

LEADING TRANSFORMATION

We are executing a long-term plan that will keep us at the forefront of our sector.

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EVOLVING OUR BUSINESS

Our strong performance is helping to build a higher quality business for the long term.

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THE GATEWAY CITY REPORT

Goodman invests in quality properties and locations in key gateway cities globally.

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Goodman

INDUSTRIAL

GOODMAN GROUP SECURITYHOLDER REVIEW 2016

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INDUSTRIAL EVOLUTION

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some of Goodman's gateway cities

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"AT THE FOREFRONT OF OUR SECTOR"

IAN FERRIER, AM
INDEPENDENT CHAIRMAN

The 2016 financial year (FY2016) was another successful year for Goodman. Not only did we grow our operating profit to \$715 million, a 9% increase on the 2015 financial year (FY2015), but we did it while executing a long-term plan which will underpin the Group's future. Low borrowings, a robust balance sheet and strong customer relationships, supported by our gateway city strategy, were all features of the last year.





FY2016 FINANCIAL HIGHLIGHTS

Financial highlights for FY2016 include:

- + Operating profit of \$715 million, a 9% increase on FY2015;
- + Statutory profit of \$1,275 million, contributing to 19% growth in net tangible assets per security;
- + Operating earnings per security (EPS) of 40.1 cents, up 7.8% on FY2015;
- + Distribution per security of 24.0 cents, up 8% on FY2015;
- + A strong financial position maintained, with balance sheet gearing of 11.8%; and
- + Group liquidity at \$2.6 billion to meet all near term obligations and opportunities.

THE RIGHT MIX

With an expanding business operating in a high growth sector, successful execution of our strategy has required an optimal mix of prudent, uncompromising financial management coupled with entrepreneurial drive.

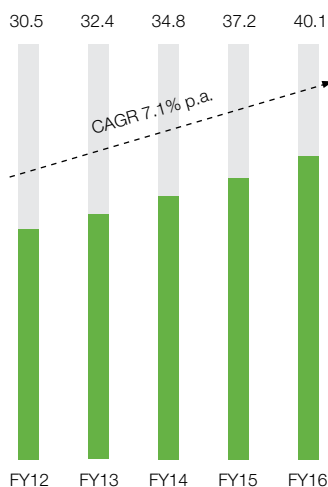
Last year at Goodman, I believe we came up with the right mix. The numbers support our approach.

These results were the product of the execution of a long-term strategy that a short-term plan would not be able to achieve. Over the past five years at Goodman, the discipline and commitment of the executive team and staff have seen the Group conceive, develop and execute a plan which will fortify Goodman's future.

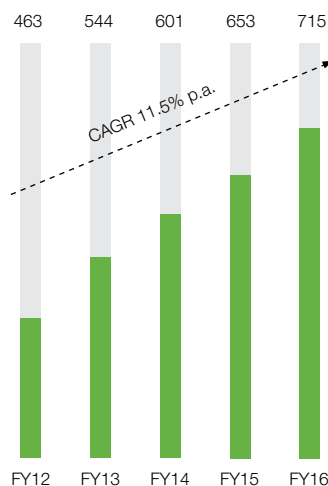
As part of this plan, we continued acting on our earlier decision to invest and develop in quality locations in major urban centres, in order to capitalise on the urbanisation of major cities, the boom in global consumption and the continued evolution of e-commerce and logistics.

To get there, we've combined the financial strength which we see as part of 'business as usual' at Goodman, with an appetite for expansion and change that has helped us stay ahead of the market.

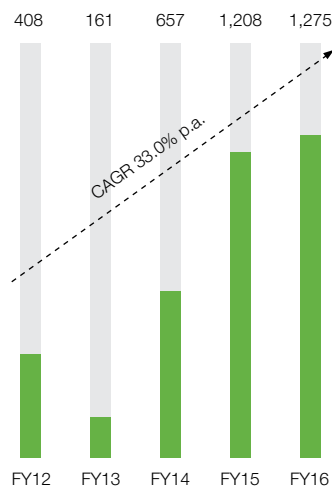
Operating EPS (¢)



Operating profit (\$m)



Statutory profit (\$m)





Goodman Pudong Airport Logistics Park, Shanghai, China.



Goodman Business Park, Tokyo, Japan.

To stay at the forefront of our sector, we envisaged a plan that would go the distance. We're now well positioned to capitalise on the side effect of a boom in e-commerce and a redefinition of the role of the warehouse. Today, our customers want more value from their property solutions than ever before. They are willing to consolidate, rationalise or automate to achieve greater cost efficiencies. We also know they are turning their attention to the locations where Goodman's gateway city strategy remains focused: proven logistics locations in major cities around the world, close to major urban centres.

The results of this strategy of developing quality properties in sought-after locations can not only be seen in the strong bottom line we presented for FY2016, but it's also shown through the high quality of our properties. These are being built to lead, not just meet, market demands in the warehousing sector.

Across the globe last year, the foresight Goodman has shown in its urban renewal and gateway city strategies provided our customers with a competitive edge and the Group with a sustainable business.

Nowhere was this better demonstrated than in Sydney, Australia. When one of our commercial properties at Waterloo Road in Macquarie Park was rezoned as residential and subsequently contracted for sale, we worked closely with the building's customer, Fuji Xerox to find them suitable alternative commercial space.

Soon, Fuji Xerox will relocate to a brand new Goodman development in nearby Khartoum Road, Macquarie Park. This new property gives Fuji Xerox a chance to consolidate its operations, with its Fuji Film business also moving into the new commercial space. As a result, we have been able to provide Fuji Xerox with higher quality premises, through a cost-effective, minimally disruptive move.

For Goodman's part, there were significant benefits to this approach. We've not only conditionally exchanged on the sale of the Waterloo Road site, but importantly, we've also provided Fuji Xerox with a better property solution and retained them in our Australian portfolio.

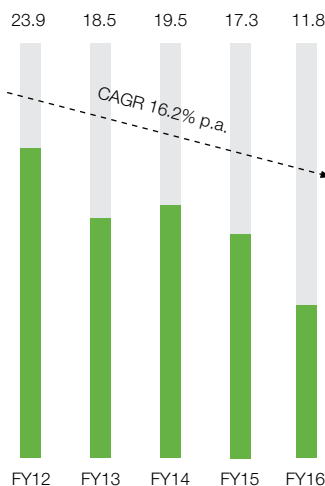
THE RIGHT PLAN

I'm pleased to say that in FY2016, the discipline and commitment of our executives and staff have ensured the desired outcome we've been working towards in our five year plan is all but here.

While our results are impressive on their own, there are two factors which make them even more so. First, they've been achieved without resorting to the use of financial leverage, and second, they take into account the costs of expansion into new markets such as the United States and Brazil.

Overall, we are confident with our forecast 6% p.a. operating earnings per security growth for FY2017.

Gearing (%)



A BRIGHT FUTURE

What we've seen in FY2016 is the outcome of the past five years of dedication and discipline by the team in executing a well-designed strategy. The results ensure Goodman has built a sustainable business which is now well positioned for the future—one which may entail further expansion of our core business or expansion from opportunistic circumstances.

