



13 April 2011

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

Dear Sir

GMP: GOODMAN GROUP (GMG) ANNOUNCEMENT – APG and Goodman submit informal non binding, indicative proposal to acquire ProLogis European Properties – which has been rejected

We attach an announcement made today by Goodman Group.

Please contact the undersigned in relation to any queries.

Yours sincerely

Carl Bicego
Company Secretary

asx release+

APG and Goodman submit informal non binding, indicative proposal to acquire ProLogis European Properties – which has been rejected

Date 13 April 2011

Release Immediate

APG Algemene Pensioen Groep N.V., as manager of the APG Strategic Real Estate Pool ("APG"), and Goodman Group ("Goodman") are pleased to advise that they are considering making an offer, together with a group of like minded investors, to acquire for cash 100% of the ordinary units ("Units") in ProLogis European Properties FCP ("PEPR") (the "Proposed Transaction"). APG and Goodman recently submitted an indicative, non-binding proposal concerning the Proposed Transaction ("Indicative Proposal") to ProLogis. The Indicative Proposal also contemplates the transfer of PEPR's management rights from ProLogis to Goodman.

PEPR is managed by ProLogis who have an entrenched position as both the largest PEPR unitholder and via its Management Agreement with the vehicle.

The proposed transaction cannot be executed without ProLogis' support. However, thus far, ProLogis has rejected APG and Goodman's Indicative Proposal.

PEPR is listed on Euronext Amsterdam with a market capitalisation of €1.0 billion (as at 11 April 2011) and holds a portfolio of 232 European logistics assets. The Indicative Proposal contemplates acquisition of PEPR by a small consortium of investors led by APG and Goodman. It is currently envisaged that Goodman will hold an interest of approximately 25% in the consortium. Goodman has also been selected as the operational partner to the consortium.

APG and Goodman remain willing to explore the Proposed Transaction with ProLogis, notwithstanding ProLogis have, thus far, rejected the Indicative Proposal. APG and Goodman believe that a fully documented proposal could be ready within 6 to 8 weeks with the full cooperation of ProLogis, ProLogis Management Sarl and the independent directors of the Board of PEPR.

The key components of the Indicative Proposal and rationale are detailed in the attached media release issued in Europe overnight.

For further information, please contact

Greg Goodman

Group Chief Executive Officer

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About Goodman: Goodman owns, develops and manages industrial property and business space globally. With \$15.0 billion (as at 31 December 2010) in total assets under management and \$4.9 billion in Europe, it is the largest industrial property group listed on the Australian Securities Exchange and one of the largest in the world, with offices across Asia Pacific, UK and Europe. At the core of the Group's success is its integrated customer service model, which reflects the organisation's commitment to creating long-term customer relationships.

About APG: All Pensions Group (APG) is the manager of APG Strategic Real Estate Pool (the Pool). The Pool is a pooled investment vehicle established in the Netherlands, in which investments, in both Australia and other countries, are held for the purpose of collective investment. With assets under management of approximately €265 billion (as at 30 September 2010) APG is one of the world's largest institutional investors.

For more information about APG, please visit www.apg.nl

APG and Goodman submit informal, non-binding, indicative proposal to acquire ProLogis European Properties – which has been rejected

APG Algemene Pensioen Groep N.V., as manager of the APG Strategic Real Estate Pool (“APG”), and Goodman Group (“Goodman”) are pleased to advise that they are considering making an offer together with a group of like minded investors to acquire for cash 100% of the ordinary units (“Units”) in ProLogis European Properties FCP (“PEPR”) (the “Proposed Transaction”). APG and Goodman recently submitted an indicative, non-binding proposal concerning the Proposed Transaction (“Indicative Proposal”) to ProLogis. The Indicative Proposal also contemplates the transfer of PEPR’s management rights from ProLogis to Goodman.

The Proposed Transaction cannot be executed without ProLogis' support. However, thus far, ProLogis has rejected APG and Goodman’s Indicative Proposal.

Were the transaction to proceed, funding would be provided by APG, Goodman and a group of like minded major pension and sovereign wealth funds who have expressed a willingness to participate (the “Consortium”).

Rationale

APG and Goodman believe a transaction on the terms of the Proposed Transaction – which would contemplate cash consideration of €6.00 per ordinary unit – would provide a compelling value proposition for all unitholders that, in the view of APG and Goodman, would close the persistent gap between PEPR’s trading price and its underlying NAV. It would produce demonstrable value and certainty of cash exit for all PEPR unitholders. In addition, the Proposed Transaction would resolve widely held concerns regarding PEPR’s strategy and governance structure.

The Proposed Transaction would also mitigate concerns that have arisen in respect of the additional conflicts of interest that will result from the proposed merger of ProLogis and AMB. Following this merger, and taking into account the recently announced joint venture between AMB and Allianz, there would be a total of five ProLogis / AMB vehicles that invest in core European logistics assets and may therefore be competing for the same business opportunities in the same territory.

It is currently envisaged that upon a successful transaction APG and Goodman would each hold a circa 25% interest in the privatised entity with the balance of the equity required to implement the Proposed Transaction to be provided by other members of the Consortium, all of whom are leading global real estate investors.

