as a receivable.

Income from dividends and distributions
Dividend and distribution income is recognised net of any franking credits and before deduction of any withholding tax.

Dividend and distribution income is recognised when a dividend/distribution is declared and, if not received at balance date, is reflected in the balance sheet as a receivable.

(d) 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 Australian currency at the 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 the income statement.

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.

1 Statement of significant accounting policies (cont)

(d) Foreign currency translation (cont)

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 sheet date.

Revenue and expenses are translated at weighted average rates for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve until the disposal or partial disposal of the operations. Fair value adjustments arising on the acquisition of foreign entities are treated as assets of the foreign entities and translated at the closing rate.

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.

Exchange rates used
The main exchange rates used in translating foreign currency transactions, balances and financial statements are as follows:

	Weighted average		As at 30 June	
	2010	**2009**	**2010**	**2009**
New Zealand dollar	1.2554	1.2289	1.2321	1.2428
Singapore dollar	1.2404	1.0916	1.1831	1.1699
Hong Kong dollar	6.8469	5.8048	6.5923	6.2586
United States dollar	0.8822	0.7473	0.8523	0.8114
Japanese yen	80.7539	74.2058	76.7200	77.7600
Euro	0.6359	0.5416	0.7050	0.5751
British pounds sterling	0.5588	0.4625	0.5666	0.4872

(e) 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 their fair value.

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. Taxation allowances for building, plant and equipment depreciation are claimed by trusts within the Consolidated Entity and are declared as tax deferred components of distributions.

Investment property carrying values include the costs of acquiring the properties and subsequent costs of development, if applicable. Where a contract of purchase includes a deferred payment arrangement, the acquisition value is determined as the cash consideration payable in the future, discounted to present value at the date of acquisition. Costs of development include the 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. The amortisation is applied to reduce gross property income.

Expenditure on direct leasing and tenancy costs is deferred and included within investment property values. Direct leasing and tenancy costs are amortised over the term of the lease in proportion to the rental income recognised in each financial year.

Completed investment properties
An independent valuation of completed 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 reporting 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 profit or loss. The net of unrealised revaluations from investment properties is transferred to the asset revaluation reserve.

1 Statement of significant accounting policies (cont)

(e) Investment properties (cont)

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.

The Consolidated Entity has adopted AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* and AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* for the year ended 30 June 2010. The principal impact for the Consolidated Entity relates to the amendments to AASB 140 *Investment Property* which brings into scope, property under development for future use as an investment property and land. As the Consolidated Entity adopts the fair value approach under AASB 140, property under development for future use as an investment property is now measured at fair value (previously, it was measured at the lower of cost and recoverable amount). The change in accounting policy has been applied prospectively with the movement between book value at 1 July 2009 and fair value at 30 June 2010 (i.e. including the difference between book value and fair value at 1 July 2009) reported through the income statement as a component of the net loss from fair value adjustments on investment properties.

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. On disposal, the balance of previously unrealised gains for the individual properties included in the asset revaluation reserve is transferred to the capital profits reserve.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or value added tax in certain jurisdictions), except where the amount of GST incurred is not recoverable from the relevant taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the relevant taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant taxation authority are classified as operating cash flows.

(g) Taxation

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.

(h) Receivables

Trade receivables (including rental debtors) due within 30 days are not discounted. The collectability of trade receivables is assessed at balance date. Debts which are known to be uncollectible are written off.

(i) Depreciation

The Consolidated Entity does not have any assets classified as property, plant and equipment. Investment properties are not depreciated. Buildings and plant integral to the property are classified as investment properties and accordingly, are not depreciated. The properties are subject to continual maintenance and regularly revalued on the basis described above. Taxation allowances for building, plant and equipment depreciation are claimed by the Consolidated Entity and are declared as tax deferred components of distributions.

1 Statement of significant accounting policies (cont)

(j) 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 yield 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 is 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 takes a substantial time to get ready for their intended use or sale. All other finance costs are expensed as incurred.

(k) Interest bearing liabilities

Bank loans are recognised on inception at their fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost with any difference being recognised in the income statement over the period of the borrowings on an effective yield basis, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in the balance sheet under current payables.

Debentures and notes payable are recognised when issued, at the net proceeds received with the premium or discount on issue amortised over the period to maturity. Interest expense is recognised on an effective yield basis.

(l) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received by the Consolidated Entity prior to the end of the year. Payables are recognised at amortised cost using the effective interest method. Payables that are due in less than 12 months are not discounted.

(m) Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability most closely matching the expected future payments, except where noted below. The unwinding of the discount is treated as part of the expense related to the particular provision.

Distributions payable
Provisions for distributions payable by GIT 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.

(n) Derivative financial instruments and hedging

The Consolidated Entity uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operating, financing and investing activities. In accordance with its treasury policy, the Consolidated Entity does not hold or issue derivative financial instruments for trading purposes. From 1 July 2009, the Consolidated Entity amended its financial risk management policy (refer to note 24) such that derivative financial instruments are not generally designated as a hedge for accounting purposes, and accordingly such derivative financial instruments are treated as trading instruments.

In certain circumstances, the Consolidated Entity may consider it appropriate to designate certain transactions as a hedge. Such transactions are designated as a hedge of the anticipated specific purchase or sale of goods or services, purchase of qualifying assets, or an anticipated interest transaction, only when they are expected to reduce exposure to the risks being hedged; and are designated prospectively so that it is clear when an anticipated transaction has or has not occurred; and it is probable the anticipated transaction will occur as designated.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is recognised in profit or loss.

1 Statement of significant accounting policies (cont)

(n) Derivative financial instruments and hedging (cont)

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised directly in equity. The gain or loss relating to any ineffective portion is recognised in the income statement.

Hedges of net investment in foreign operation
The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in equity. The ineffective portion is recognised immediately in profit or loss.

(o) Investments

Investments in equity securities
Investments held for trading are classified as current assets and are stated at fair value with any resultant gain or loss recognised in profit or loss.

Other investments held by the Consolidated Entity (apart from investments in associates and JVEs) are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in profit or loss.

Investments in listed entities which are designated as available for sale (other than investments in listed associates and JVEs) are measured at fair value which is determined with reference to the quoted bid price at reporting date. Changes in the fair value of such investments are recognised in equity, except for impairment losses (refer to note 1(p)). When investments classified as available for sale are sold, the accumulated fair value adjustments are included in the profit or loss as gains or losses from disposal of investment securities.

(p) Impairment

The carrying amounts of the Consolidated Entity’s assets (except investment properties) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset is written down to the recoverable amount. The write-down is expensed in the reporting period in which it occurs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation, with any excess recognised through income statement.

When a decline in the fair value of an available for sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the income statement even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

Calculation of recoverable amount
The recoverable amount of the Consolidated Entity’s investments in 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. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed; instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1 Statement of significant accounting policies (cont)

(p) Impairment (cont)

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.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed, with the amount of the reversal recognised in the income statement.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Where a group of assets working together supports the generation of cash inflows, the recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets, the relevant cash flows are discounted to their present value.

(q) Segment reporting

The Consolidated Entity has adopted AASB 8 *Operating Segments* which requires a change in the presentation of and disclosure of segment information 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.

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 interest bearing receivables and payables, derivative financial instruments, provision for distributions to Unitholders, corporate assets, head office expenses and income tax assets and liabilities.

Comparative segment information has been re-presented in accordance with AASB 8.

(r) Presentation of financial statements

The Consolidated Entity has adopted revised AASB 101 *Presentation of Financial Statements* (2007) which is effective from 1 July 2009. As a result, the Consolidated Entity presents in the consolidated statement of changes in equity all owner changes in equity, whereas non owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also conforms to the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per Company share/security.

(s) Parent Entity financial information

The financial information for the Parent Entity, Goodman Industrial Trust, disclosed in note 26 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in controlled entities
Investments in controlled entities are carried at fair value which is determined with reference to the net assets of the controlled entities. Revaluation increments are credited directly to an asset revaluation reserve. Revaluation decrements are taken directly to the asset revaluation reserve to the extent that such decrements are reversing amounts previously credited to that reserve that are still available in that reserve. Revaluation decrements in excess of amounts available in the reserve are recognised as impairment losses and charged to the income statement. Subsequent revaluation increments are credited to an asset revaluation reserve.

Investments in associates and JVEs
Investments in associates and JVEs are accounted for at cost in the financial statements of Goodman Industrial Trust. Dividends /distributions received from associates and JVEs are recognised in the Parent Entity's income statement, rather than being deducted from the carrying amount of these investments.

1 Statement of significant accounting policies (cont)

(t) Australian accounting standards issued but not yet effective

As at the date of this consolidated financial report, revised accounting standards on issue with mandatory application for the Consolidated Entity's 30 June 2010 financial statements are available for early adoption at 30 June 2010:

+ AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 will become mandatory for the Consolidated Entity's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the Consolidated Entity adopts the standard for the year ending 30 June 2012 or earlier. The Consolidated Entity has not yet determined the potential effect of the standard.
+ AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party. The amendments will become mandatory for the Consolidated Entity's financial statements for the year ending 30 June 2012 and are not expected to have any impact on the financial statements.
+ AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* affect various standards resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Consolidated Entity's financial statements for the year ending 30 June 2011, are not expected to have a significant impact on the financial statements; and
+ AASB 2009-14 *Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement* – AASB 14 make amendments to AASB Interpretation 14 AASB 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements* removing an unintended consequence arising from the treatment of the prepayments of future contributions in some circumstances where there is a minimum funding requirement. The amendments will become mandatory for the Consolidated Entity's 30 June 2012 financial statements with retrospective application required. The amendments are not expected to have any impact on the financial statements.

(u) Rounding

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

2 Critical accounting estimates used in the preparation of the 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 are discussed below. The accounting impacts of revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Investment property values – stabilised investment properties

Stabilised investment property refers to investment property which is not under development. Stabilised investment properties are carried at their fair value. Fair value 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
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. This determination is made based on the criteria set out below:

+ function of the asset (distribution/warehouse or suburban office);
+ location of asset (city, suburb or regional area);
+ carrying value of asset (categorised by likely appeal to private investors (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.

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 with the consequence that no external valuations are undertaken for those property assets. An internal valuation is completed for each asset for which an external valuation is not undertaken. Internal valuations may be based on discounted cash flow (DCF) calculations or based on cap rates and referenced to independent market data. This approach is also consistently applied to investment properties within funds managed by Goodman Group.

Key assumptions for discounted cash flow (DCF) calculations
Where an internal valuation can be prepared with reference to recent and reliable cap rate information, a cap rate approach is used. Whilst providing general information on markets, broad index based valuation approaches may not be sufficiently specific to apply directly to calculations of fair value.

Alternatively, internal valuations are prepared using a DCF methodology. The DCF calculations are prepared over a 10 year period. The key inputs considered for each individual calculation (for wholly-owned investment properties as well as investment properties within funds managed by Goodman Group) 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 2010 and 30 June 2009
Investment property markets in most regions were significantly and adversely impacted by the changes in economic conditions during the course of the comparative financial year and during the early part of the current financial year. The scarcity of finance resulted in a reduced number of transactions involving properties comparable to those owned or managed by Goodman Group which significantly increased the level of uncertainty inherent in determining the fair value of individual properties. The difficulties in determining fair value were exacerbated by an absence of consensus on how to distinguish sales where sellers are forced as opposed to willing.

In the latter part of the current financial year, the increasing number of sales transactions in property markets in which Goodman Group operates means that more market segments are considered to be active at 30 June 2010. This has increased the extent to which external valuations have been undertaken with a consequent reduction in circumstances where fair value is determined solely by reference to an internal valuation.

