



29 October 2010

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

Dear Sir

**GMP: GOODMAN GROUP (GMG)
EXTRAORDINARY GENERAL MEETINGS – CHAIRMAN'S PRESENTATION**

We attach the Chairman's presentation for GMG's Extraordinary General Meetings being held today.

A live webcast of the Extraordinary General Meetings will be available on the Goodman website (www.goodman.com).

Yours faithfully

A handwritten signature in black ink, appearing to read "Carl Bicego".

Carl Bicego
Company Secretary



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Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

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EXTRAORDINARY GENERAL MEETINGS – CHAIRMAN'S PRESENTATION**

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Yours sincerely

A handwritten signature in black ink that reads "Carl Bicego".

Carl Bicego
Company Secretary

A photograph of a modern, multi-story building with a large glass facade and a green semi-transparent overlay. The building has a mix of white, blue, and yellow panels. The foreground is a landscaped area with dark mulch and some green plants. The sky is blue with some clouds.

Goodman
Group
Extraordinary
General
Meetings
Chairman's
Presentation

29 October 2010

Directors and Executives



Mr Ian Ferrier
Independent Chairman

Mr Phil Pryke
Independent Director

Mr Gregory Goodman
Group Chief Executive Officer

Mr John Harkness (Apology)
Independent Director

Ms Anne Keating
Independent Director

Mr Patrick Goodman (Apology)
Non Executive Director

Mr Jim Sloman
Independent Director

Mr Carl Bicego
Company Secretary

Mr James Hodgkinson
Non Executive Director

Agenda



- + Chairman's Address
- + Formal Business
- + Q&A

Executive summary



- + **Goodman Group is proposing to acquire a substantial 294 hectare airport and business park in Melbourne's inner south-east from Goodman Holdings¹ for \$201.5 million**
 - Strategic to Goodman Group's Melbourne operations comprising
 - \$91.6 million income-producing investments
 - \$87.8 million of development land and
 - \$22.1 million of aviation activities
 - **\$201.5 million total**
 - **Transaction is accretive to NTA and increases 30 June 2010 pro forma NTA by 0.4 cents per Stapled Security². Funded via**
 - \$146.5 million issue of ordinary equity (225.4 million securities at issue price of 65.0 cps), one third of equity escrowed for 2 years and two thirds to be escrowed for 5 years
 - \$35.0 million of vendor finance, payable 3 years after settlement
 - \$20.0 million to fund working capital
 - **\$201.5 million total**
 - **Increases alignment of Greg Goodman (Group CEO) with Goodman Group**

¹ Goodman Holdings is a Goodman family owned entity. Goodman Holdings is the majority owner of Moorabbin Airport and business park and will procure the sale of the minority interests within the total consideration.

² Broker consensus is between 5.2 and 5.5 cents on a fully diluted basis, adjusting for the CIC hybrid securities and options.

Executive summary



- + **Transaction subject to the following stringent governance measures**
 - Reviewed and recommended by a sub-committee of the Goodman Group Board, comprised of Independent Directors
 - Purchase price supported by an independent valuation by CB Richard Ellis
 - Appointment of Deloitte Corporate Finance to provide an independent expert's report. Deloitte determined the proposal to be fair and reasonable, having regard to the interests of the Non Associated Securityholders
 - Subject to Goodman Group Securityholder approval being sought today

- + **The Independent Directors of Goodman Group unanimously support the transaction.**

Goodman Melbourne strategy



- + Goodman's strategy in Melbourne is to focus on the Western market (larger pre-commit warehouses) and the Inner South East market (small to medium sized users in business park environment) and the infill location of Port Melbourne.



The Property



- + Located 21 kilometres from the Melbourne CBD
- + Substantial 294 hectare business park and airport in Melbourne's inner south-east
- + 123 hectares of prime business park space plus the Moorabbin Airport, being
 - 50 hectares of industrial and retail land has been developed over the past 10 years and
 - 73 hectares of land is available for future development opportunities in accordance with the Masterplan



+ June 1998
Site acquired by Goodman Holdings

+ October 2000
Completion of new CASA facility

+ October 2000
Chifley Business Park commences occupation with Coca Cola followed by Visy, Simplot and Remington etc in 2003 and 2005

+ 2003
DFO completes extension

+ May 2004
Kingston Central Plaza opens

+ July 2010
New five year Masterplan approved

+ October 2010
Major blue chip customer signs pre commit for 14,438 sqm development

Masterplan



- + An important and valuable asset in the economic and transport infrastructure of Victoria.
- + 99 year¹ leasehold interest (87 years remaining) from the Commonwealth Government.
- + Latest Masterplan approved in July 2010 for next five years.
- + Commitment to work closely with all levels of Government and the local community to ensure that all of the activities contribute to job creation and economic activity in the area.
- + Goodman Holdings retained as Operator of the airport for continuity and experience.
- + Air Services Australia and the Civil Aviation Safety Authority perform air traffic management and safety roles.
- + Approved Masterplan sets out clear planning guidelines to the owner, presenting a range of flexible development opportunities.