The Indicative Proposal and the Proposed Transaction would be subject to (among other conditions) satisfactory completion of full due diligence, receipt of all necessary consents, regulatory approvals, agreement on final documentation and the transfer of PEPR’s management rights from ProLogis to Goodman.

Goodman has indicated its willingness to act as operational partner to the Consortium and to discuss fair cash compensation with ProLogis for relinquishing its rights as manager of PEPR.

APG and Goodman are seeking the full support and endorsement of ProLogis Management Sarl (as PEPR's management company), ProLogis (as owner of PEPR's management company and major investor in PEPR) and the Independent Directors of the Board of PEPR. In this regard, APG and Goodman are seeking access to non-public information so as to be able to complete their due diligence in a timely manner. In parallel with the completion of due diligence, APG and Goodman would expect to negotiate with ProLogis and with PEPR to agree definitive terms of the Indicative Proposal.

APG and Goodman have approached ProLogis and proposed to enter into a constructive dialogue on the Indicative Proposal and the Proposed Transaction in the interest of all PEPR unitholders. However, thus far, ProLogis has rejected APG and Goodman's Indicative Proposal.

APG and Goodman note that, under the current governance structure of PEPR, the full support and endorsement of ProLogis is necessary to enable the Proposed Transaction to be effected given ProLogis' position as the largest PEPR unitholder and its Management Agreement with PEPR by way of ProLogis Management Sarl. APG and Goodman would expect, however, that the directors of ProLogis Management Sarl and the Independent Directors of the board of PEPR, will recognise their duty to act in the best interest of the PEPR unitholders. APG and Goodman are willing to consider alternative transaction structures if suggested by ProLogis, should such structures provide better value to unitholders than the current Proposed Transaction.

APG and Goodman remain willing to explore the Proposed Transaction with ProLogis, notwithstanding ProLogis have, thus far, rejected the Indicative Proposal. APG and Goodman believe that, if ProLogis were to reconsider its rejection of the Indicative Proposal, a fully documented proposal could be ready within 6 to 8 weeks, with the full cooperation of ProLogis, ProLogis Management Sarl and the independent directors of the Board of PEPR.

APG and Goodman calculate that the consideration of €6.00 per ordinary unit contemplated by the Indicative Proposal represents a premium of approximately 20% over the 11 April 2011 closing unit price; a premium of approximately 25% over the six month volume weighted average unit price; and the approximate midpoint of PEPR's IFRS NAV and EPRA NAV as at 31 December 2010.

Patrick Kanters, Managing Director Global Real Estate at APG stated:

"As manager of its clients' assets, APG has the obligation to its clients to maximize the value of the investments we manage on their behalf. Ever since PEPR's IPO we have repeatedly called upon the ProLogis and PEPR management to address PEPR's governance and strategy issues, to try and close the persistent gap between PEPR's unit price and underlying NAV, but to no avail. With this proposed transaction APG is seeking to deliver value for all unitholders."

Greg Goodman, CEO of Goodman stated:

“We look forward to working alongside our Consortium partners to deliver value for all unitholders in PEPR. The geographic location of PEPR’s portfolio is complementary to our existing European footprint. Our experience of managing assets across these markets is a key factor behind our participation both as an investor in the Consortium and as its operational and strategic partner.”

Macquarie Capital Advisers is acting as financial adviser to APG, Goodman and the Consortium.

For further information, please contact:

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About Goodman: Goodman owns, develops and manages industrial property and business space globally. It is the largest industrial property group listed on the Australian Securities Exchange and one of the largest in the world, with offices across Asia Pacific, UK and Europe. At the core of the Group’s success is its integrated customer services model, which reflects the organisation’s commitment to creating long-term customer relationships.

www.goodman.com

Goodman’s operational platform in Europe comprises over 280 staff across 13 countries with €2.9 billion of third party assets under management, out of global third party AUM of €8.5 billion. Goodman has a substantial and growing €4.4 billion European development pipeline and a further €0.4 billion of work in progress.¹

About APG: APG provides asset management services for pension funds. By investing worldwide, APG is able to provide for the collective pension schemes for participants in the Netherlands from, amongst others, the education sector, the government (civil servants), the construction sector and housing corporations and utilities companies. APG works for more than 20,000 employers and provides for the income of more than 4.5 million participants. APG manages over 30% of all collective pensions in the Netherlands. With assets under management of approximately €277 billion (4th quarter 2010), APG is one of the world’s largest pension asset managers.

www.apg.nl

Notes

1. As at 31 December 2010, A\$:€ exchange rate of 1:0.729 as at 11 April 2011

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or

otherwise dispose of, any units in PEPR and nor does it evidence any legally binding commitment (conditional or otherwise) on the part of APG or Goodman to implement such an offer, whether on the terms of the Proposed Transaction, or otherwise. Accordingly, there can be no certainty that an offer for PEPR units will be made by APG and/or Goodman (or any other person) nor as to the terms on which any such offer might be made.