Whichever we choose, our cautious financial management over the last year ensures that we are in a solid position in terms of under reliance on cash. Additionally, as our investment partners have \$8 billion of undrawn equity capital committed, we will not have to resort to undue leverage to fulfil our opportunistic plans.

Of course, no matter how solid the plan, there will be bumps in the road. We can anticipate continuing challenges in new and developing economies such as China, where we have long-term partners and caps on our exposure. In more mature economies, we will continue with our rational expansion plans, taking advantage of our unique industry segment and its current growth phase, in particular our growth in the United States.

When we do hit challenges, I rest assured, knowing that our people are our core strength, and the success we have seen is testament to that. The executive team are highly experienced and have been together to execute this strategy over the past five years. We also enjoy high staff retention across the whole Group. All are positive factors, which are reflected in a performance-based remuneration plan designed to ensure retention of key and high performing staff, another strategy with which we are very satisfied.

I am very proud of the excellent results that the Group has achieved in FY2016, through its conviction on delivering to a robust and sustainable strategy and of the focus, commitment and drive shown by everyone at Goodman. I look forward to the coming year and would like to thank our staff for their dedication and our Securityholders, customers and investment partners for your continued support.



IAN FERRIER, AM
INDEPENDENT CHAIRMAN





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IAN FERRIER, AM
INDEPENDENT CHAIRMAN



EVOLVING OUR BUSINESS

GREGORY GOODMAN
GROUP CHIEF EXECUTIVE OFFICER



Goodman has completed another successful year in which we continued to grow our business and ensure we are in robust shape financially and operationally to benefit from a number of transformational macro themes that are shaping the future and driving the evolution of the industrial property sector. This is an exciting time for the Group and I'm pleased to report on our activities and achievements in the 2016 financial year and how these are positioning Goodman for a strong future.

Our performance during the year delivered 7.8% growth in operating earnings per security, demonstrating our conviction that the business strategy we are executing is the right one for the prevailing market conditions and will create long-term value for all of Goodman's stakeholders. Our ability to achieve this comes from Goodman's industrial property expertise, size and scale, and the extensive infrastructure we have in place around the world. Our operations span 16 countries and we have built a truly global business, with a virtually unrivalled operating platform and skilled team of people. This has enabled us to be innovative by identifying and adopting new trends early, ensuring that Goodman has always been a leader within our sector. The capability and resources we have amassed over many years provide Goodman with access to a wide range of quality opportunities, the experience to solve the diverse and changing property needs of our customers across a wide range of industries, and an investment offering that attracts significant capital from global investment partners.

A prominent backdrop to the last 12 months has been the ever growing prevalence of a number of macro themes that are driving the demand for modern, well located logistics space. They are underpinning significant change across the industrial property sector globally and the role that logistics and warehousing space has traditionally played.

These themes include:

- + The trend toward greater urbanisation of our cities;
- + The growth in consumerism, which is driving demand from our customers across a broad range of sectors from retail and pharmaceutical to automotive;
- + The evolution of e-commerce and enabling technologies (such as mobile technology), which is changing consumer behaviour and driving greater investment in proven logistics locations, close to major urban centres and end-consumers; and
- + The focus of our customers on getting more value from their property solutions and achieving cost efficiencies, which include consolidating operations, upgrading facilities, rationalising supply chains, greater automation and the use of robotics.

The quality and location of our properties have always been key factors in Goodman's investment decisions and they define the composition of our overall portfolio of 412 properties. In the context of the themes transforming our sector, we continue to see ongoing growth in the quality and strength of our properties in and around major gateway cities and this forms the basis of our overall business strategy.

During the year, this was reflected in our focus on improving the quality of our properties and the income we earn from them. We did this by taking advantage of the high demand for modern, well located logistics space and selectively selling assets, with the proceeds reinvested into our development business. The continued strong demand for industrial assets resulted in \$2.2 billion of properties (excluding urban renewal sites) being sold across the Group and our managed Partnerships in markets including Australia, New Zealand, China, the United Kingdom and Continental Europe. This sales activity has helped to fund our growing development work book, which increased to \$3.4 billion at year end and remains a key driver of growth for Goodman.

\$2.2bn

Properties sold
(excluding urban renewal sites)






Viridian Glass, Highbrook Business Park, Auckland, New Zealand.



Texaco Centre, Dynamic Cargo Centre, Global Gateway and Tsuen Wan International Centre, Hong Kong, China.



The ongoing strength in asset pricing enhances our competitive advantage, given our ability to develop brand new logistics space in sought after locations, where land is difficult to obtain and demand exceeds available supply. We are able to replace existing assets at a forecast yield on cost of 7.8% with our own modern, high quality developments. This is reflected in the \$3.3 billion of new development projects we commenced across our operating regions during FY2016, which is adding significant value and providing the best risk adjusted returns at this point in the property cycle. In turn, this is benefitting Goodman and our stakeholders by enhancing our overall portfolio and income quality and driving higher investment returns.

The Group continued to focus on managing the risk in its growing development business during the year through its disciplined and prudent approach to development. We did this by ensuring that we maintained a strong financial position, reinvesting the proceeds from our property sale initiatives and limiting speculative development to markets where there is an undersupply of new logistics space. Importantly, we are undertaking more development in our managed Partnerships and this is reducing the amount of capital that the Group is directly contributing to fund its overall development projects.

\$34.1bn

Total assets under management

\$3.3bn

New developments commenced

We completed another busy year in our development business, with Australia undertaking more than \$700 million of projects in the key east coast cities of Sydney, Melbourne and Brisbane. The development activity we have underway reflects the shift by our customers toward reducing costs and improving operational efficiencies. Demand has been largely driven by the ongoing growth in e-commerce through the increased space requirements of third party logistics customers. We also secured a number of new commitments from domestic and international retailers, including Jewel Fine Foods, ALDI and Super Amart.

In our New Zealand business, customer demand is contributing to the ongoing strength of our development book in the key Auckland market. We announced 11 new projects during the year, which were mostly pre-committed to customers on long-term leases, including four projects at our flagship Highbrook Business Park.

Goodman maintained development volumes in China of 740,000 sqm, with our selective development approach targeting strategic logistics locations around key economic centres, including Shanghai, Beijing, Chongqing and Chengdu. Demand for quality space in these markets remains high, driven by domestic consumption and in particular, we continued to see strong interest from e-commerce, retail and logistics customers. This has achieved pre-commitment levels of over 50%, with good pre-leasing activity on our uncommitted developments, such as Goodman Qingpu Centre in Shanghai, which was 97% leased on completion.

The Japan market continues to experience strong demand for modern, high quality logistics space. The targeted development approach being undertaken by our Japan team is focused on prime, strategic locations around Tokyo and Osaka. Highlighting this, we delivered Stage 1 of Goodman Business Park in Chiba Newtown, Tokyo, a 117,000 sqm four-storey, multi-customer logistics facility, which has been fully leased. Following this success, we also announced the commencement of Stage 2 at Goodman Business Park, with strong pre-leasing interest for this 125,000 sqm logistics facility, which will have the same high specification as Stage 1.

In the United Kingdom, we maintained our development led approach, securing new opportunities during the year in proven, core markets. With the support of our global investment partners, we also launched the Goodman UK Logistics Partnership. The Partnership has already completed its first two projects, both of which have been fully leased.