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

Investment property values – stabilised investment properties (cont)

Key assumptions adopted at 30 June 2010 and 30 June 2009

As a consequence of lack of available comparable sales across all markets at 30 June 2009, internal valuations using DCF calculations were used to determine adjustments to the carrying values of stabilised properties in each market. The largest adjustments were adopted in the following property markets: Australia; Logistics - Continental Europe; Logistics – United Kingdom; and Business Parks – United Kingdom.

At 30 June 2010, adjustments were made to the carrying value of stabilised investment properties arising from internal valuations using DCF calculations for Goodman Group properties in Australia and Continental Europe only. No such adjustments were made to properties within managed funds at 30 June 2010. For all other stabilised investment properties, there was sufficient recent and reliable cap rate information available and the underlying parameters supporting the existing internal or external valuation were compared to information derived from recent relevant market transactions and the existing carrying value was considered to represent the fair value of the property at 30 June 2010.

The cap rates derived for properties internally valued using DCF calculations, the weighted average cap rates for those properties valued externally at 30 June 2010 and the overall weighted average cap rates for the portfolio (including managed funds) are set out in the table below.

	Derived weighted average cap rate (DCF method)[1]		Weighted average cap rate for extenal valuations at 30 June		Total portfolio weighted average cap rate	
	2010	2009	2010	2009	2010	2009
Division	%	%	%	%	%	%
Australia	**8.2**	8.0	**8.0**	8.5	**8.2**	8.0
New Zealand	**n/a**	8.7	**-**	-	**8.6**	8.7
Hong Kong	**n/a**	7.1	**6.7**	7.4	**6.9**	7.1
China	**n/a**	9.2	**-**	-	**9.2**	9.2
Japan	**n/a**	5.5	**6.1**	5.5	**6.1**	5.5
Logistics - Continental Europe	**7.7**	7.7	**7.9**	7.4	**7.9**	7.7
Logistics - United Kingdom	**n/a**	8.2	**7.5**	8.0	**8.0**	8.2
Business Parks - United Kingdom	**n/a**	7.9	**7.6**	-	**7.6**	7.9

1. Adjustments were made to the carrying value of stabilised investment properties arising from internal valuations at 30 June 2010 in Australia and Continental Europe only. Valuation movements in those divisions reflect increased rental growth assumptions offset by higher discount rates and incentives, and longer letting up allowances.

The table below shows the sensitivity of the fair value of those stabilised investment properties which have been internally valued to a 25 basis point increase in the annual discount rate. All other assumptions are property specific and it is impractical to show sensitivities.

	Decrease in investment property values (GIT properties)		GIT share of decrease in investment property values (managed funds)	
	2010	2009	2010	2009
Division	$M	$M	$M	$M
Australia	**(7.0)**	(40.7)	**n/a[1]**	(25.3)
Logistics - Continental Europe	**(1.4)**	(0.9)	**n/a[1]**	(9.7)
Logistics - United Kingdom	**n/a[1]**	(8.2)	**n/a[1]**	-
Business Parks - United Kingdom	**n/a[1]**	-	**n/a[1]**	(15.5)

1. Adjustments were made to the carrying value of stabilised investment properties arising from internal valuations at 30 June 2010 for Goodman Group properties in Australia and Continental Europe only.

At 30 June 2010, the carrying value of stabilised investment properties held by the Consolidated Entity is $2,244.3 million (2009: $2,332.1 million).

Consistent assumptions for cap rates, letting up periods and incentives were also adopted in feasibility models supporting development properties and at 30 June 2010, the carrying value of investment properties under development held by the Consolidated Entity was $255.9 million (2009: $538.6 million).

3 Loss for the year

	Note	Consolidated 2010 $M	2009 $M
Loss before income tax has been arrived at after crediting/(charging) the following items:			
Net consideration from the sale of investment properties		30.2	197.8
Carrying value of investment properties sold		(28.5)	(188.7)
Net gain on disposal of investment properties		**1.7**	**9.1**
Net consideration received and receivable from the sale of controlled entities		186.8	186.0
Net assets disposed		(186.9)	(152.2)
Net (loss)/gain on disposal of controlled entities		**(0.1)**	**33.8**
Net consideration from the sale of equity investments		30.2	286.5
Carrying value of equity investments sold		(38.2)	(275.6)
Net (loss)/gain on disposal of equity investments		**(8.0)**	**10.9**
Share of net results of investments in associates - refer to note 10(a)		(191.9)	(415.1)
Share of net results of investments in JVEs - refer to note 10(b)		(2.7)	2.8
Share of net results of equity accounted investments		**(194.6)**	**(412.3)**
Impairment of receivables		(0.8)	-
Impairment of assets classified as held for sale		-	(8.7)
Impairment of inventories		(2.4)	-
Impairment of loans to related parties[1]		(45.3)	(217.6)
Impairment of equity accounted investments		(0.4)	(2.0)
Impairment of other financial assets[2]		-	(161.4)
Total impairment losses		**(48.9)**	**(389.7)**
Financial income			
Interest income from:			
- Related parties		186.7	187.4
- Other parties		23.8	5.6
		210.5	**193.0**
Financial expenses			
Interest expense on third party loans, overdrafts and derivatives		(124.0)	(186.1)
Debt restructuring costs		(50.7)	-
Other borrowing costs		(8.2)	-
Foreign exchange loss		(6.5)	-
Fair value adjustments on derivative financial instruments[3]		(67.7)	(61.0)
Capitalised borrowing costs[4]		22.4	28.9
		(234.7)	**(218.2)**
Net financing costs		**(24.2)**	**(25.2)**

1. The impairment loss relates to loans provided to certain JVEs to fund specific development projects. The impairment is a result of a devaluation of the development asset in the JVE.
2. An impairment loss of $nil (2009: $161.4 million) was recognised on the investment in ING Industrial Fund.
3. Includes fair value movements on the derivatives not designated for hedge accounting during the year and amortisation of gains or losses on terminated derivative contracts included in the cash flow hedge reserve. The remaining gains or losses on terminated derivative contracts included in the cash flow hedge reserve will be amortised over future periods.
4. Borrowing costs were capitalised to investment properties under development at weighted average rates of between 1.8% and 8.0% per annum (2009: 1.4% and 10.8% per annum).

Restructuring costs associated with the financing initiatives

During the year, the Consolidated Entity completed a number of financing initiatives including:

+ an institutional placement and a one for one non-renounceable entitlement offering;
+ retirement of the A$300 million drawn under the A$485 million secured loan provided by Macquarie Group and CIC;
+ retirement of the amounts drawn under the A$520 million tranche B of the syndicated multi currency facility (SMCF);
+ renegotiated the extension from May 2011 to September 2012 of A$438.0 million of the A$520 million tranche C of the SMCF;
+ extension from December 2012 to December 2013 of €340 million of the €525 million European revolving credit facility; and
+ negotiation of amended covenants to the common terms deed poll, which applies to both the SMCF and European revolving credit facility.

The costs associated with these initiatives of $50.7 million included advisers' fees, arrangers' fees, commitment fees and write off of the unamortised fees that had previously been capitalised to modified facilities.

4 Distributions

(a) Distributions declared and paid by GIT

	Distribution cpu	Total amount $M	Date of payment
Distribution for the year ended 30 June 2010:			
- 31 Dec 2009	1.50	93.1	26 Feb 2010
- 30 Jun 2010	1.90	121.0	26 Aug 2010
	3.40	**214.1**	
Distribution for the year ended 30 June 2009:			
- 31 Dec 2008	9.65	268.2	26 Feb 2009
- 30 Jun 2009	-	-	-
	9.65	**268.2**	

The distribution for the quarter ended 30 June 2008 of $145.9 million was paid on 26 August 2008.

(b) Distributions declared and paid by Goodman PLUS Trust

	Distribution cpu	Total amount $M	Date of payment
Distributions for the year ended 30 June 2010:			
- 21 Sep 2009	128.0	4.2	21 Sep 2009
- 21 Dec 2009	129.2	4.2	21 Dec 2009
- 21 Mar 2010	148.1	4.9	21 Mar 2010
- 21 Jun 2010	153.9	5.0	21 Jun 2010
	559.2	**18.3**	

	Distribution cpu	Total amount $M	Date of payment
Distributions for the year ended 30 June 2009:			
- 21 Sep 2008	242.5	7.9	22 Sep 2008
- 21 Dec 2008	233.7	7.6	22 Dec 2008
- 21 Mar 2009	150.6	4.9	23 Mar 2009
- 21 Jun 2009	124.6	4.1	22 Jun 2009
	751.4	**24.5**	

(c) Distributions declared and paid by China Hybrid Investment Sub-Trust

	Distribution cpu	Total amount $M	Date of payment
Distributions for the year ended 30 June 2010:			
- 21 Dec 2009	180,821.9	9.0	21 Dec 2009
- 21 Jun 2010	498,630.1	25.0	21 Jun 2010
		34.0	

The Hybrid Securities were issued by China Hybrid Investment Sub-Trust on 16 October 2009.

5 Receivables

	Consolidated 2010 $M	2009 $M
Current		
Trade receivables	8.2	10.1
Other receivables	32.4	84.2
Loans to related parties	1,945.7	2,364.4
Derivative financial instruments	2.9	2.7
	1,989.2	**2,461.4**
Non-current		
Loans to related parties	408.0	401.9
Derivative financial instruments	20.1	28.2
Other receivables	17.0	-
	445.1	**430.1**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. All non-current receivables of the Consolidated Entity are due within five years from the balance sheet date. There is no material difference between the carrying values and the fair values of receivables.

Receivables denominated in currencies other than Australian dollars are as follows:

Amounts in A$M	NZD	HKD	USD	GBP	EUR	JPY
2010	**1.4**	**179.5**	**45.6**	**1,383.2**	**519.8**	**238.6**
2009	33.6	175.0	11.5	1,105.0	1,159.2	226.8

Trade receivables

Trade receivables that are past due are not considered impaired. As at 30 June 2010, trade receivables of $0.8 million were impaired (2009: $nil). The ageing analysis of these trade receivables (before impairment) is as follows:

	Consolidated 2010 $M	2009 $M
Overdue by:		
Up to one month	1.6	1.7
One to four months	0.8	1.2
Greater than four months	2.3	1.0
	4.7	**3.9**

The Consolidated Entity holds bank guarantees as security for $7.2 million (2009: $3.4 million) of its trade receivables from investment property customers.

Loans to related parties

The Consolidated Entity's loans to related parties principally relate to amounts owed by fellow controlled entities of GL and advances to associates and JVEs. The effective interest rates on loans to related parties are 1.6% to 15.6% per annum (2009: 1.6% to 10.6% per annum). An impairment loss of $45.3 million was recognised on loans to related parties in the current year (2009: $217.6 million). Further details of loans to related parties are set out in note 23.

6 Inventories

	Consolidated	
	2010	**2009**
	$M	**$M**
Current		
Development land	28.7	-
	28.7	**-**
Non-current		
Development land	70.7	-
	70.7	**-**

7 Assets/liabilities classified as held for sale

	Consolidated	
	2010	**2009**
	$M	**$M**
Assets classified as held for sale		
Cash	-	21.3
Investment properties	-	157.3
Other assets	-	4.3
	-	**182.9**
Liabilities classified as held for sale		
Other liabilities	-	(10.1)
	-	**(10.1)**

At 30 June 2009, the Consolidated Entity was at an advanced stage of negotiations to sell an entity incorporated in the Cayman Islands that holds four investment properties. This transaction was completed on 9 September, 2009. Accordingly, at 30 June 2009, the assets and liabilities of the entity were presented as held for sale and recorded at the lower of cost or net realisable value.

