



asx release+

Goodman notes Moody's rating change

Date	23 April 2009
Release	Immediate

Please refer to the attached release by Moody's which lowers Goodman's senior unsecured rating from Baa1 to Baa2 and the Goodman PLUS from Baa2 to Baa3. Both ratings remain on review.

This follows the recent change from Standard and Poor's.

For further information, please contact Goodman:

Greg Goodman

Group Chief Executive Officer

Tel +61 2 9230 7400

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 service model, which reflects the organisation's commitment to creating long-term customer relationships.

Rating Action: Goodman Group

Moody's lowers Goodman's senior ratings to Baa2; maintains review for further downgrade

Sydney, April 23, 2009 -- Moody's Investors Service has today lowered Goodman Group's ("Goodman") issuer and senior unsecured rating to Baa2 from Baa1. In addition, the subordinated debt rating on Goodman's hybrid securities has been lowered to Baa3 from Baa2. Both ratings remain on review for possible downgrade.

"The downgrade is a result of Goodman's weakened financial metrics," says Clement Chong, a VP/Senior Analyst, adding, "It further reflects a highly uncertain outlook for asset valuations and rental yields with the likelihood that both will further deteriorate materially in the coming 12 to 18 months."

Goodman's weak financial metrics are indicated by -- on a look-through basis -- fixed charge coverage of 2.1 times, Debt/Assets about 54%, and Net Debt/EBITDA greater than 9 times, as of December 2008.

"Expectation of falling property prices, lower overall income due to lower development income, and a generally challenging outlook for the commercial property sector, is likely to constrain these metrics further over the next 12-18 months," says Chong, adding, "Further, the group's ability to de-leverage is expected be hampered by property and capital markets dislocation."

Goodman's ratings remain on review for possible downgrade given the likelihood of further deterioration in leverage to a level inconsistent with a Baa2 rating. However, Moody's acknowledges that the group has previously demonstrated an ability to mitigate this issue through equity raising and asset sales. Nevertheless, meaningful further progress in de-leveraging is challenging. The review will focus on Goodman's ability to do this at a pace and materiality that matches likely changes in asset valuations and revenue deterioration.

The review will also focus on the sustainability of Goodman's broader business model given the current challenges faced by its funds management and development businesses.

The last rating action on Goodman was on March 2, 2009 when its Baa1/Baa2 ratings were placed on review for possible downgrade.

The principal methodology used in rating Goodman was the Rating Methodology for REITs and Other Commercial Property Firms, which can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating this company can also be found in the Credit Policy & Methodologies directory.

The Goodman Group, based in Australia, is an internally managed, integrated property group, with ownership of a substantial portfolio of Australian industrial property assets. In addition, the group has a number of strategic investments in various industrial property funds globally. It also derives earnings streams from providing funds management and property management services together with property development activities.

Sydney
Clement K. Chong
Vice President - Senior Analyst
Corporate Finance Group
Moody's Investors Service Pty Ltd
JOURNALISTS: (612) 9270-8102
SUBSCRIBERS: (612) 9270-8100

Sydney
Brian Cahill
Managing Director
Corporate Finance Group
Moody's Investors Service Pty Ltd
JOURNALISTS: (612) 9270-8102
SUBSCRIBERS: (612) 9270-8100

CREDIT RATINGS ARE MOODY'S INVESTORS SERVICE, INC.'S (MIS) CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

© Copyright 2009, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moody's.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."