In Continental Europe, our business continues to perform well, with development volumes remaining strong. Our work book was 623,000 sqm at year end. We have sustained this level of activity over the last four years and have been ranked Europe's top real estate developer for the fifth consecutive year by PropertyEU magazine. Ongoing customer demand in sectors including e-commerce, retail and automotive underpinned activity in our key markets of Germany, France and Poland, achieving overall occupancy across our European portfolio of 98%.

59%

Earnings contributed by
Goodman's international operations

The roll-out of Goodman's development pipeline in the US gathered momentum over the year, with our focus on key undersupplied markets in Southern California, New Jersey and Pennsylvania. We made good progress in the Inland Empire market in Southern California, completing more than 160,000 sqm of logistics space and signing major leases with Amazon and Walmart. We also commenced over 200,000 sqm of new developments at our mixed-use development in Eastvale, securing a pre-commitment from Volkswagen for a new training facility.

In Brazil, we secured 100% of the operating platform, agreeing terms with WTorre to split our respective interests in the assets of the WTGoodman joint venture. We now operate as Goodman Brazil and our operations there are strategically aligned with the Group's global platform. We maintain our positive long-term view on Brazil and are focused on selectively undertaking targeted growth opportunities, such as the pre-committed 62,000 sqm development for Walmart that was secured during the year.

Our stabilised property portfolio around the world experienced robust operating activity over the last year, with strong leasing results and ongoing high occupancy and customer retention levels. We achieved this through the consistent delivery of our customer focused offering and by ensuring that our properties are well maintained and presented. The quality, location and performance of our stabilised portfolio ensure that our properties are sought after by our customers and attractive to investors, which continues to support higher property valuations. Together with the strength of Goodman's development activities, this was a major driver of the growth in our total assets under management during the year, which increased by 13% to \$34.1 billion as at 30 June. This was largely due to the \$3.2 billion of developments we completed and \$810 million of higher property valuations across Goodman's overall portfolio, with our urban renewal sites in Australia contributing approximately 33% of this valuation increase.



The Group's urban renewal strategy continues to represent an important long-term opportunity and major source of capital for our business. It shows how investing in quality gateway city locations, where land is scarce and in high demand has, over time, prompted a change in use from industrial to residential, creating significant value for Goodman. Demonstrating this, we have sold and conditionally contracted \$2.1 billion of sites, of which \$800 million of urban renewal transactions were settled to 30 June, with a further \$1 billion of settlements to occur in FY2017. We continue to maintain the momentum in our urban renewal activities by focusing on achieving positive planning outcomes on a number of sites, while also maintaining our current urban renewal pipeline in Australia, which is equivalent to 35,000 apartments.

Goodman has retained the strong support of global investor groups, who value our contemporary approach to investment management. This comes from our independence, governance and alignment of interests, with the Group investing alongside our partners. The Group's specialist investment offering, development expertise and proven ability of our Partnership platform to deliver strong total returns and create value, are attractive to our investment partners. This saw an additional \$2.3 billion of equity raised in FY2016, mainly for our Partnerships in China, Japan and the United Kingdom. This has bolstered the investment capacity of our managed Partnerships and provides them with access to quality opportunities not readily available in the market.

The strong performance delivered in the 2016 financial year reflects the range of operating activities and strategic initiatives undertaken across Goodman's business globally. This has delivered full year operating earnings per security of 40.1 cents, an increase of 7.8% on FY2015 and operating profit of \$715 million, up 9% on last year. This was above our initial 6% earnings guidance provided at the start of the year.

The total distribution we paid for the year was 24.0 cents per security, representing an 8% increase on last year and was in line with Goodman's 60% distribution payout ratio. Payment of the distribution consisted of 11.9 cents in the first half of the year and 12.1 cents for the second half.



Brand Developers, West Industry Park, Melbourne, Australia.

\$715_m

Operating profit

24.0¢

Distribution per security



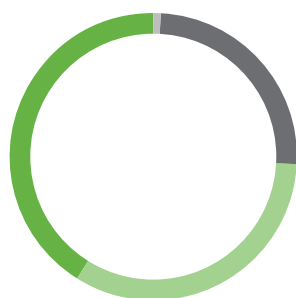
GROUP OPERATIONS

Goodman delivered an operating EBIT of \$879 million, which is a substantial increase of 23% compared with last year. The robust result is mainly due to our continued focus on driving the organic growth of our business, the geographic diversification of our operating platform and the increased scale of our existing markets around the world, while also benefitting in part from a weaker Australian dollar. Reflecting the strength of the customer and investor demand for quality logistics properties globally, Goodman's development and management businesses performed well, contributing 39% and 18% of operating EBIT respectively. The continued growth in the contribution from our development activities was a key factor in Goodman's earnings outperformance for the full year. The contribution to operating EBIT by Goodman's investment earnings was 43%, with stable investment earnings in line with expectations.

The value of our geographically diversified operating platform was reflected in the 59% of earnings contributed by Goodman's international operations, with solid growth achieved in these markets.

Further information on the Group's operations for FY2016 is available on pages 26 to 37 of this Securityholder Review.

Operating EBIT by geographic segment



- Australia 41%
- Europe 33%
- Asia Pacific 25%
- The Americas 1%

\$2.6bn

Liquidity

CAPITAL MANAGEMENT

Maintaining a strong financial position is an important part of Goodman's overall business strategy, balancing our commitment to delivering sustainable long-term growth and competitive risk-adjusted returns with lower financial leverage. We are achieving this through our focus on selectively selling property assets across the Group and our managed Partnerships and reinvesting capital into our development activities to deliver growth in investment returns.

With our development business continuing to grow, having available capital to self-fund our development work book makes us less reliant on new capital, while helping to reduce our financial leverage. In turn, this positions Goodman to better withstand market volatility and to also take advantage of longer-term growth opportunities.

As a result, the Group's gearing was 11.8% at year end, compared with 17.3% as at 30 June 2015. We expect gearing to continue reducing, as further capital is received from ongoing selective property disposals and settlements arising from the sale of urban renewal sites. Goodman also finished the year with total liquidity of \$2.6 billion, providing considerable financial flexibility for the future.

We procured \$3.1 billion of debt facilities during the year across the Group and managed Partnerships, mainly to refinance existing facilities. This achieved an average term to maturity of 4.5 years and pricing at current market rates, confirming our continued focus on extending debt funding sources and Goodman's ongoing access to global debt capital markets.



Goodman Logistics Center Rancho Cucamonga, Southern California, US.



eBay Enterprise, Goodman Halle Logistics Centre, Halle, Germany.





OUTLOOK

Goodman is building a higher quality business for the long term. The success we have achieved over the last year shows how we are successfully executing our strategy, and our early recognition and understanding of the major macro themes and structural changes that are transforming our sector globally. With Goodman's specialist industrial offering and geographically diversified operating platform, combined with the strength of our customer relationships and managed Partnerships, we are well placed to take advantage of the strong ongoing demand for modern, efficient and well located logistics space. We will focus on accessing the best quality opportunities in the best locations, to drive sustainable earnings growth for future periods and create long-term value for all stakeholders.