8 Other assets

	Consolidated	
	2010	**2009**
	$M	**$M**
Prepayments	7.5	6.5
Other	20.3	25.0
	27.8	31.5

9 Investment properties

	Completed investment properties		Investment properties under development		Total investment properties	
	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M
Carrying amount at the beginning of the year	2,332.1	2,790.6	538.6	655.4	2,870.7	3,446.0
Acquisitions:						
- On acquisition of controlled entities	-	23.9	-	-	-	23.9
- Other acquisitions	-	34.8	13.9	67.5	13.9	102.3
Transfers in from other assets	-	-	-	37.7	-	37.7
Capital expenditure	19.5	219.4	20.6	(56.7)	40.1	162.7
Transfers in/(out)	138.0	-	(138.0)	-	-	-
Disposals:						
- Carrying value of properties sold	(20.2)	(147.3)	(8.3)	(41.4)	(28.5)	(188.7)
- On disposal of interests in controlled entities	(79.5)	(120.8)	-	(90.1)	(79.5)	(210.9)
- Transfers to asset held for sale	-	(157.3)	-	-	-	(157.3)
Transfers to inventory	-	-	(104.0)	-	(104.0)	-
Net loss from fair value adjustments	(81.7)	(334.9)	(51.0)	(39.8)	(132.7)	(374.7)
Effect of foreign currency translation	(63.9)	23.7	(15.9)	6.0	(79.8)	29.7
Carrying amount at the end of the year	**2,244.3**	**2,332.1**	**255.9**	**538.6**	**2,500.2**	**2,870.7**

Investment properties with carrying value of $72.5 million (2009: $1,289.6 million) were subject to charges to secure bank loans.

10 Investments accounted for using the equity method

		Consolidated	
	Note	2010 $M	2009 $M
Share of net assets accounted for using the equity method			
Associates	10(a)	1,976.3	2,250.9
JVEs	10(b)	95.1	76.5
		2,071.4	**2,327.4**

(a) Investments in associates

	Consolidated	
Movements in carrying amount of investments in associates	2010 $M	2009 $M
Carrying amount at the beginning of the year	2,250.9	2,018.0
Share of net results after tax (before revaluations)[1]	75.1	112.1
Share of net loss from fair value adjustments on investment properties	(267.0)	(527.2)
Share of net results	**(191.9)**	**(415.1)**
Share of movements in reserves	(1.6)	(121.0)
Acquisitions of investments	197.5	1,039.0
Disposals of investments	(38.2)	(180.3)
Distributions received and receivable	(116.2)	(122.0)
Effect of foreign currency translation	(124.2)	32.3
Carrying amount at the end of the year	**1,976.3**	**2,250.9**

10 Investments accounted for using the equity method (cont)

(a) Investments in associates (cont)

	Country of establishment/ incorporation	Share of associate's result recognised		Consolidated ownership interest		Consolidated investment carrying amount	
		2010	**2009**	**2010**	**2009**	**2010**	**2009**
		\$M	**\$M**	**%**	**%**	**\$M**	**\$M**
Property investment associates							
Goodman Australia Industrial Fund (GAIF)	Australia	**(87.9)**	(156.8)	**43.8**	45.4	**1,090.8**	1,122.9
Goodman Property Trust (GMT)[1]	New Zealand	**(18.3)**	(13.6)	**16.8**	21.9	**109.3**	170.7
Goodman Hong Kong Logistics Fund (GHKLF)	Cayman Islands	**23.3**	15.7	**24.2**	24.2	**242.6**	244.2
Goodman European Logistics Fund (GELF)	Luxembourg	**(65.0)**	(72.2)	**38.3**	32.9	**292.7**	409.4
Arlington Business Parks Partnership (ABPP)	United Kingdom	**(47.0)**	(188.2)	**28.9**	28.9	**231.7**	303.7
Goodman China Logistics Holding Limited (GCLHL)	China	**3.0**	-	**20.0**	-	**9.2**	-
		(191.9)	**(415.1)**			**1,976.3**	**2,250.9**

1. GMT is a listed entity. The market value of the Consolidated Entity's investment in GMT at 30 June 2010 using the quoted price on the last day of trading was \$134.4 million (2009: \$135.8 million).

Name	Year ended 30 June	Revenue[1] (100%) \$M	Result after tax[1] (100%) \$M	Total assets (100%) \$M	Total liabilities (100%) \$M	Net assets as reported by associate (100%) \$M
GAIF	**2010**	**413.6**	**(194.8)**	**4,430.6**	**1,953.2**	**2,477.4**
	2009	404.6	(336.4)	4,637.8	2,165.1	2,472.7
GMT	**2010**	**45.7**	**(111.4)**	**1,269.1**	**671.5**	**597.6**
	2009	106.8	(63.2)	1,256.9	530.7	726.2
GHKLF	**2010**	**92.1**	**94.9**	**1,628.0**	**625.4**	**1,002.6**
	2009	121.4	71.2	1,703.4	729.3	974.1
GELF	**2010**	**80.1**	**27.3**	**1,925.6**	**1,175.7**	**749.9**
	2009	183.9	(229.5)	2,633.3	1,471.6	1,161.7
ABPP	**2010**	**136.2**	**(158.9)**	**2,327.4**	**1,512.4**	**815.0**
	2009	200.9	(517.2)	3,147.6	2,004.0	1,143.6
GCLHL	**2010**	**11.1**	**14.8**	**216.6**	**180.1**	**36.5**
	2009	-	-	-	-	-

1. Amounts presented above for revenue, and result after tax are measured from the beginning of the year or the date that equity accounting commenced, if later, to the end of the year or date equity accounting ceased, if earlier.

10 Investments accounted for using the equity method (cont)

(b) Investments in JVEs

	Consolidated	
Movements in carrying amount of investments in JVEs	**2010 $M**	**2009 $M**
Carrying amount at the beginning of the year	76.5	39.2
Share of net results after tax (before revaluations)	1.4	3.4
Share of net loss from fair value adjustments on investment properties	(4.1)	(0.6)
Share of net results	**(2.7)**	**2.8**
Share of movements in reserves	0.3	(1.7)
Impairment[1]	-	(2.0)
Acquisitions of investments	23.3	104.2
Disposals of investments	-	(67.3)
Distributions received and receivable	-	(2.0)
Effect of foreign currency translation	(2.3)	3.3
Carrying amount at the end of the year	**95.1**	**76.5**

1. Relates to investment in 413 King William Street Trust.

		Share of JVE's result recognised		Consolidated ownership interest		Consolidated investment carrying amount	
Name	**Country of establishment/ incorporation**	**2010 $M**	**2009 $M**	**2010 %**	**2009 %**	**2010 $M**	**2009 $M**
Property investment JVEs							
413 King William Street Trust (KWS)	Australia	**-**	-	**50.0**	50.0	**0.5**	0.5
MGJ Cayman 1 (MGJ)	Cayman Islands	**(4.1)**	(0.8)	**50.0**	50.0	**11.9**	14.1
Abu Dhabi Business Parks Company (Abu Dhabi)	United Arab Emirates	**-**	-	**49.0**	49.0	**-**	-
Goodman Princeton Holdings (Lux) Sarl (Princeton Lux)	Luxembourg	**-**	-	**20.0**	-	**9.3**	-
Goodman Princeton Holdings (Jersey) Limited (Princeton Jersey)	Jersey	**-**	-	**20.0**	-	**8.2**	-
Property development JVEs							
GGGAIF Huntingwood East (Huntingwood East)	Australia	**-**	-	**50.0**	50.0	**-**	-
GGGAIF Huntingwood West (Huntingwood West)	Australia	**-**	-	**50.0**	50.0	**-**	-
GGGAIF Moorebank (Moorebank)	Australia	**-**	-	**50.0**	50.0	**-**	-
Highbrook Development Limited (HDL)	New Zealand	**6.3**	2.1	**25.0**	25.0	**44.9**	36.9
Goodman Seaview Ltd (Seaview)	Cayman Islands	**-**	-	**50.0**	50.0	**5.2**	5.5
Goodman Interlink Ltd (Interlink)	Cayman Islands	**-**	-	**50.0**	50.0	**12.1**	12.7
Goodman Herten Logistics (Lux) Sàrl (Herten)	Luxembourg	**(1.3)**	1.5	**50.0**	50.0	**-**	1.4
Goodman Lazulite Logistics (Lux) Sàrl (Lazulite)	Luxembourg	**(0.3)**	0.4	**50.0**	50.0	**0.1**	0.4
Ullo One 2008 Kft (Ullo)	Hungary	**(2.8)**	(0.4)	**50.0**	50.0	**2.9**	4.5
Agate Ingatlanforgalmazo Kft (Agate)	Hungary	**-**	-	**50.0**	50.0	**-**	-
WMP NV	Belgium	**(0.5)**	-	**50.0**	50.0	**-**	0.5
		(2.7)	**2.8**			**95.1**	**76.5**

10 Investments accounted for using the equity method (cont)

(b) Investments in JVEs (cont)

Name	Year ended 30 June	Revenue[1] (100%) $M	Result after tax[1] (100%) $M	Total assets (100%) $M	Total liabilities (100%) $M	Net assets as reported by JVE (100%) $M
KWS	**2010**	**-**	**-**	**9.0**	**4.0**	**5.0**
	2009	-	-	5.0	-	5.0
MGJ	**2010**	**2.1**	**(9.0)**	**27.7**	**1.4**	**26.3**
	2009	12.7	(1.8)	43.9	12.8	31.1
Princeton Lux	**2010**	**-**	**-**	**39.5**	**-**	**39.5**
	2009	-	-	-	-	-
Princeton Jersey	**2010**	**0.2**	**0.2**	**41.0**	**1.0**	**40.0**
	2009	-	-	-	-	-
Huntingwood East	**2010**	**-**	**-**	**23.2**	**34.1**	**(10.9)**
	2009	-	-	15.9	15.9	-
Huntingwood West	**2010**	**-**	**-**	**106.4**	**157.8**	**(51.4)**
	2009	-	-	21.4	21.4	-
HDL	**2010**	**31.9**	**63.3**	**359.9**	**155.9**	**204.0**
	2009	11.4	7.9	259.4	150.8	108.6
Seaview	**2010**	**-**	**-**	**134.2**	**125.6**	**8.6**
	2009	-	-	121.4	121.4	-
Interlink	**2010**	**-**	**-**	**235.6**	**200.7**	**34.9**
	2009	-	-	141.8	141.8	-
Herten	**2010**	**-**	**0.1**	**7.8**	**8.3**	**(0.5)**
	2009	-	3.0	12.0	9.1	2.9
Lazulite	**2010**	**-**	**0.2**	**5.7**	**6.0**	**(0.3)**
	2009	-	0.8	7.1	6.3	0.8
Ullo	**2010**	**-**	**0.1**	**12.7**	**11.1**	**1.6**
	2009	-	(0.8)	14.5	5.4	9.1
Agate	**2010**	**-**	**0.2**	**5.5**	**6.0**	**(0.5)**
	2009	-	-	7.9	7.9	-
WMP NV	**2010**	**-**	**0.3**	**15.6**	**15.1**	**0.5**
	2009	-	-	17.3	16.3	1.0

1. Amounts presented above for revenue and result after tax are measured from the later of the beginning of the year or the date that equity accounting commenced to the end of the year or date equity accounting ceased, if earlier.

11 Other financial assets

	Consolidated	
	2010	2009
	$M	$M
Investment in listed securities, at fair value[1]	42.3	27.7
Investments in unlisted securities, at fair value	0.3	0.3
	42.6	**28.0**

1. Investment in listed securities relates to ING Industrial Fund, which is valued using the quoted price on the last day of trading in the year.