¹The head lease has an initial term of 50 years (38 years remaining) with an extension for a further 49 years at the option of the leasee.

Proposed Airport Management Terms



AIRPORT MANAGEMENT AGREEMENT TERMS

Airport Management Agreement	Goodman Holdings is to be retained as Airport Operator to manage the aviation components including airport operations and associated aviation leases.
Term	10 year term, breakable at Goodman Group's election at the end of years three and six.
Fee	Airport Operator to make payments to Goodman Group of \$1.7m pa with 3% annual fixed increases
Responsibilities	Airport Operator responsible for all aviation revenues and aviation expenses.
Indemnity	Airport Operator to indemnify Goodman Group against any claims related to the aviation activities
Step-in-Rights	Goodman Group to hold step in rights in relation to the Operation of the Airport
Conditions Precedent	Subject to Government approval

Activity since August announcement



Major Pre Committed Development

- + Goodman Holdings has signed terms with a major blue chip customer for a proposed pre committed development of almost 14 500sqm at Moorabbin Airport and business park.¹
- + The proposed new development, will consist of a number of facilities on a mix of 10 and 20 year leases.
- + The proposed development was not assumed in the valuation of \$201.5 million.

DFO

- + Colonial First State have negotiated to acquire the sub lease interest in the DFO centre at Moorabbin.
- + This significantly improves the ground lease tenancy covenant from that assumed in the valuation.

Aviation Lease Agreement

- + A new 10 year lease to a major aviation customer resulted in a 25% uplift in passing rental and 50% uplift over valuation assumed market rental.
- + A 12 month rental void was also assumed in the valuation, which is no longer required.

¹ Subject to Government approval

Board Reasons to Support the transaction



1. In line with Goodman Group's business strategy

The proposed acquisition is in line with Goodman Group's business strategy to own, develop and manage business space in prime locations.

2. In line with Goodman Group's Melbourne strategy

The Group's Melbourne strategy is to focus on the Western industrial market, the infill location of Port Melbourne and the inner South East (S.E.) market where this Property is situated. The inner S.E. is a core market for the Group which is also characterised as an infill location with limited land available for development.

The Group has a strong track record in Melbourne's inner S.E., and in particular at this site. The proposed transaction provides the Group with an opportunity to acquire the Property at the bottom of the valuation cycle.

3. Aligns interest of Group CEO to Goodman Group

The proposed transaction increases the alignment of the Group Chief Executive Officer, Mr Greg Goodman. His interests in the consideration will be aligned with the five year escrowed securities being issued. If the transaction is approved, the equity consideration will represent approximately 3% in Goodman Group.

Board Reasons to Support the transaction (cont)



4. Has a favourable financial impact

- The proposed transaction has a favourable financial impact for the Group, providing:
- EPS on the issue of each new ordinary Security issued at the upper end of FY11 guidance of 5.3 to 5.5 cents per Security;
- Accretion to NTA, increasing 30 June 2010 pro forma NTA by 0.4 cents per security; and
- No material impact to gearing or liquidity.

5. Aviation Operations outsourced for 10 years

- The aviation operations are proposed to be outsourced for 10 years retaining experience and knowledge of the operation and providing for a seamless integration over time. This will allow the Group to focus on its core activities, while providing a secure income stream for these activities.

6. Prudent Corporate Governance

- The proposed transaction has followed prudent corporate governance guidelines previously stated and is supported by independent advisors CB Richard Ellis and Deloitte Corporate Finance. Importantly, Securityholders will have the opportunity to vote on the proposed transaction being considered at this meeting.



**Formal
Business+**

Resolution 1

+ Ordinary resolution to approve the Moorabbin Proposal under the Listing Rules

“ That approval is given for the Moorabbin Proposal, including the issue of 225 384 615 Stapled Securities to the Vendors at an issue price of 65 cents each as part consideration for the acquisition by Goodman Group of the Moorabbin Units, on the terms set out in the Explanatory Memorandum for the purposes of Listing Rule 10.11 and for all other purposes.”



Resolution 1+

Discussion

Important notice and disclaimer



- + This document has been prepared by Goodman Group (Goodman Limited (ABN 69 000 123 071) and Goodman Funds Management Limited (ABN 48 067 796 641) (AFSL Number 223621) as the Responsible Entity for Goodman Industrial Trust (ARSN 091 213 839)). It is information in a summary form and does not purport to be complete. It is to be read in conjunction with Goodman Group's other announcements released to the ASX (available at www.asx.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate.
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- + This presentation contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

A photograph of a modern, multi-story building with a large glass facade and a white corrugated metal exterior. The building is set against a blue sky with scattered white clouds. In the foreground, there is a landscaped area with dark brown mulch and some green plants. A semi-transparent green mesh overlay is positioned in the center of the image, containing the text "thank+you" in white lowercase letters.

thank+you