Our focus remains on improving the quality of our properties and income across Goodman's portfolio globally. We will continue to selectively sell assets, although with \$4.1 billion of property sales already undertaken over the last two years, this will be at a slower rate in FY2017. With development providing the best risk adjusted returns, we will reinvest sale proceeds into our development business, providing funding for the projects being undertaken by the Group and our managed Partnerships, and building the quality and strength of our properties in and around key gateway cities globally.

The progress we are making on our urban renewal strategy will generate considerable capital for Goodman, as further settlements occur in FY2017 and in future periods. This is driving our financial leverage lower and together with our property sales initiatives, is providing Goodman with significant financial flexibility and a robust balance sheet position.

In turn, the Group is well positioned for FY2017. We have a strong development business, with a significant pipeline of growth opportunities to deliver tailored property solutions for our global customer base and provide our investment partners with access to high quality, well located industrial properties. In turn, this will continue to grow our assets under management and drive the long-term growth of our earnings. Goodman is forecasting full year operating earnings per security of 42.5 cents, up 6% on FY2016 and a distribution per security of 25.4 cents per security.

I would like to express my thanks on behalf of the Board and executive management team, to all of our customers, investment partners and Securityholders for your ongoing support of our business. I also acknowledge the enormous commitment and effort by our team of people during the year in delivering this exceptional performance in FY2016 and thank all of you for your valued contribution. Through your dedication and hard work, we are able to achieve so much and build a truly great business for the long term.

GREGORY GOODMAN
GROUP CHIEF EXECUTIVE OFFICER





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Goodman Ichikawa, Tokyo, Japan.



PROPERTY INVESTMENT

2016 was a year of growth, as the Group achieved a 13% increase in the value of our assets under management. Two key factors played a role in this increase, being the number of developments we completed, and the sustained strong asset prices. This resulted in the positive revaluation of the 412 properties across our 16 country-strong portfolio.

What our portfolio looks like

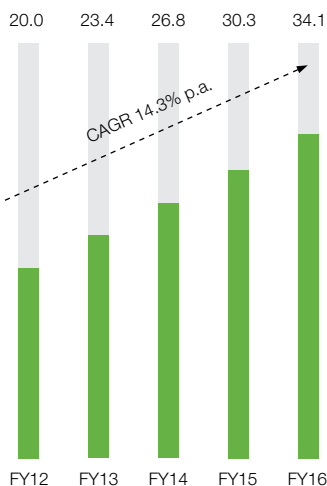
The value of our direct investment portfolio has continued to rise and now totals \$7.5 billion (up from \$6.7 billion at 30 June 2015).

At financial year end, our \$7.5 billion portfolio was split into two clear segments: \$4.9 billion of cornerstone investments in the Group's managed Partnerships and \$2.6 billion in direct property investments, spread across 29 properties in Australia, the UK and Europe. A large percentage of these are in Sydney, where they play a key role in Goodman's urban renewal activities.

Satisfying a global customer base

Last year, Goodman continued to meet the demands of a global customer base, with our overall property portfolio boasting occupancy of 96%, like-for-like rental growth of 1.9%, and \$357 million in property income from 3.4 million sqm of space leased. Throughout the year, our proven customer offering, geographically diversified operating platform and extensive infrastructure all continued to play key roles in our strongly performing portfolio.

Total assets under management (\$b)



412

Properties

3.4m sqm

Space leased

However, we also continued to add value for our global customers by staying focused on the quality of our properties and actively managing assets across our portfolio. We undertook upgrades to existing properties and pursued higher and better use opportunities to realise greater value for our assets. We also selectively disposed of properties where value had been maximised and better value was evident elsewhere.

Our urban renewal activities and gateway city strategy are two examples of where our focus on investing in quality and location were put into practice.

A stronger position

Maintaining our strategy of focusing on areas of urban renewal requires active management. Last year, the total value of the sites we sold and conditionally contracted was \$1.6 billion. This activity is now returning capital to Goodman, strengthening our financial position.

We also took advantage of strong asset pricing with \$2.2 billion of asset sales activity (excluding urban renewal sites) across the Group and our various Partnerships. This is consistent with our ongoing focus of improving the quality of our property portfolio and its income stream and providing capital to help develop our own new, higher quality properties.

PROPERTY DEVELOPMENT

Goodman's development business performed strongly over the last year, benefitting from the demand for prime logistics space around the world. With development commencements of \$3.3 billion spread across 92 projects in 16 countries (67% with customer pre-commitments, and 72% pre-sold to Goodman's Partnerships or third parties), and development work in progress of \$3.4 billion, Goodman has one of the largest and most geographically diversified development businesses globally.

Looking at the global picture, the demand for prime logistics space reflects the robust domestic consumption seen in major gateway cities, which is being facilitated by the rapid growth in e-commerce. This is leading our customers' increased demand for space which is closer to the end-consumer to reduce their costs and improve delivery times. By focusing on developing in and around gateway cities, Goodman is helping our customers realise greater operating efficiencies and returns from their property solutions.

Keeping a firm eye on the future, we continued to maintain our \$10 billion development pipeline, replenishing our land bank in key locations. This is capable of delivering a forecast gross lettable area of 7 million sqm.

Development work in progress
as at 30 June 2016



Australia 22%	North America 12%
Continental Europe 22%	New Zealand 7%
Greater China 19%	United Kingdom 3%
Japan 13%	Brazil 2%

Developments in progress

With 81 projects in 14 countries, equating to 2.5 million sqm of new logistics space, we saw active developments underway in all of Goodman's operating regions.

Some of the projects that make up our \$3.4 billion of development work in progress include:

- + in Sydney, a 36,870 sqm distribution centre for multinational consumer goods company, Reckitt Benckiser;
- + a 30,670 sqm warehouse and office facility in Melbourne for distributor of household brands, Spectrum Brands;
- + in Auckland, New Zealand, a 5,160 sqm warehouse expansion for food products supplier, Scalzo;
- + a 106,900 sqm built-to-suit fulfilment centre, comprising two facilities, in Huiyang, Southern China for leading Chinese e-commerce company, JD.com;
- + at Akamatsudai, Japan, a 50,865 sqm facility for Japanese third party logistics provider, Marubeni Logistics Corporation;
- + a 130,435 sqm fulfilment centre at Lahr, Germany for leading European online fashion retail platform, Zalando;
- + in Brie, France, a 21,685 sqm warehouse for multinational retailer, Carrefour;
- + a 24,000 sqm facility at Burton-on-Trent, United Kingdom for palletised freight distribution service provider, Palletforce;
- + at Eastvale in Southern California, United States, a mixed-use business park, with phase 1 comprising two 93,000 sqm logistics facilities subsequently pre-leased to Amazon; and
- + a 62,600 sqm cross-dock and sort facility at Minas Gerais, Brazil for multinational US retailer, Walmart.



\$3.4bn

Development work in progress

\$10bn

Development pipeline



Artist's impression, Reckitt Benckiser, Oakdale Industrial Estate, Sydney, Australia.

A strategic approach

Goodman continues to focus on development at this point in the property cycle, as it provides us with the best risk-adjusted returns. We are also capitalising on the Group's development capability and expertise, both of which enable us to develop our own brand new, high quality product at a yield on cost of 7.8%. This strategy provides us with a strong competitive advantage compared to having to buy similar assets in the market.