		Interest held	
	Country of	2010	2009
Significant controlled companies	**incorporation**	**%**	**%**
Red Pine Logistics nv	Belgium	100.0	100.0
Willebroek Platform Project nv	Belgium	100.0	100.0
MGI HK Finance	Cayman Islands	100.0	100.0
Goodman Developments Asia	Cayman Islands	100.0	100.0
Goodman China Investments	Cayman Islands	100.0	100.0
Goodman Management Consulting (Shanghai) Co. Ltd.	China	100.0	100.0
Goodman MKR (Shanghai) Warehouse Co., Ltd	China	100.0	100.0
Jia Meng (Shanghai) Warehouse Co. Ltd.	China	100.0	100.0
LPR Czech sro	Czech Republic	100.0	100.0
MNB Czech sro	Czech Republic	100.0	100.0
Goodman Nantes Logistics (France) Sàrl	France	100.0	100.0
Goodman Oracle Logistics (France) Sàrl	France	100.0	100.0
ABPP Investment Jersey Limited	Jersey	100.0	100.0
Goodman Burton (Jersey) Limited	Jersey	100.0	100.0
Goodman Citadel (Jersey) Limited	Jersey	100.0	100.0
Goodman Colnbrook (Jersey) Limited	Jersey	100.0	100.0
Goodman Coventry (Jersey) Limited	Jersey	100.0	100.0
Goodman Daventry (Jersey) Limited	Jersey	100.0	100.0
Goodman Ellesmere Port (Jersey) Limited	Jersey	100.0	100.0
Goodman Finance (Jersey) Limited	Jersey	100.0	100.0
Goodman Gloucester (Jersey) Limited	Jersey	100.0	100.0
Goodman Harthills (Jersey) Limited	Jersey	100.0	100.0
Goodman Holdings (Jersey) Limited	Jersey	100.0	100.0
Goodman Leicester (Jersey) Limited	Jersey	100.0	100.0
Goodman Logistics (Jersey) Limited	Jersey	100.0	100.0
Goodman Maltby (Jersey) Limited	Jersey	100.0	100.0
Goodman Oceanview Logistics (Jersey) Limited	Jersey	100.0	100.0
Goodman Property Holdings (Jersey) Limited	Jersey	100.0	100.0
Goodman Thurrock (Jersey) Limited	Jersey	100.0	100.0
Goodman West Thurrock (Jersey) Limited	Jersey	100.0	100.0
Goodman APP 1&2 (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman APP 3 (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman APP 4,5, & CdV (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman APP Holdings (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Aventurine Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Bad Hersfeld Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Feldspar Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Finance (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Heliotrope Logistics (Lux) Sàrl	Luxembourg	100.0	100.0

11 Other financial assets (cont)

Significant controlled companies	Country of incorporation	Interest held 2010 %	2009 %
Goodman Hematite Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Jasper Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Leucite Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Magnetite Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Malachite Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Marcasite Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Property Opportunities (Lux) Sàrl, SICAR	Luxembourg	100.0	100.0
Goodman Serpentine Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
Goodman Turquoise Logistics (Lux) Sàrl	Luxembourg	100.0	100.0
GPO Advisory (Lux) Sàrl	Luxembourg	100.0	100.0
Rowan Logistics Sàrl	Luxembourg	100.0	100.0
Goodman Finance NZ Limited	New Zealand	100.0	100.0
Goodman Funding Singapore Pte Limited	Singapore	100.0	100.0
Goodman Växjö Logistics (Sweden) AB	Sweden	100.0	-
Goodman Westpoort Logistics (Netherlands) B.V.	The Netherlands	100.0	100.0
Aquamarine Gayrimenkul Ticareti Anonim Şirketi	Turkey	100.0	100.0
Junehurst Limited	United Kingdom	100.0	100.0

11 Other financial assets (cont)

Significant controlled unit trusts	Country of establishment	Interest held 2010 %	Interest held 2009 %
BDE Unit Trust	Australia	100.0	100.0
Biloela Street Unit Trust	Australia	100.0	100.0
Binary No. 2 Trust	Australia	100.0	100.0
Cambridge Office Park Trust	Australia	100.0	100.0
Carter Street Trust	Australia	100.0	100.0
CC Trust	Australia	100.0	100.0
Clayton 3 Trust	Australia	100.0	100.0
Edinburgh Trust	Australia	100.0	100.0
Euston Road Subtrust	Australia	100.0	100.0
GEBPF Investment Trust	Australia	100.0	100.0
Goodman Capital Trust	Australia	100.0	100.0
Goodman Dandenong Trust	Australia	100.0	100.0
Goodman Europe Development Trust	Australia	100.0	100.0
Goodman Finance Australia Trust	Australia	100.0	100.0
Goodman Hong Kong Investment Trust	Australia	100.0	100.0
Goodman Japan Investment Trust	Australia	100.0	100.0
Goodman Jersey Holdings Trust	Australia	100.0	100.0
Goodman JV Holding Trust	Australia	100.0	100.0
Goodman Palmers Trust	Australia	100.0	100.0
Goodman Perth Airport No. 1 Trust	Australia	100.0	100.0
Goodman Perth Airport No. 2 Trust	Australia	100.0	100.0
Goodman Perth Airport No. 3 Trust	Australia	100.0	100.0
Goodman Perth Airport No. 4 Trust	Australia	100.0	100.0
Goodman PLUS Trust	Australia	100.0	100.0
Goodman Treasury Trust	Australia	100.0	100.0
Highbrook Trust	Australia	100.0	100.0
Hill Road Trust	Australia	100.0	100.0
HK Tsuen Wan Development Trust	Australia	100.0	100.0
Homebush Subtrust	Australia	100.0	100.0
IBC Trust	Australia	100.0	100.0
MGA Industrial Portfolio Trust	Australia	100.0	100.0
MIP Trust	Australia	100.0	100.0
Orion Road Trust	Australia	100.0	100.0
Penrose Trust	Australia	100.0	100.0
Perth Leasing Trust	Australia	100.0	100.0
Port Melbourne 3 Trust	Australia	100.0	100.0
Regal Business Park Trust	Australia	100.0	100.0
Saunders Street Trust	Australia	100.0	100.0
West Melbourne Trust	Australia	100.0	100.0
Waterloo Road Office Trust	Australia	100.0	100.0

12 Payables

	Consolidated 2010 $M	Consolidated 2009 $M
Current		
Trade payables	8.9	8.9
Other payables and accruals[1]	60.9	89.0
Rental income received in advance	1.3	3.0
Loans from related parties[2]	28.8	90.3
Derivative financial instruments	24.8	13.7
	124.7	**204.9**
Non-current		
Other payables and accruals	65.9	-
Derivative financial instruments	158.2	186.6
	224.1	**186.6**

1. Provisions for rental guarantees of $11.6 million have been reclassified in the comparative period from other payables and accruals to provisions.
2. Details of loans from related parties are set out in note 23.

Payables denominated in currencies other than Australian dollars are as follows:

Amounts in A$M	NZD	HKD	USD	GBP	EUR	JPY
2010	**19.5**	**13.0**	**9.4**	**147.7**	**67.4**	**4.2**
2009	20.1	24.9	10.4	145.1	76.5	18.5

13 Provisions

Consolidated	Distributions to Unitholders	Rental guarantees	Total
	$M	$M	$M
Balance at the beginning of the year	-	11.6	11.6
Provisions made	214.1	4.2	218.3
Provisions used	(93.1)	(5.9)	(99.0)
Effect of foreign currency translation	-	(2.0)	(2.0)
Balance at the end of the year	**121.0**	**7.9**	**128.9**
Analysed as:			
Current	121.0	3.8	124.8
Non-current	-	4.1	4.1
	121.0	**7.9**	**128.9**

Rental guarantees

Rental guarantee provisions relate to estimates of future amounts payable by the Consolidated Entity to meet rental income targets for certain properties guaranteed to GELF under the terms of asset sales contracts.

14 Interest bearing liabilities

		Consolidated	
		2010	2009
	Note	$M	$M
Current			
Bank loans, unsecured	14(a)	84.1	584.4
Bank loan, secured	14(b)	-	391.0
		84.1	**975.4**
Non-current			
Bank loans, unsecured	14(a)	1,687.1	2,694.2
Bank loan, secured	14(b)	26.7	-
Euro medium term notes, unsecured	14(c)	441.2	513.1
Foreign private placement, unsecured	14(d)	38.3	46.9
		2,193.3	**3,254.2**

(a) Bank loans, unsecured

As at 30 June 2010

		Amounts drawn down in A$M equivalents							
Facility		**AUD**	**NZD**	**HKD**	**USD**	**GBP**	**EUR**	**JPY**	**Total**
Syndicated multi-currency facility (SMCF)[1]	**2010**	**0.4**	**-**	**-**	**164.8**	**279.2**	**111.3**	**192.1**	**747.8**
	2009	1,017.2	-	-	270.2	3.3	40.9	44.8	1,376.4
Bank loan[2]	**2010**	**-**	**-**	**-**	**-**	**282.4**	**-**	**-**	**282.4**
	2009	-	-	-	-	328.4	-	-	328.4
Bank loan[3]	**2010**	**285.9**	**-**	**-**	**-**	**-**	**92.7**	**-**	**378.6**
	2009	448.2	-	-	-	-	109.3	-	557.5
Bank loan[4]	**2010**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2009	-	-	-	-	-	-	101.1	101.1
Bank loan[5]	**2010**	**-**	**-**	**-**	**-**	**-**	**372.3**	**-**	**372.3**
	2009	-	-	-	-	306.1	623.6	-	929.7
Total bank loans	**2010**	**286.3**	**-**	**-**	**164.8**	**561.6**	**576.3**	**192.1**	**1,781.1**
	2009	1,465.4	-	-	270.2	637.8	773.8	145.9	3,293.1
Less: Unamortised borrowing costs	**2010**								**(9.9)**
	2009								(14.5)
Total unsecured bank loans	**2010**								**1,771.2**
	2009								3,278.6

1. The terms of the SMCF were amended in August 2009 such that a A$82.1 million facility (calculated using the exchange rates specified under the facility agreement) expires on 23 May 2011, a A$400.0 million facility expires on 24 May 2012 and a A$437.9 million facility expires on 01 September 2012. As at 30 June 2010, the facility is drawn to A$747.8 million.

2. A controlled entity has a bank loan of A$282.4 million denominated in British pounds sterling. The facility expires on 7 April 2013.

3. Controlled entities have bank loans of A$378.6 million denominated in Australian dollars (A$285.9 million) and euros (A$92.7 million). The facility expires on 8 February 2012.

4. The facility, denominated in Japanese yen, was repaid in full in February 2010.

5. Controlled entities have bank loans of A$372.3 million denominated in Euros. The terms of the facility were amended in August 2009 such that an A$262.4 million facility expires on 5 December 2012 (drawn to A$70.9 million as at 30 June 2010) and an A$482.3 million facility expires on 5 December 2013 (drawn to A$301.4 million as at 30 June 2010).

14 Interest bearing liabilities (cont)

(b) Bank loans, secured

Facility		Amounts drawn down in A$M AUD	GBP	Total
Bank loan[1]	**2010**	**-**	**26.7**	**26.7**
	2009	-	106.2	106.2
Bank loan[2]	**2010**	**-**	**-**	**-**
	2009	300.0	-	300.0
Total	**2010**	**-**	**26.7**	**26.7**
	2009	300.0	106.2	406.2
Less Unamortised	**2010**			**-**
borrowing costs	2009			(15.2)
Total secured bank loans	**2010**			**26.7**
	2009			391.0

1. A controlled entity has a bank loan of A$26.7 million denominated in British pounds sterling. The facility expires on 30 September 2011.