This ability to reinvest significant capital into Goodman's development business is a point of differentiation, with the Group increasingly able to self-fund its development activities.


While our strategy is important to growing future earnings, the big picture is also prudent. Risk has been mitigated via more development being undertaken in Goodman's managed Partnerships, reducing the Group's direct capital commitments. We've also limited speculative development to supply constrained markets, such as the US, Japan and China.

81

Developments underway globally



Bungarabee Industrial Estate, Sydney, Australia.



\$3.2bn

Completed developments

Developments delivered

Over the last year, Goodman delivered \$3.2 billion of new space, totalling 2.4 million sqm across 86 projects. Developments delivered during the year include:

- + in Sydney, two facilities for a combined 58,185 sqm for global logistics services provider, DHL Supply Chain;
- + an 11,445 sqm warehouse and office development in Melbourne for leading producer of herbs and spices, McCormick Foods;
- + in Auckland, New Zealand, a 16,000 sqm head office building for dairy company, Fonterra;
- + an 85,635 sqm distribution centre, comprising two facilities for global sport apparel and equipment retailer, Decathlon, in Wuhan, China;
- + in Tokyo, Japan, Stage 1 of Goodman Business Park, comprising a 116,525 sqm ramp-up, multi-customer logistics facility;
- + a 69,130 sqm distribution centre near Augsburg, Germany for automobile manufacturer, BMW Group;
- + a 39,625 sqm fulfilment centre at St Mard, France for Cdiscount, France's leading e-commerce company;
- + at Fontana in Southern California, United States, a 59,430 sqm logistics centre, subsequently leased to Walmart; and
- + in Rio de Janeiro, Brazil, a 145,390 sqm built-to-suit facility for Brazilian retail group, Via Varejo.

PROPERTY SERVICES

Meeting the needs of 1,750 customers across the globe is no small task, yet Goodman's Property Services teams manage to not only achieve this, but also deliver exceptional customer service.

These teams are at the frontline of our operating platform, helping us achieve this year's 96% overall occupancy across the 17.6 million sqm of logistics and business space under our management.

Our Property Services teams attend to the day-to-day property needs of customers, working proactively and consistently to ensure properties are well maintained and operate efficiently, but that's just the baseline. Our people are constantly looking for opportunities that add value for our customers, helping them meet their own changing business and operational needs.

In this respect, both the size and scale of our portfolio and our active asset management approach help us go well beyond what's expected. Throughout the last year, we assisted customers who were upgrading or expanding existing space, through refurbishment, new development or relocation within the portfolio, while helping others consolidate their space to achieve greater efficiencies.

If we look purely at the numbers, it was also a busy year. We now manage 412 industrial and business space properties, and of the 3.4 million sqm of space we leased last year, 287 new leases were signed, and 335 leases were renewed.

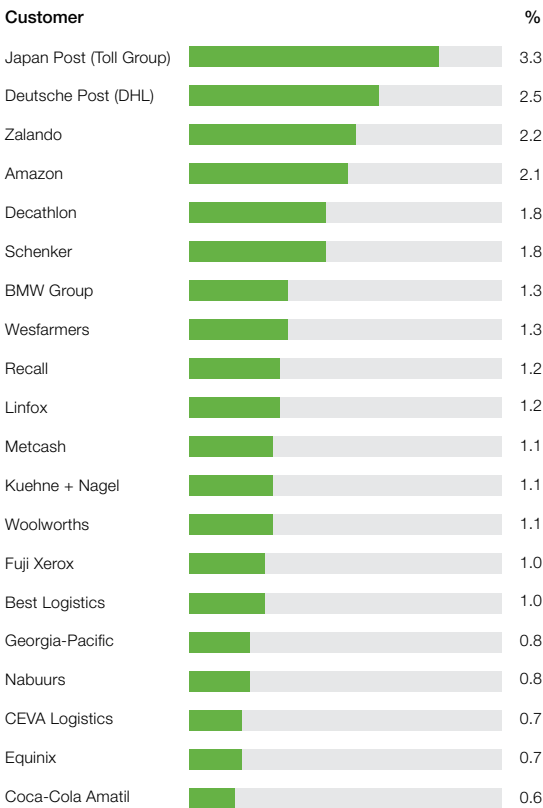
But while the numbers count, customer relationships are key to maintaining them. Over the last year, we were proud to have increased our customer retention rate to 79%, up from 74% at 30 June 2015.

Customers that were either welcomed during the year, or with whom we built on our existing relationships include: DB Schenker, Deutsche Post (DHL), TNT, Walmart, Amazon, Decathlon, GAP, Nestlé, Hyundai and Airbus.

96%

Occupancy

Top 20 global customers
(by net income¹)



¹ Includes the Group's share of net property income from its cornerstone investments across its managed Partnership platform.



INVESTMENT MANAGEMENT

At Goodman, we've long known our investment partners are particularly attracted to three things about us: our specialist industrial offering, our ability to create long-term value, and focus on delivering strong ongoing total returns.

During the year, we worked hard on all three, and our average total return was more than 20% across a managed Partnership platform that has \$29.3 billion of assets under management (up 16% on 30 June 2015). This figure was achieved thanks to significant development completions, as well as continued market strength in asset pricing, which has also led to our Partnership properties achieving higher market valuations.

We remained strategic in our approach to the sale of assets. Selective sales of \$1.9 billion worth of properties improved our overall portfolio quality and safeguarded our income stream. At the same time, we were able to continue offering our investment partners access to growth opportunities in prime locations that the open market can't readily access.

New capital raised

Our investment partners showed their confidence in our business, with \$2.3 billion of new equity raised for the UK, China and Japan. \$2.4 billion of debt was raised and refinanced over the last year, lengthening our debt maturity profile, with an average debt expiry of 4.5 years.

The total investment capacity across our Partnerships at 30 June 2016 was \$10.3 billion in cash and undrawn debt and equity. This is a strong figure and ensures our investment partners can participate in the range of growth opportunities offered by both the Group and wider market.



>20%

Average total managed Partnership returns



A year of major initiatives

There were numerous major initiatives completed over the last year. E-commerce and domestic consumption in China meant continued demand for quality logistics space, particularly in our gateway cities of Greater Shanghai and the Beijing region. As a result, Canada Pension Plan Investment Board (CPPIB) built on its existing relationship with Goodman by committing a further US\$1 billion of equity to Goodman China Logistics Partnership (GCLP). This was done in line with the Partnership's equity structure on an 80/20 basis, with US\$250 million coming from Goodman, for a total commitment of US\$1.25 billion.

Additionally, GCLP acquired a portfolio of logistics estates from Goodman Group, with an end build-out value in excess of US\$570 million. For 2017, GCLP will continue its focus on key locations, where land constraints and demand are strongest.

In 2016, we also launched the £1 billion Goodman UK Logistics Partnership between Goodman, CPPIB and APG Asset Management. Each partner committed £200 million for a one third interest respectively. The resulting combined initial equity commitment of £600 million provides investment capacity in excess of £1 billion. This will be used to secure high quality UK logistics and industrial development opportunities. The Partnership's initial portfolio comprises two developments in proven logistics locations close to London and Birmingham, totalling 55,000 sqm of new space.

There were numerous other success stories across our Partnerships. Goodman Japan Core Partnership finalised new equity commitments for US\$200 million, while the terms of the Goodman Australia Development Partnership and Goodman European Partnership (GEP) were extended by five and ten years respectively.

In Europe, GEP successfully priced an inaugural €500 million Eurobond issue on a five year term, with proceeds used to repay existing debt facilities. Separately, in New Zealand, Goodman Property Trust (GMT) successfully completed a US Private Placement debt issue, securing US\$120 million of long-term funding with a weighted average term of 12.3 years, to increase the diversity and tenor of its debt facilities. GMT also extended its retail bond programme, issuing a new NZ\$100 million senior, secured seven year bond.

MODULAR

EVOLVING

OUR GATEWAY CITY STRATEGY

At Goodman, our determination to be the best at what we do has always been defined by the quality and location of our properties. We focus on investing in and developing high quality industrial properties in strategic locations, in and around major gateway cities globally, where demand is strong and transformational changes are driving significant opportunities for our business.







Goodman Business Park, Tokyo, Japan.

T O K



IN ONE OF THE LARGEST CITIES ON EARTH, GROWTH IN AND AROUND GREATER TOKYO IS A GIVEN. BUT IN THIS GLOBAL CITY, IT'S NOT JUST THE NET POPULATION INFLOW THAT IS DRIVING HEIGHTENED DEMAND FROM WITHIN THE LOGISTICS INDUSTRY.

Tokyo remains the logistics hub for Japan, but structural changes across the industry have played a key role in changing the sector.

Occupiers are moving from old, obsolete logistics centres and consolidating into modernised efficient facilities needed by Japan's leading retailers, who are operating in an increasingly competitive environment.

In part, this is because the strong growth in e-commerce has also increased customer expectations. To keep up, many companies now provide same day delivery, an offering that requires increased labour and well-located facilities to meet this promise to the end user.

So how is Goodman helping? We know our customers need large, modern, efficiently designed and cost-effective fulfilment centres, but they also require sites that are attractive to employees. The country's shortage of workers means that in Japan, today's leading employers are not just increasingly shrewd in evaluating locations, specifications and rents, but they place strong emphasis on factors that impact their ability to attract and retain workers. The result? Leading companies here not only require locations which are attractive and convenient for existing worker populations, but they also want superb amenities and compelling design onsite to help retain them.

All of these were important considerations for Skechers, which is directly leasing 30,000 sqm in Stage 1 of the multistage Goodman Business Park at Chiba Newtown. Stage 1 is a 117,000 sqm multi-customer development completed in March 2016.

The facility is now the primary Japanese logistics centre for this \$3 billion leader in performance and lifestyle footwear. Goodman Business Park provides the connectivity, amenities and premium facilities, with expansion potential that companies like Skechers, which operates in more than 160 countries, gravitate towards.

The site is located in an inland, high-population growth corridor (served by multiple toll-free highways, bus routes and close to planned Expressway expansions). Onsite, sleek building and design, highly useable space, and planned amenities including retail, restaurants, open spaces and community facilities are attractive to companies wanting to be employers of choice.

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Goodman Business Park, Tokyo, Japan.



Onsite, sleek building and design, highly useable space, and planned amenities including retail, restaurants, open spaces and community facilities are attractive to companies wanting to be employers of choice.









When Woolworths decided to open its first dedicated online grocery store, it worked with Goodman to find a suitable space from which to run it.



Woolworths, Airgate Business Park, Sydney, Australia.



SYDNEY

**SYDNEY MAY BE ONE
OF THE WORLD'S GREAT
CITIES, BUT FOR GOODMAN,
IT'S ALSO JUST ONE OF
THE CITIES WE CALL HOME.**

Sydney was the first market we invested in, via a purchase in South Sydney over 20 years ago. Today, we own 46 properties in the city's prime industrial precinct, an area which extends from the airport at Mascot to the fringe of the CBD.

Between our industrial estates, warehouses and business parks, our South Sydney property portfolio provides more than 1.4 million sqm of space for around 330 customers, 65% of whom are in the transport, logistics and consumer sectors.

South Sydney has always been a prized industrial precinct, thanks to its easy access to Kingsford Smith Airport and Sydney's expanding port, and a large population base. Today, it's more valuable than ever.

Infrastructure and transport upgrades like the WestConnex passenger and freight infrastructure project are linking the area to Western Sydney. And as urban renewal leads a shift from industrial to residential development, some traditional occupiers are moving to areas like Western Sydney, where land is available and Goodman also has a large industrial property portfolio.

The trend is creating space in our South Sydney portfolio for new types of customers, who covet this area's central location and proximity to a large swathe of Sydney's population. It's also an in demand location for third party logistics operators and retailers who are thriving from the boom in e-commerce.

One such customer is Woolworths. Online food and liquor retailing is one of the fastest growing categories within online

retail. So when Woolworths decided to open its first dedicated online grocery store, it worked with Goodman to find a suitable space from which to run it.

Today, at Goodman's Airgate Business Park in Mascot, Woolworths lease 9,750 sqm of combined warehouse and office space, of which 7,000 sqm is dedicated to the Woolworths online store – a conventional supermarket that is dedicated to servicing the online shopper.

While the store has been modelled on the traditional supermarket, there are key differences. In the online store, trolleys have been designed for easy picking of customer orders, and the shelves are stocked with a product range that is tailored to meet the shopping needs of the online customer – mostly, busy families with small children.

There's a bakery and deli service offering (the store bakes and slices to order), and the store includes a full range of fresh food lines as well as the usual mix of ambient, chilled and frozen foods and household products, with a layout that supports the servicing of its online customers.

With the growing demand for online groceries, the online store provides Woolworths with the flexibility to pick customer orders throughout the day in a dedicated space without causing disruption to its traditional instore shopping experience. The new store has provided Woolworths with the ability to service and reach many thousands of customers living in the store's catchment area across inner Sydney.





GOING BACK A FEW DECADES, CHINA WAS BEST KNOWN FOR ITS MANUFACTURING. BUT TODAY, CHINA HAS THE BIGGEST ONLINE SALES MARKET IN THE WORLD, AND IN CHINA'S GATEWAY CITY OF SHANGHAI, E-COMMERCE IS BIG BUSINESS.

Here, the global trend for traditional offline retailers to use online platforms is even more prevalent than other parts of the world.

It's just one reason Shanghai is an ideal gateway for Goodman's Chinese developments. As mainland China's financial hub, Shanghai has a growing population that now exceeds 24 million. But the city isn't economically important due solely to population. In a country where rising incomes are pushing consumption levels ever higher, residents of Shanghai have a disposable income per capita that is 118.4% higher than the national average.

This combination of factors makes Shanghai increasingly attractive for Goodman. Here, location is becoming vital for last mile delivery, and infill locations mean modern and multi-storey warehousing are important offerings. In Shanghai, our customers are looking for space efficiencies, secure facilities and improved construction quality, as well as the capacity to install the automation needed to service expanding demand.

Goodman's Qingpu Centre development takes advantage of all of these factors. As our first three-storey distribution facility and first green industrial development in China, the Centre is already setting the new standard for quality of industrial parks across the country.