2. This facility was cancelled and the loan outstanding was repaid on 25 September 2009.

Security for all loans referred to above is by way of first and second ranking charges over various assets of the Consolidated Entity (refer also to note 9).

(c) Euro medium term notes, unsecured

The Consolidated Entity has on issue A$441.2 million (2009: A$513.1 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 2010 was A$503.2 million (2009: A$343.0 million).

(d) Foreign private placement, unsecured

As at 30 June 2010, the Consolidated Entity has an unsecured foreign private placement of A$38.3 million (2009: A$46.9 million) denominated in Euros. The facility was drawn in July 2008 and expires on 30 June 2023.

Finance facilities

	Consolidated Facilities available $M	Facilities utilised $M
At 30 June 2010		
Bank loans, unsecured	2,850.2	1,781.1
Bank loans, secured	45.2	26.7
Euro medium term notes, unsecured	441.2	441.2
Foreign private placement, unsecured	38.3	38.3
Bank guarantees[1]	-	43.1
	3,374.9	**2,330.4**
At 30 June 2009		
Bank loans, unsecured	3,388.1	3,278.6
Bank loans, secured	591.2	391.0
Euro medium term notes, unsecured	513.1	513.1
Foreign private placement, unsecured	46.9	46.9
Bank guarantees[1]	-	50.0
	4,539.3	**4,279.6**

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

15 Issued capital

	Consolidated 2010 $M	2009 $M
6,369,751,394 (2009: 2,779,651,716) fully paid units on issue	6,584.9	5,324.7
Issue costs[1]	(142.0)	(95.6)
	6,442.9	**5,229.1**

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 balance sheet, rather than charged as an expense of GIT, as they are considered to form part of the net equity raised.

Terms and conditions

Stapled security means one unit in GIT stapled to one share in GL. Holders of Goodman Group 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 Unitholders' and Shareholders' meetings. In the event of a winding up of Goodman Limited and the entities it controlled, Unitholders and Shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Equity raising

In August 2009, Goodman Group completed a fully underwritten equity raising to raise a total of $1,278.6 Million from the issue of approximately 3.2 billion stapled securities at $0.40 per security via an institutional placement and a one for one non-renounceable entitlement offering. GIT's share of the capital raised amounted to $1,156.9 million.

In November 2008, Goodman Group completed a capital raising of approximately $956 million, comprising a $229.5 million institutional placement and a $726.5 million, 0.47 for one accelerated non-renounceable entitlement offer of Goodman Group stapled securities at an issue price of $0.90 per security. GIT's share of the capital raised amounted to $904.1 million.

	2010 Units	2009 Units
Units on issue at 1 July 2008		1,715,805,005
Issued under the institutional placement and entitlement offer		1,062,207,693
Issued under the earn out provisions on acquisition of a related party		1,605,684
Issued due to exercise of executive options		33,334
Units on issue at 30 June 2009		2,779,651,716
Units on issue at 1 July 2009	2,779,651,716	
Issued under the institutional placement and entitlement offer	3,196,599,473	
Issued due to exercise of options by Macquarie Group	393,300,000	
Issued under the Goodman Group Tax Exempt Plan	200,205	
Units on issue at 30 June 2010	**6,369,751,394**	

Effective from 1 July 1998, the Company Law Review Act 1998 abolished the concept of par value units and the concept of authorised capital. Accordingly, the Trust does not have authorised capital, or par value in respect of its issued units.

16 Reserves

		Consolidated	
		2010	**2009**
	Note	**$M**	**$M**
Asset revaluation reserve	16(a)	(1,557.7)	(1,283.7)
Cash flow hedge reserve	16(c)	(147.3)	(223.2)
Foreign currency translation reserve	16(d)	(399.0)	(70.7)
Capital profits reserve	16(b)	120.9	138.3
Total reserves		**(1,983.1)**	**(1,439.3)**
(a) Asset revaluation reserve			
Balance at the beginning of the year		(1,283.7)	(330.3)
Revaluation of investments		14.7	8.1
Transfers to capital profits reserve		31.0	90.4
Transfers from accumulated losses		(406.0)	(1,058.5)
Transfers to income statement due to disposal of investments		-	2.8
Effect of foreign currency translation		86.3	3.8
Balance at the end of the year		**(1,557.7)**	**(1,283.7)**
(b) Cash flow hedge reserve			
Balance at the beginning of the year		(223.2)	72.6
Change in value of financial instruments		(0.4)	(282.2)
Transfers to income statement		52.7	(16.4)
Effect of foreign currency translation		23.6	2.8
Balance at the end of the year		**(147.3)**	**(223.2)**
(c) Foreign currency translation reserve			
Balance at the beginning of the year		(70.7)	23.9
Net exchange differences on conversion of foreign operations		(328.3)	(94.6)
Balance at the end of the year		**(399.0)**	**(70.7)**
(d) Capital profits reserve			
Balance at the beginning of the year		138.3	231.4
Transfers from asset revaluation reserve		(31.0)	(90.4)
Transfers to accumulated losses		-	(2.7)
Effect of foreign currency translation		13.6	-
Balance at the end of the year		**120.9**	**138.3**

17 Accumulated losses

	Consolidated	
	2010	2009
	$M	$M
Accumulated losses at the beginning of the year	(212.6)	(0.6)
Loss attributable to Unitholders	(299.6)	(1,005.0)
Transfers to asset revaluation reserve	406.0	1,058.5
Transfers to capital profits reserve	-	2.7
Distributions declared	(214.1)	(268.2)
Balance at the end of the year	**(320.3)**	**(212.6)**

18 Minority interests

	Consolidated	
	2010	2009
	$M	$M
Goodman PLUS Trust hybrid securities	318.8	318.8
CIC convertible preference securities	431.7	-
	750.5	**318.8**

Issue costs of $20.6 million associated with the CIC convertible preference securities were paid in the current year.

19 Segment reporting

The Consolidated Entity is based in Australia and has separately managed divisions in Asia Pacific (primarily Australia, New Zealand, Hong Kong, China and Japan) and Europe (Continental Europe and United Kingdom). The Consolidated Entity has three reportable segments defined by AASB 8 *Operating Segments*, namely Australia, Continental Europe and United Kingdom. The other divisions in Asia Pacific do not meet the quantitative requirements, either individually or collectively, to require separate disclosure as reportable segments.

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. Performance is measured based on the return on assets employed and therefore the segment result is presented before interest and tax.

19 Segment reporting (cont)

Information about reportable segments

	Australia		Continental Europe		United Kingdom		Other[1]		Consolidated	
	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M
Revenue and other income										
Gross property income	194.6	189.4	4.7	1.5	23.6	34.8	2.2	12.9	225.1	238.6
Distributions from equity investments	1.8	6.0	-	0.2	17.9	9.8	-	-	19.7	16.0
Other income	3.7	-	2.2	0.8	0.7	2.8	-	0.4	6.6	4.0
Total revenue and other income	**200.1**	**195.4**	**6.9**	**2.5**	**42.2**	**47.4**	**2.2**	**13.3**	**251.4**	**258.6**
Other key components of financial performance										
Net gain/(loss) on disposal of investment properties	1.5	15.2	0.3	1.6	(0.1)	(7.5)	-	(0.2)	1.7	9.1
Net gain/(loss) on disposal of controlled entities	-	0.5	9.4	30.7	2.5	2.6	(12.0)	-	(0.1)	33.8
Net gain/(loss) on disposal of equity investments	-	-	-	0.4	-	(2.3)	(8.0)	12.8	(8.0)	10.9
Share of net results of equity accounted investments	(87.8)	(156.9)	(69.8)	(70.7)	(47.0)	(188.1)	10.0	3.4	(194.6)	(412.3)
Other material non-cash items										
Net losses from fair value adjustments on investment properties	(88.9)	(239.9)	(15.3)	(13.8)	(21.7)	(118.0)	(6.8)	(3.0)	(132.7)	(374.7)
Impairment losses	(33.9)	(178.6)	(10.8)	-	-	-	(4.2)	-	(48.9)	(178.6)
Reportable segment (loss)/profit before tax	**(62.0)**	**(415.2)**	**(82.8)**	**(60.1)**	**(28.8)**	**(282.2)**	**(21.1)**	**23.3**	**(194.7)**	**(734.2)**

Balance sheet	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M
Reportable segment assets	**3,310.2**	**3,436.6**	**652.3**	**1,102.8**	**559.4**	**735.4**	**556.4**	**793.9**	**5,078.3**	**6,068.7**
Capital expenditure	41.7	75.8	(3.4)	44.6	17.1	44.5	(1.3)	100.1	54.1	265.0
Reportable segment liabilities	**27.4**	**18.7**	**15.2**	**118.4**	**15.5**	**8.3**	**4.4**	**11.3**	**62.5**	**156.7**

1. Other primarily relates to the results and assets of the separately managed divisions in Asia Pacific, excluding Australia.

19 Segment reporting (cont)

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

	2010 $M	2009 $M
Revenues		
Total revenue for reportable segments	249.2	245.3
Other revenue	2.2	13.3
Consolidated revenue	**251.4**	**258.6**
Profit or loss		
Total loss for reportable segments	(173.6)	(757.5)
Other (loss)/profit	(21.1)	23.3
Unallocated amounts: other corporate expenses/income	(28.6)	(216.1)
Net financing costs	(24.2)	(25.2)
Consolidated loss before income tax	**(247.5)**	**(975.5)**

	30 Jun 2010 $M	30 Jun 2009 $M
Assets		
Total assets for reportable segments	4,521.9	5,274.8
Other assets	556.4	793.9
Interest bearing assets	2,087.9	2,305.1
Other unallocated amounts	484.3	174.9
Consolidated total assets	**7,650.5**	**8,548.7**
Liabilities		
Total liabilities for reportable segments	58.1	145.4
Other liabilities	4.4	11.3
Interest bearing liabilities	2,277.4	4,229.6
Other unallocated amounts	420.6	266.4
Consolidated total liabilities	**2,760.5**	**4,652.7**

	2010			2009		
	Reportable segment totals $M	Other $M	Consolidated totals $M	Reportable segment totals $M	Other $M	Consolidated totals $M
Other material items						
Net gain/(loss) on disposal of investment properties	1.7	-	1.7	9.3	(0.2)	9.1
Net gain/(loss) on disposal of controlled entities	11.9	(12.0)	(0.1)	33.8	-	33.8
Net (loss)/gain on disposal of equity investments	-	(8.0)	(8.0)	(1.9)	12.8	10.9
Share of net results of equity accounted investments	(204.6)	10.0	(194.6)	(415.7)	3.4	(412.3)
Net loss from fair value adjustments on investment properties	(125.9)	(6.8)	(132.7)	(371.7)	(3.0)	(374.7)
Capital expenditure	55.4	(1.3)	54.1	164.9	100.1	265.0

20 Disposals of interests in controlled entities

In the current year, the Consolidated Entity disposed of controlled entities as set out below:

	Total $M
Cash consideration received:	
- On part disposal of Goodman China Investments[1]	98.3
- On disposal of entities to Princeton Lux and Princeton Jersey[2]	75.0
- On disposal of other special purpose entities in Continental Europe[3]	13.5
Net cash inflow	**186.8**

1. On 9 September 2009, the Consolidated Entity effectively disposed of 80% of its interest in Goodman China Investments, which owned four stabilised investment properties, to Canada Pension Plan Investment Board. The principal impact on the Consolidated Entity's balance sheet was a decrease in investment properties within assets classified as held for sale of $151.4 million.