The development, which has a completion value of US\$112.6 million (A\$149.0 million), provides more than 110,000 square metres of prime, modern industrial and business space in Western Shanghai, with convenient access to downtown, Hongqiao Airport and Shanghai's transport interchange.

This premium, strategically located facility achieved 97% occupancy by completion and has attracted companies like JD.com, China's leading e-commerce company, as customers.

The e-commerce giant, which has a market capitalisation of US\$44.2 billion as at 31 December 2015, leased 63,130 sqm at Goodman Qingpu Centre. Halfway through the year, JD.com was Goodman China's seventh largest customer. Today, it's our largest, occupying almost 295,000 sqm of warehouse space in six key Chinese cities.

The company was attracted to the strategic location of the Qingpu Centre facility, which allows easy distribution not only to Shanghai, but Suzhou and other key cities in Jiangsu and Zhejiang provinces, and the capacity to continue developing its logistics infrastructure by accessing our network of warehouses in key cities.

In addition to Goodman Qingpu Centre, we have seven other industrial properties in Shanghai. These include Goodman Pudong Airport Logistics Park, an award-winning 200,000 sqm development, comprising three phases of two storey ramp-up warehouse facilities.

SHANGHAI



In Shanghai, our customers are looking for space efficiencies, secure facilities and improved construction quality.



N G H A I



JD.com, Goodman Qingpu Centre, Shanghai, China.





Goodman Logistics Center Fontana, Southern California, US.



LOS ANG

LOS ANGELES MAY BE BEST KNOWN AS HOME TO HOLLYWOOD STARS AND DISNEY CHARACTERS, BUT TO THOSE IN THE LOGISTICS INDUSTRY, THE SECOND LARGEST URBAN CENTRE IN THE US IS BETTER KNOWN AS ONE OF THE LARGEST GATEWAY CITIES IN THE WORLD.

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As online purchasing volumes skyrocket, our customers want, and need, to be closer to their consumers.

Greater Los Angeles is where the Port of Los Angeles / Long Beach is located. “America’s Port”, as it’s affectionately known, has long been a hub of trading activity between the US and Asia, but today, about 50 per cent of all goods arriving at this local port stay within the region.

All this activity translates to a high demand for industrial properties. Southern California’s 178 million sqm of industrial space is now the largest of its kind in the US, a fact that is even more compelling when coupled with the Greater Los Angeles industrial market vacancy rate of just 5.5%, the lowest in the country. Combine this with the high TEU volumes at the Port of Los Angeles / Long Beach (more than 15 million per annum), and a growing population of 18 million people, it’s no wonder this is a city offering ample opportunities for Goodman.

This is also a region our customers are drawn to. In 2016, we welcomed Amazon, the eighth-largest retailer in the world, to the first of two of Goodman’s one million square feet logistics centres in Southern California’s Eastvale.

The new facility Amazon has moved into incorporates the latest in automation technologies. Furthermore, in this state-of-the-art, LEED-certified facility, they are able to capitalise on one of the best locations for logistics in the Greater Los Angeles region.

Amazon isn’t the only Goodman customer focusing on last mile delivery. As online purchasing volumes skyrocket, our customers want, and need, to be closer to their consumers. By continuing to develop momentum in the US market, we’re helping them achieve that. We have completed and stabilised over 300,000 sqm of new space, and we currently have a further 240,000 sqm under construction.

Amazon is just one big customer name to be drawn to the popularity of the Inland Empire market. Goodman has welcomed customers including Walmart, Georgia-Pacific and Volkswagen to its portfolio across the region.

Capitalising on this type of growth market is not always straightforward. A lack of available land for new development in the region requires an increasingly creative approach from Goodman. An example of how we’re doing this is our acquisition of a 55 acre former oil-refining site in Santa Fe Springs, California, a highly strategic location for our customers, due to its close proximity to consumers and the Ports. The site required extensive remediation, however the final product will deliver Class A distribution buildings ranging from approximately 28,000 sqm to 47,000 sqm.

ELES





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MENTION THE WORD PARIS TO ALMOST ANYONE AND NUMEROUS IMAGES COME TO MIND. WE VISUALISE THE EIFFEL TOWER, ROMANTICISE ITS LATIN QUARTER, AND ADMIRE ITS STATUS AS A GLOBAL CULTURAL CENTRE. WHAT MOST DON'T REALISE IS THAT PARIS IS ALSO A MAJOR LOGISTICS HUB.

L

Nearly 60% of the labour force in Paris is employed in the commerce, transport and services sector. Then there's the land itself. Paris's central role in a key French corridor linking Lille to Lyon and Marseille makes it a valuable location for industrial and logistics real estate.

In Paris, money comes in to play in more than land values. The city's 12 million residents have an estimated GDP per capita of \$70,760, and in 2014 Paris was ranked in the world's ten richest cities.

Through utilising our gateway strategy of buying high quality logistics space in key urban areas, Goodman's Parisian properties have proven highly attractive to our customers.

At Charles de Gaulle airport, DHL Global Forwarding is capitalising on our 16,440 sqm development in Roissy for its air cargo services. Just 20 km from Paris and 1km away from a critical north-south truck route on the A1 highway, the Goodman facility allows DHL high utility space in Europe's second largest cargo airport.

While the location is superb, we've ensured the facilities are too. Doubling the number of dock doors compared to market average helps DHL increase the amount of cargo it can process. We've also provided a standalone office block for administration, so the company can keep its warehouse dedicated purely to logistics.

While our airport-based facilities near Roissy have Greater Paris and beyond covered, we've not forgotten the city's centre. At the Port of Gennevilliers we've invested in a prime urban location, just 10 km from the centre of Paris.

The Port of Gennevilliers is France's largest river port. Here, in a city where proximity makes a tangible difference to last-mile delivery times, Goodman holds a prime 20,465 sqm logistics property.

It's an attractive proposition for Goodman's global customer DB Schenker. The logistics specialist uses Goodman's Port of Gennevilliers property as a key regional hub, with its strategic location and cross-docking features making it efficient for receiving and delivering goods by road, rail and water. The facility is so central that consumers can even come to collect items themselves. It's just 1km from the Paris metro station of Asnières-Gennevilliers-Les Courtilles, meaning customers can make the trip from Gare Saint Lazare train station in only fifteen minutes.

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Through utilising our gateway city strategy of buying high quality logistics space in key urban areas, Goodman's Parisian properties have proven highly attractive to our customers.



DHL, Roissy Airport Logistics Centre, Paris, France.



SUSTAINING



OFFSHORE

SUSTAINABILITY

It's been a strong year for Goodman, with our commitment to Corporate Responsibility and Sustainability (CR&S) playing a positive role in this success.

Throughout the year, we've worked hard to achieve consistency across the business to deliver our sustainability initiatives. To get there, we've built our internal knowledge and capacity, an investment which is enabling our teams to collaborate and respond to global trends such as the growth in consumerism, urbanisation and e-commerce.

Sustainability is partly about embracing innovation. The concept fits well with Goodman's drive to improve the quality of our properties, and represents just one way we are capitalising on the shifting dynamics across the logistics sector.