2. On 11 June 2010, the Consolidated Entity effectively disposed of 80% of its interest in four special purpose vehicles to two JVEs with CB Richard Ellis Realty Trust in Continental Europe (Princeton Lux) and the United Kingdom (Princeton Jersey). The net consideration for the 80% share was A$75.0 million, which included repayment of inter-company loans provided to the special purpose vehicles. The principal impact on the Consolidated Entity's balance sheet was a decrease in investment properties of $79.5 million.

3. In addition to the disposals of controlled entities to Princeton Jersey and Princeton Lux, during the year, controlled entities in Continental Europe disposed of several other special purpose development property entities for a net consideration of $13.5 million (2009: $12.4 million). There is no significant impact on the Consolidated Entity's balance sheet as a result of these disposals.

21 Auditors' remuneration

	Consolidated	
	2010 $000	2009 $000
Audit services		
Auditor of GIT:		
- Audit and review of financial reports (KPMG Australia)	600.6	657.7
- Audit and review of financial reports (overseas KPMG firms)	89.0	285.8
	689.6	**943.5**
Other regulatory services:		
- Other regulatory services (KPMG Australia)	15.0	74.2
- Other regulatory services (overseas KPMG firms)	44.0	-
Other assurance services:		
- Investigative accounting services (KPMG Australia)	866.5	819.3
- Investigative accounting services (overseas KPMG firms)	-	9.2
Taxation services		
- Taxation compliance services (KPMG Australia)	362.0	218.8
- Taxation compliance services (overseas KPMG firms)	22.7	160.3
- Other taxation advice (KPMG Australia)	5.1	-
- Other taxation advice (overseas KPMG firms)	-	29.3
	1,315.3	**1,311.1**
Total paid/payable to KPMG	**2,004.9**	**2,254.6**
Other auditors:		
- Audit and review of financial reports (non-KPMG firms)	**80.1**	**133.9**

22 Notes to the cash flow statement

(a) Reconciliation of cash

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

	Consolidated 2010 $M	Consolidated 2009 $M
Cash assets	**474.8**	**216.7**

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

	Consolidated 2010 $M	Consolidated 2009 $M
Loss for the year	**(247.3)**	**(981.0)**
Adjustments for:		
- Net gain on disposal of investment properties	(1.7)	(9.1)
- Net loss/(gain) on disposal of controlled entities	0.1	(33.8)
- Net loss/(gain) on disposal of equity investments	8.0	(10.9)
- Net loss from fair value adjustments on investment properties	132.7	374.7
- Impairment losses	48.9	389.7
- Share of net results of equity accounted investments	194.6	412.3
- Net financing costs	24.2	25.2
- Income tax (benefit)/expense	(0.2)	5.5
Operating profit/(loss) before changes in working capital and provisions	**159.3**	**172.6**
Change in assets and liabilities during the year:		
- Decrease in receivables	35.1	0.4
- Increase in other assets	(19.3)	(0.7)
- (Decrease)/increase in payables	(2.8)	18.1
- Increase in provisions	1.7	-
	174.0	**190.4**
Distributions received from equity accounted investments	52.9	114.4
Net financing costs paid	(112.6)	(128.1)
Net income taxes paid	(0.9)	(3.3)
Net cash provided by operating activities	**113.4**	**173.4**

(c) Non-cash financing and investing activities

There were no significant non-cash transactions in the year. In the prior year, the Consolidated Entity transferred three special purpose entities to ABPP in return for equity. The combined consideration for these assets was $262.1 million.

23 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.

Responsible Entity's remuneration

In accordance with GIT's constitution, the Responsible Entity is entitled to receive a management fee and expense reimbursements where expenses have been incurred on behalf of GIT:

	Consolidated	
	2010	**2009**
	$	**$**
Management fees	**27,780,287**	12,408,645

As at 30 June 2010, the amounts owed to the Responsible Entity were $nil (2009: $nil).

Goodman Group

Other Goodman Group entities perform a number of services for the Consolidated Entity and have billed the following amounts during the year:

	Consolidated	
	2010	**2009**
	$	**$**
Property services fees (including property management and leasing)	4,636,708	7,395,334
Development management and project fees	3,982,147	365,583
Building supervisor costs reimbursed	1,562,335	1,857,111
Due diligence	-	3,575,918
	10,181,190	**13,193,946**

In addition to the above, there have been the following transactions between other Goodman Group entities and the Consolidated Entity:

+ Goodman Vineyard Pty Limited (Vineyard) is a fellow controlled entity of Goodman Group. The balance of the loan provided by GIT to Vineyard at 30 June 2010 is $55.2 million (2009: $46.2 million). The purpose of the loan to Vineyard is to fund the development of M7 Business Hub, Eastern Creek, NSW. The loan is limited recourse, interest bearing at a rate of 15% per annum and with a maturity date of December 2011. Interest and other amounts charged to Vineyard during the year totalled $11.0 million (2009: $11.8 million);

+ Dollhurst Limited, a fellow controlled entity of Goodman Group, has issued $114.7 million (£65.0 million) (2009: $133.4 million, £65.0 million) of fixed rate notes (Notes) to GIT. The Notes are unsecured with limited recourse and mature in December 2011. Interest at 8.5% per annum is payable on the Notes semi-annually in arrears on 30 June and 31 December;

+ other loans to other Goodman Group entities exist at 30 June 2010 totalling $2,120.1 million (2009: $2,491.1 million), of which $1,849.8 million are interest bearing and $270.3 million are non-interest bearing. Interest bearing loans bear interest at rates determined based on the terms under which the funds are borrowed; and

+ other loans from other Goodman Group entities exist at 30 June 2010 totalling $28.8 million (2009: $90.3 million). The loans are interest bearing at rates determined based on the terms under which the funds are borrowed.

23 Related party disclosures (cont)

Transactions with associates and JVEs

Transactions between the Consolidated Entity and its associates and JVEs during the year are as follows:

	Sales of controlled entities and investment properties		Interest charged on loans to related parties		Other	
	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M
GAIF	-	75.2	-	-	-	0.1
GMT	-	2.8	-	-	-	-
GHKLF	-	80.2	-	-	-	-
GELF	13.5	68.4	1.2	-	-	0.6
Princeton Lux	34.7	-	-	-	-	-
Princeton Jersey	40.3	-	-	-	-	-
Huntingwood East	-	-	0.9	0.7	-	-
Huntingwood West	-	-	1.0	1.0	-	-
Seaview	-	-	3.7	2.6	-	-
Interlink	-	-	6.1	3.0	-	-

Amounts due from associates and JVEs at 30 June 2010 are as follows:

	Trade and other receivables[1]		Shareholder loans provided[2]	
	2010 $M	2009 $M	2010 $M	2009 $M
GAIF	-	16.0	-	-
GMT	-	-	-	-
GELF	2.3	18.8	17.7	25.8
ABPP	26.4	13.5	-	-
GCLHL	-	-	33.6	-
Huntingwood East	-	-	11.6	15.9
Huntingwood West	-	-	-	21.4
KWS	-	-	2.2	2.1
Seaview	-	-	56.8	60.4
Interlink	-	-	92.4	70.4
Herten	-	-	4.1	4.8
Lazulite	-	-	3.0	3.4
Ullo	-	-	6.3	3.1
Ullo 2 Kft	-	-	3.0	-
Agate	-	-	1.5	3.6
WMP NV	-	-	6.3	8.3

1. Trade and other amounts due are receivable within 30 days.
2. Loans provided to associates and JVEs have generally been provided on an arm’s length basis. Details In respect of the principle loan balances are set out below:
   + a shareholder loan of $17.7 million has been provided to Goodman Pyrite Logistics (Lux) Sàrl, a controlled entity of GELF. The loan bears interest at 6.9% per annum, and interest of $1.2 million was recognised in the year (2009: $nil);
   + interest income of $1.9 million (2009 $1.7 million) was recognised on loans to Huntingwood East and Huntingwood West. The loans bear interest at 4.5% per annum; and
   + interest income of $9.8 million (2009: $5.6 million) was recognised on loans to Seaview and Interlink. The loans bear interest at the three month Hong Kong Interbank Offer Rate plus 1.5% per annum.

24 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.

Management has established a finance and treasury committee, which is the primary forum where strategic capital and financial management requirements are discussed and decisions made in accordance with the FRM policy. The committee meets at least six times during the year.

Goodman Group's treasury function is responsible for preparing the following reports for consideration at each committee meeting:

+ 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 Goodman Group's hedging policy and recommendations for future hedging strategies; and
+ full mark to market of all derivative positions.

During the year, the Consolidated Entity amended its FRM policy such that derivative financial instruments are not generally designated as a hedge for accounting purposes, and accordingly such derivative financial instruments are treated as trading instruments.

Capital management

The Consolidated Entity's main capital management objectives are to maintain a strong capital base and provide funds for 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, subject to Board approval, by issuing new stapled securities or hybrid securities, electing to have the Distribution Reinvestment Plan (DRP) underwritten and recycling assets to funds managed by Goodman Group or to third parties to reduce borrowings. Equity should be fully invested to ensure that a maximum return on the capital is achieved, however, at 30 June 2010 and in the period since the completion of the refinancing in the first half of the financial year the Consolidated Entity has held cash, which is placed on deposit for periods ranging from overnight up to three months.

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

Financial risk management

The Consolidated Entity's key financial risks are market risk (including interest rate risk, foreign exchange risk and price risk), liquidity risk and credit risk.

(a) Market risk

Interest rate risk

The Consolidated Entity's interest rate risk primarily arises from variable rate borrowings. The Consolidated Entity adopts a policy of ensuring that between 60% and 100% of its exposure to changes in interest rates on borrowings is on a fixed rate basis. The Consolidated Entity enters into interest rate swaps to manage cash flow risks associated with the interest rates on borrowings that are floating. The interest rate swap contracts are for 90 day intervals and involve quarterly payments or receipts of the net amount of interest.

24 Financial risk management (cont)

(a) Market risk (cont)

Interest rate risk (cont)

Based on the Consolidated Entity's existing interest rate swap contracts as at 30 June 2010, the principal balances as at future year ends and the weighted average interest rates during future years, by currency, are set out below:

	2010				2009			
	Interest rate swaps		Fixed rate debt		Interest rate swaps		Fixed rate debt	
Year ending	Notional principal currency[1] M	Average rate pa[2]	Principal currency M	Average rate pa[2]	Notional principal currency[1] M	Average rate pa[2]	Principal currency M	Average rate pa[2]
New Zealand dollars receivable/payable								
30 June 2010	**(165.0)**	**8.05%**	-	-	(173.0)	7.70%	-	-
30 June 2011	**(135.3)**	**7.77%**	-	-	(135.2)	8.10%	-	-
30 June 2012	**(110.0)**	**8.79%**	-	-	(110.0)	8.79%	-	-
30 June 2013	**(110.0)**	**8.79%**	-	-	(110.0)	8.79%	-	-
30 June 2014	**(110.0)**	**8.79%**	-	-	(110.0)	8.79%	-	-
30 June 2015	**(69.5)**	**7.30%**	-	-	(68.8)	7.33%	-	-
30 June 2016	**(50.0)**	**5.75%**	-	-	(50.0)	5.75%	-	-
30 June 2017	**(16.2)**	**5.75%**	-	-	(16.2)	5.75%	-	-
Hong Kong dollars receivable/payable								
30 June 2010	**(1,550.0)**	**2.81%**	-	-	(1,530.4)	4.28%	-	-
30 June 2011	**(1,831.1)**	**3.04%**	-	-	(871.2)	4.25%	-	-
30 June 2012	**(1,750.0)**	**2.90%**	-	-	(345.5)	4.30%	-	-
30 June 2013	**(1,406.3)**	**2.76%**	-	-	(124.7)	4.25%	-	-
30 June 2014	**(760.0)**	**2.27%**	-	-	-	-	-	-
30 June 2015	**(122.1)**	**1.98%**	-	-	-	-	-	-
Japanese yen receivable/payable								
30 June 2010	**(7,000.0)**	**1.56%**	-	-	(15,750.0)	1.51%	-	-
30 June 2011	**(7,000.0)**	**1.54%**	-	-	(14,911.6)	1.53%	-	-
30 June 2012	**(6,639.3)**	**1.54%**	-	-	(13,633.9)	1.55%	-	-
30 June 2013	**(1,000.0)**	**1.68%**	-	-	(4,000.0)	1.69%	-	-
30 June 2014	**(939.7)**	**1.68%**	-	-	(3,758.9)	1.69%	-	-
Euro receivable/payable								
30 June 2010	**(430.0)**	**3.76%**	-	-	(660.0)	3.82%	-	-
30 June 2011	**(415.1)**	**3.78%**	-	-	(386.1)	4.17%	-	-
30 June 2012	**(384.1)**	**3.54%**	-	-	(173.2)	4.98%	-	-
30 June 2013	**(305.0)**	**3.63%**	-	-	(140.0)	5.12%	-	-
30 June 2014	**(191.1)**	**3.89%**	-	-	(132.4)	5.16%	-	-
30 June 2015	**(50.0)**	**4.50%**	-	-	(50.0)	5.91%	-	-
30 June 2016	**(50.0)**	**4.50%**	-	-	(50.0)	4.50%	-	-
30 June 2017	**(33.3)**	**4.50%**	-	-	(33.3)	4.50%	-	-
British pounds sterling receivable/payable								
30 June 2010	**(335.0)**	**5.63%**	**(250.0)**	**9.75%**	(535.0)	3.56%	(250.0)	9.75%
30 June 2011	**(209.1)**	**5.01%**	**(250.0)**	**9.75%**	(494.8)	4.69%	(250.0)	9.75%
30 June 2012	**(175.0)**	**5.96%**	**(250.0)**	**9.75%**	(435.0)	5.38%	(250.0)	9.75%
30 June 2013	**(175.0)**	**5.96%**	**(250.0)**	**9.75%**	(435.0)	5.38%	(250.0)	9.75%
30 June 2014	**(175.0)**	**5.96%**	**(250.0)**	**9.75%**	(435.0)	5.38%	(250.0)	9.75%
30 June 2015	**(187.6)**	**5.55%**	**(250.0)**	**9.75%**	(398.8)	5.40%	(250.0)	9.75%
30 June 2016	**(138.7)**	**5.43%**	**(250.0)**	**9.75%**	(280.5)	5.54%	(250.0)	9.75%
30 June 2017	**(57.2)**	**5.75%**	**(250.0)**	**9.75%**	(128.0)	5.80%	(250.0)	9.75%
30 June 2018	**(16.0)**	**5.20%**	**(250.0)**	**9.75%**	(16.0)	5.20%	(250.0)	9.75%
30 June 2019	**-**	**0.00%**	**(250.0)**	**9.75%**	-	-	(250.0)	9.75%

1. The amount is the principal balance at each year end that is hedged as a result of the existing interest rate swap contracts as at 30 June 2010.
2. Average rate per annum represents the weighted average interest rate payable, by currency, as a result of the existing interest rate swap contracts as at 30 June 2010.

24 Financial risk management (cont)

(a) Market risk (cont)

Interest rate risk (cont)

At 30 June 2010, if interest rates on borrowings had been 100 basis points per annum (2009: 100 basis points per annum) higher/lower, with all other variables held constant, the Consolidated Entity result attributable to Unitholders for the year would have been A$0.2million lower/higher (2009: A$0.1 million).

Foreign exchange risk

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

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. Over the long term, however, permanent changes in foreign exchange will have an impact on both earnings and net assets.

The Consolidated Entity'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. The Consolidated Entity's investment in foreign denominated investments is generally achieved by borrowing in the same functional currency as the investments to form a natural economic hedge against any foreign currency fluctuations. Further draw downs or repayments of debt are made to maintain this hedge. Derivatives such as cross currency swaps are also used to achieve the hedge position required under the FRM policy.

Based on the Consolidated Entity's existing cross currency swap contracts as at 30 June 2010, the weighted average foreign exchange rates during future years and the principal hedged amount at each future year end, by currency, are set out below:

	Weighted average exchange rate		Amounts receivable		Amounts payable	
Year ending	2010	2009	2010 A$M	2009 A$M	2010 Currency M	2009 Currency M
Australian dollars receivable/New Zealand dollars payable						
30 June 2010	**1.2413**	1.2590	**150.7**	81.0	**(187.0)**	(102.0)
30 June 2011	**1.2413**	1.2590	**150.7**	81.0	**(187.0)**	(102.0)
30 June 2012	**1.2413**	1.2590	**150.7**	81.0	**(187.0)**	(102.0)
30 June 2013	**1.2413**	1.2590	**150.7**	81.0	**(187.0)**	(102.0)
30 June 2014	**1.2200**	-	**69.7**	-	**(85.0)**	-
Australian dollars receivable/Hong Kong dollars payable						
30 June 2010	**6.6088**	6.4213	**342.0**	234.6	**(2,250.0)**	(1,500.0)
30 June 2011	**6.6088**	6.4213	**342.0**	148.9	**(2,250.0)**	(1,500.0)
30 June 2012	**6.8299**	6.7145	**256.4**	148.9	**(1,750.0)**	(1,000.0)
30 June 2013	**6.8299**	6.7145	**256.4**	148.9	**(1,750.0)**	(1,000.0)
30 June 2014	**6.9838**	-	**107.4**	-	**(750.0)**	-
30 June 2015	**7.1000**	-	**56.3**	-	**(400.0)**	-
Australian dollars receivable/Japanese yen payable						
30 June 2010	-	97.4500	-	44.5	**-**	(4,340.0)
30 June 2011	-	97.4500	-	44.5	**-**	(4,340.0)
30 June 2012	-	97.4500	-	44.5	**-**	(4,340.0)
30 June 2013	-	97.4500	-	44.5	**-**	(4,340.0)

24 Financial risk management (cont)

(a) Market risk (cont)

Foreign exchange risk (cont)

	Weighted average exchange rate		Amounts receivable		Amounts payable	
Year ending	2010	2009	2010 A$M	2009 A$M	2010 Currency M	2009 Currency M
Australian dollars receivable/Euros payable						
30 June 2010	**0.6705**	0.5665	**179.0**	369.3	**(120.0)**	(209.0)
30 June 2011	**0.6705**	0.5665	**179.0**	369.3	**(120.0)**	(209.0)
30 June 2012	**0.6705**	0.5665	**179.0**	369.3	**(120.0)**	(209.0)
30 June 2013	**0.6705**	0.5500	**179.0**	198.2	**(120.0)**	(109.0)
30 June 2014	**0.6705**	0.5500	**179.0**	198.2	**(120.0)**	(109.0)
30 June 2015	**0.6705**	-	**179.0**	-	**(120.0)**	-
30 June 2016	**0.6705**	-	**179.0**	-	**(120.0)**	-
Australian dollars receivable/British pounds sterling payable						
30 June 2010	-	0.4700	-	272.3	**-**	(128.0)
30 June 2011	-	0.4700	-	272.3	**-**	(128.0)
30 June 2012	-	0.4700	-	183.0	**-**	(86.0)
30 June 2013	-	0.4700	-	183.0	**-**	(86.0)

Additionally, the Consolidated Entity enters into forward foreign exchange contracts to hedge a proportion of the income received/receivable from its investments denominated in overseas currencies.

Based on the Consolidated Entity's existing forward foreign exchange contracts as at 30 June 2010, the weighted average exchange rates and the principal amounts expiring in future years, by currency, are set out below:

	Weighted average exchange rate		Amounts receivable		Amounts payable	
Year ending	2010	2009	2010 A$M	2009 A$M	2010 Currency M	2009 Currency M
Contracts to buy Australian dollars and sell New Zealand dollars						
30 June 2010	**-**	1.1491	**-**	4.9	**-**	(5.6)
30 June 2011	**1.1630**	1.1630	**4.6**	4.6	**(5.3)**	(5.3)
30 June 2012	**1.1768**	1.1768	**4.5**	4.5	**(5.3)**	(5.3)
30 June 2013	**1.1932**	1.1932	**4.2**	4.2	**(5.0)**	(5.0)
Contracts to buy Australian dollars and sell Hong Kong dollars						
30 June 2010	**-**	5.3333	**-**	13.0	**-**	(68.5)
30 June 2011	**5.0557**	5.0701	**12.4**	12.4	**(62.6)**	(62.6)
30 June 2012	**4.9743**	4.9885	**12.6**	12.6	**(62.6)**	(62.6)
30 June 2013	**4.8940**	4.9077	**12.8**	12.8	**(62.6)**	(62.6)
Contracts to buy Australian dollars and sell Euros						
30 June 2010	**-**	0.5667	**-**	42.5	**-**	(24.0)
30 June 2011	**-**	0.5273	**-**	32.4	**-**	(17.0)
30 June 2012	**-**	0.5229	**-**	27.9	**-**	(14.5)
30 June 2013	**-**	0.4837	**-**	18.6	**-**	(9.0)

At 30 June 2010, if the Australian dollar had strengthened by 5% (2009: 5%), with all other variables held constant, the Consolidated Entity's result attributable to Unitholders would have decreased by A$10.6 million (2009: A$15.6 million decrease). If the Australian dollar had weakened by 5% (2009: 5%), with all other variables held constant, the Consolidated Entity's result attributable to Unitholders would have increased by A$11.7 million (2009: A$17.2 million increase).

24 Financial risk management (cont)

(a) Market risk (cont)

Price risk

The Consolidated Entity is exposed to equity securities price risk because of its investment in ING Industrial Fund, which is listed on the ASX and classified on the balance sheet as an other financial asset (refer to note 11).

As at 30 June 2010, a 5% (2009: 5%) movement in the security price of ING Industrial Fund would have impacted equity by A$2.1 million (2009: A$1.4 million). There would be no impact on the Consolidated Entity's result attributable to Unitholders. The analysis is based on the assumption that all other variables are held constant.

The Consolidated Entity is not exposed to commodity 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 resources to maintain operations, meet its financial obligations and liabilities, pay distributions and provide funds for capital expenditure and investment opportunities. Management seeks to achieve these objectives through:

+ preparation of regular forecast cash flows to understand the application and use of funds; and
+ identification of future funding, including new debt facilities, new issues of securities or the DRP.

Goodman Group's treasury function is responsible for reporting details of all debt maturities for all loans across the regions to the finance, treasury and tax committee and the Board at their regular meetings. Goodman Group's treasury function is also responsible for reporting to the finance, treasury and tax committee and the Board all the information and term sheets relating to any financing arrangements being contemplated or negotiated by the Consolidated Entity for their 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. The contractual maturities of financial liabilities are set out below:

24 Financial risk management (cont)

Contractual maturities of financial liabilities

As at 30 June 2010	Carrying amount $M	Contractual cash flows $M	Up to 12 months $M	1-2 year(s) $M	2-3 years $M	3-4 years $M	4-5 years $M	More than 5 years $M
Non-derivative financial liabilities[1]								
Payables	165.8	165.8	99.9	65.9	-	-	-	-
Bank loans, unsecured	1,771.2	1,771.2	84.1	593.8	791.9	301.4	-	-
Bank loans, secured	26.7	26.7	-	26.7	-	-	-	-
Euro medium-term notes, unsecured	441.2	441.2	-	-	-	-	-	441.2
Foreign private placement, unsecured	38.3	38.3	-	-	-	-	-	38.3
Total non-derivative financial liabilities	**2,443.2**	**2,443.2**	**184.0**	**686.4**	**791.9**	**301.4**	**-**	**479.5**
Derivative financial liabilities								
Net settled[2]	150.0	162.9	42.2	40.0	27.2	20.6	13.5	19.4
Gross settled[3]:								
Inflow		(119.7)	(32.4)	(29.4)	(22.9)	(16.8)	(13.5)	(4.7)
Outflow	10.0	118.4	13.6	10.9	30.8	16.6	19.4	27.1
Total derivative financial liabilities	**160.0**	**161.6**	**23.4**	**21.5**	**35.1**	**20.4**	**19.4**	**41.8**
As at 30 June 2009								
Non-derivative financial liabilities[1]								
Payables	191.2	191.2	191.2	-	-	-	-	-
Bank loans, unsecured	3,278.6	3,278.6	584.4	486.2	949.9	1,258.1	-	-
Bank loans, secured	391.0	391.0	391.0	-	-	-	-	-
Euro medium-term notes, unsecured	513.1	513.1	-	-	-	-	-	513.1
Foreign private placement, unsecured	46.9	46.9	-	-	-	-	-	46.9
Total non-derivative financial liabilities	**4,420.8**	**4,420.8**	**1,166.6**	**486.2**	**949.9**	**1,258.1**	**-**	**560.0**
Derivative financial liabilities								
Net settled[2]	152.3	156.6	60.5	39.5	17.6	9.7	11.7	17.6
Gross settled[3]:								
Inflow		(176.3)	(45.9)	(52.2)	(47.3)	(27.2)	(3.7)	-
Outflow	17.0	182.5	15.9	34.3	44.9	69.8	17.6	-
Total derivative financial liabilities	**169.3**	**162.8**	**30.5**	**21.6**	**15.2**	**52.3**	**25.6**	**17.6**

1. Cash flows relating to non-derivative financial liabilities exclude any estimated interest payments.
2. Net settled includes interest rate swaps and forward foreign currency contracts.
3. Gross settled includes cross currency interest rate swaps.

24 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 balance sheet, 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 transferred only upon receipt of proceeds for the sale of those assets.

The credit risks associated with financial instruments are managed by:

+ transacting with multiple derivatives counterparties that have a long-term credit rating of at least AA- (or its equivalent); and
+ utilising ISDA agreements with derivative counterparties in order to limit exposure to credit risk through netting of amounts receivable and amounts payable to individual counterparties.

Fair values of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	Note	Carrying amount 2010 $M	Fair value 2010 $M	Carrying amount 2009 $M	Fair value 2009 $M
Assets carried at fair value					
Receivables:					
- Derivative financial instruments	5	23.0	23.0	30.9	30.9
Other financial assets:	11				
- Investment in listed securities		42.3	42.3	27.7	27.7
- Investments in other unlisted securities		0.3	0.3	0.3	0.3
		65.6	**65.6**	**58.9**	**58.9**
Assets carried at amortised cost					
Cash	22(a)	474.8	474.8	216.7	216.7
Loans to related parties	5	2,353.7	2,353.7	2,766.3	2,766.3
Trade and other receivables	5	57.6	57.6	94.3	94.3
		2,886.1	**2,886.1**	**3,077.3**	**3,077.3**
Liabilities carried at fair value					
Payables:					
- Derivative financial instruments	12	183.0	183.0	200.3	200.3
		183.0	**183.0**	**200.3**	**200.3**
Liabilities carried at amortised cost					
Payables	12	165.8	165.8	191.2	202.8
Interest bearing liabilities[1]	14	2,277.4	2,339.4	4,229.6	4,059.5
Provisions	13	128.9	128.9	11.6	-
		2,572.1	**2,634.1**	**4,432.4**	**4,262.3**

1. The methods used for determining fair values of financial instruments are discussed in notes 1, 2, 5 and 11. The fair value of the euro medium-term notes included in interest bearing liabilities have been determined by reference to their quoted price on the Singapore Stock Exchange at 30 June 2010.

24 Financial risk management (cont)

Fair values of financial instruments (cont)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels 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).

As at 30 June 2010	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Available for sale financial assets	42.3	-	0.3	42.6
Derivative financial assets	-	23.0	-	23.0
	42.3	**23.0**	**0.3**	**65.6**
Derivative financial liabilities	-	183.0	-	183.0
	-	**183.0**	**-**	**183.0**

As at 30 June 2009	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Available for sale financial assets	27.7	-	0.3	28.0
Derivative financial assets	-	30.9	-	30.9
	27.7	**30.9**	**0.3**	**58.9**
Derivative financial liabilities	-	200.3	-	200.3
	-	**200.3**	**-**	**200.3**

25 Commitments

	Consolidated 2010 $M	2009 $M
Capital expenditure commitments		
Contracted but not provided for and payable:		
- Within one year	16.6	0.6
- One year or later and no later than five years	0.2	0.6

Acquisition of investment properties
The amount contracted for the acquisition of investment properties not provided for is $62.5 million (2009: $54.4 million).

Commitment to investment in managed funds

At 30 June 2010, the Consolidated Entity was committed to invest A$97.1 million into GHKLF (2009: A$102.2 million).

In 2008, Goodman Group committed to subscribe for the lower of €222 million (A$315 million) or such amount as represents 40% of the issued and committed but uncalled GELF units, which is the maximum that Goodman Group is currently permitted to hold under the terms of the GELF constitutional documents. That commitment has been drawn down as and when required under the capital management plan of GELF. At 30 June 2010, that commitment had been drawn to €152 million (A$216 million), although based on GELF's latest current unit value, Goodman Group is only able to invest a further €15 million (A$21 million) before it reaches the maximum permitted holding of 40% of the issued and committed but uncalled GELF units.

At 30 June 2010, the Consolidated Entity was committed to invest A$12.0 million (2009: A$nil) into Goodman Australia Development Fund (GADF), A$8.5 million into GCLHL (2009: A$nil) and A$4.8 million into Princeton Lux (2009: A$nil) to fund the acquisitions of completed properties by these associates and JVEs.

The Consolidated Entity has a commitment to provide additional shareholder funding of up to A$0.9 million (2009: A$2.0 million) into HDL, A$3.6 million into Seaview (2009: A$9.5 million) and A$30.5 million (2009: A$16.7 million) into Interlink. This is to fund development projects committed to by these JVEs.

Stapling agreement with GL

As at 30 June 2010, GL had net assets of $ 131.4 million (2009: net liabilities of $92.8 million). Under the stapling agreement between GIT and GL, the Responsible Entity and GL are obliged to provide financial support to each other to enable both entities to repay their debts as and when they become due and payable.

Guaranteed land payments – development of M7 Business Hub, Eastern Creek, NSW

A commitment exists at 30 June 2010 in respect of a Heads of Agreement signed between GIT, Vineyard, Brickworks Limited and The Austral Brick Company Pty Ltd (Austral). Austral has a put option which gives it the right to require Vineyard to take a transfer of unsold saleable lots of land. GIT has provided Austral with a guarantee for all amounts payable by Vineyard and as at 30 June 2010, the maximum amount payable, in the event that there are no further sales of the lots of land between now and 31 December 2011, is $13.0 million (2009: $16.8 million).

Non-cancellable operating lease receivable from investment property customers

	Consolidated 2010 $M	2009 $M
Non-cancellable operating lease commitments receivable:		
- Within one year	168.0	155.3
- Later than one year but not later than five years	511.0	415.2
- Later than five years	191.6	143.9
	870.6	**714.4**

26 Parent Entity financial information

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

	2010 $M	2009 $M
Balance sheet		
Current assets	1,327.0	1,963.5
Total assets	4,310.9	4,948.3
Current liabilities	120.8	1,031.3
Total liabilities	121.4	1,033.1
Unitholders' equity		
Issued capital	6,442.9	5,229.1
Asset revaluation reserve	(822.3)	(726.1)
Accumulated losses	(1,431.1)	(587.8)
	4,189.5	3,915.2
Loss for the year	(742.2)	(965.3)
Other comprehensive income for the year	-	11.8
Total comprehensive income for the year	(742.2)	(953.5)

Parent Entity capital commitments

The Parent Entity has no capital commitments (2009: $nil).

Parent Entity contingencies

Capitalisation Deed Poll
GIT, Goodman Limited 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 or proceeds for the subscription of equity in the borrower by the investor. As at 30 June 2010, the Consolidated Entity had A$1,770.4 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 14), Goodman Australia Finance Pty Limited issued £250 million notes, maturing on 16 July 2016, at a fixed coupon of 9.75%. Goodman Funds Management Limited, as responsible entity of GIT and Goodman Limited, has unconditionally and irrevocably guaranteed on a joint and several basis the payment of principal and interest in respect of the Euro medium-term notes.

Performance guarantee
Goodman Funds Management Limited, as responsible entity of GIT and GHKLF, have guaranteed to an unrelated party the completion of Interlink, a distribution and warehouse facility being developed by Goodman Interlink Ltd in Hong Kong, with an estimated completion value of HK$3,010 million.

Goodman PLUS Trust hybrid securities guarantee
Goodman Funds Management Limited, as responsible entity of GIT and Goodman Limited, guarantee jointly and severally, unconditionally and irrevocably the payment of the moneys owing to the holders of Goodman PLUS Trust hybrid securities (refer to note 18) under the terms of issue and subscription terms for those securities.to the holders under the hybrid securities terms of issue on a subordinated and unsecured basis.

CIC convertible preference securities guarantee
Goodman Funds Management Limited as responsible entity of GIT and Goodman Limited, guarantee jointly and severally, unconditionally and irrevocably the payment of the moneys owing to the holders of convertible preference securities (refer to note 18) under the terms of issue and subscription terms for those securities.

Stapling agreement with GL
As at 30 June 2010, GL had net assets of $ 131.4 million (2009: net liabilities of $92.8 million). Under the stapling agreement between GIT and GL, the Responsible Entity and GL are obliged to provide financial support to each other to enable both entities to repay their debts as and when they become due and payable.

27 Events subsequent to balance date

On 16 August 2010, Goodman Group announced the proposed strategic acquisition of Moorabbin Airport and business park, Victoria for $201.5 million from Goodman Holdings Group. Mr Gregory Goodman and Mr Patrick Goodman are directors of and shareholders in Goodman Holdings Group. The transaction, which is subject to review by an independent expert, approval by securityholders of Goodman Group and government and regulatory approvals, would be funded via issue of ordinary equity in Goodman Group of $146.5 million, $35.0 million of vendor finance and $20.0 million cash to fund working capital.

On 17 August 2010, the Consolidated Entity entered into a new £85 million (A$150 million) unsecured loan with an international bank. The loan is revolving and available in multiple currencies for a three year term. As a result, the Consolidated Entity's total liquidity position has increased to approximately A$1.65 billion.

Goodman Industrial Trust and its Controlled Entities
Directors' declaration

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

(a) the financial statements and notes that are set out on pages 14 to 65, 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 2010 and of its performance for the financial year ended on that date;
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Consolidated Entity 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 Group Chief Financial Officer for the year ended 30 June 2010.

The directors of the Responsible 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, 19 August 2010

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

Report on the financial report

We have audited the accompanying financial report of Goodman Industrial Trust (the Trust), which comprises the balance sheet as at 30 June 2010, and income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 27 and the directors' declaration.

Directors' responsibility for the financial report

The directors of Goodman Funds Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies 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 Trust's preparation and fair presentation of the financial report 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, 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 (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Trust's financial position, and of its performance.

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 Trust's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

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

KPMG

KPMG

John Teer
Partner

Sydney, 19 August 2010