Our focus on sustainability also ensures we continue finding efficiencies across the business. While this is a natural fit for Goodman, it's also a key driver of our customer-focused business strategy.

Our sustainability strategy is reviewed regularly to ensure it supports, and is aligned with, Goodman's business strategy. Over the last year, we further revised our sustainability approach to deliver our activities and targets across four main areas.

1. Sustainable development – striving to improve the sustainability of our developments, through innovation and working with customers to evaluate and incorporate design initiatives.
2. Asset management – managing and investing in our assets to improve efficiency, long-term competitiveness and resilience.
3. Corporate performance – measuring our impact, improving our overall performance and engaging regularly with our key stakeholders.
4. People and community – inspiring and challenging our people, and supporting various community based groups through the Goodman Foundation.



Fonterra Centre, Auckland, New Zealand.

16 MW

Solar capacity across
Goodman's Japanese portfolio

FY2016 Highlights:

- + Certified green developments completed in Australia, New Zealand, Japan, China, Continental Europe, the United Kingdom and the United States;
- + Over 16 MW of solar capacity now installed across Goodman's Japanese portfolio;
- + 5.5 NABERS Energy rating for Goodman's head office in Sydney;
- + Further transition to LED lighting as our standard warehouse lighting;
- + LEED-certified fitout for Goodman's Hong Kong office; and
- + Submissions to the Global Real Estate Sustainability Benchmark for seven Goodman Partnerships.

Connect Corporate Centre, Sydney, Australia.



Oakdale Industrial Estate, Sydney, Australia.



SUSTAINABLE DEVELOPMENT

It was a busy year for our development teams, with \$3.2 billion of new developments completed across Goodman's operating regions.

Incorporating sustainable design initiatives into our industrial developments remains a challenge, as factors including functionality, location and cost remain primary decision drivers. Our approach is to get the basics right relating to site orientation, natural light, smart lighting, efficient air conditioning, rainwater capture and efficient landscaping, and then target local opportunities and priority issues.

As a long-term owner of our properties, we look for feasible design options that provide tangible benefits to our customers, enhance leasing appeal and add value to the property.

Last year, developments completed in Australia and New Zealand represented 26% of all projects completed globally. Typical sustainability features we incorporated into our Australian and New Zealand developments include:

- + Translucent roof sheeting to maximise natural lighting into the warehouse;
- + Fully automated T5 fluorescent or LED lighting;
- + Electrical sub-metering;
- + Glare control;
- + Low VOC materials;
- + Rainwater harvesting;
- + End-of-trip facilities; and
- + Drought-tolerant native landscaping.

CASE STUDIES

Connect Corporate Centre, Sydney, Australia

Among the developments we completed in Australia last year was Connect Corporate Centre, a new office development located in the business precinct of Mascot and only a few minutes from Sydney Airport.

This four-storey 5,600 sqm office building was designed with sustainability in mind, and is located adjacent to the new 5 Star Pullman Hotel, another Goodman development. Sustainability features include:

- + 4 Star Green Star design certification and 4.5 star NABERS Energy rating;
- + A large glass façade to maximise natural light across the office floors;
- + Automated efficient lighting with sensor controls;
- + Innovative design providing flexible workspaces;
- + Substantial rainwater harvesting; and
- + End-of-trip facilities for cyclists, including bike racks, lockers and showers, and an on-site gym.

Oakdale Industrial Estate, Sydney, Australia

At Goodman's Oakdale Industrial Estate in Western Sydney, a campus-style feel is attracting customers like DHL Supply Chain, who now occupy six separate facilities at the Estate, and benefit from easy access to the M4 and M7 motorways. The two new developments completed during the year for DHL Supply Chain have a combined area of 58,185 sqm and incorporate a range of sustainability features, including LED lighting throughout both of the warehouses. Other sustainability features include:

- + Over 50,000 L of rainwater harvesting capacity for irrigation and amenities;
- + Insulated warehouse walls;
- + Solar hot water heating;
- + Light zoning and motion sensors to reduce energy consumption; and
- + LED high bay lighting throughout the warehouse.

Goodman Business Park Chiba Newtown, Tokyo, Japan

Sustainable developments aren't just about how buildings function, they must also consider how people use them. In Japan, Goodman's Business Park in Chiba Newtown, Tokyo was designed with comfort and customer amenity as priorities. Last year we completed Stage 1 of this master-planned, multi-stage development, where a free share bicycle service and a dedicated bus service to the nearest train station will form an important part of a dynamic mix of amenities, including retail, restaurants, café and a child care service.

The building features high quality internal areas to enhance comfort, cutting-edge LED lighting throughout the warehouse to reduce power consumption and a large 2.7 MW solar PV system on the roof to generate green energy. Sustainability features include:

- + 2.7 MW solar PV roof-top solar system;
- + LED lighting throughout warehouse and common areas;
- + High quality internal spaces and customer amenity;
- + High level of green and open space; and
- + Shared bicycle system for commuting from home/train station to the facility.

Fonterra Centre, Auckland, New Zealand

It was a busy year in New Zealand. A number of new developments were completed, with a highlight being a new 16,000 sqm head office for Fonterra in Auckland. Working in collaboration with Fonterra, Goodman delivered a 5 Star, Green Star purpose-built office complex that is modern, comfortable, innovative and highly sustainable.

Sustainability is woven throughout the design. A large double-glazed atrium fills the building with natural light, while a variety of workspaces and an internal staircase encourage collaboration across the activity-based work environment. Sustainability features include:

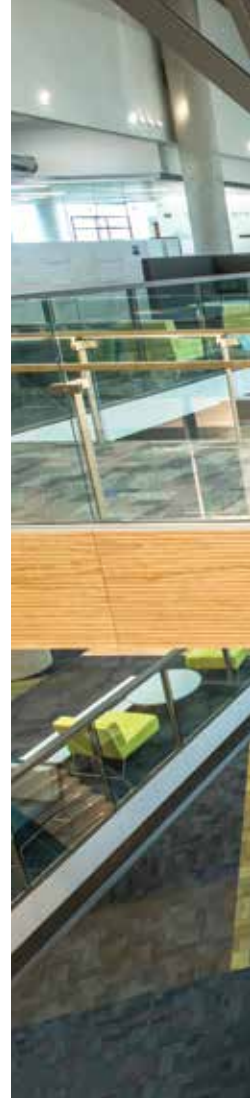
- + 5 Star Green Star Design certification;
- + Large atrium and skylight contributing to good natural light levels;
- + Outdoor air supplied from exposed stainless ducts on the north and south external elevations;
- + Internal green wall irrigated from harvested rainwater; and
- + Property Council NZ 'Excellence' award in commercial category and 'Merit' in the green building category.

Sustainability remained a strong focus in our UK developments last year, with our development team staying committed to achieving a minimum BREEAM rating of 'Very Good' for each of its new developments.

One project which met this goal in the last twelve months was our 25,000 sqm Angle 265° at Medway Commercial Park in Kent. This high quality logistics facility incorporates a carbon neutral cladding solution and electric car charging points, which helped it achieve a BREEAM rating of 'Very Good' and an Energy Performance Certificate 'A' rating.

Last year, our UK development team also progressed its first development assessment under the "Planet Mark" scheme. This independent third party scheme provides an assessment of the carbon footprint for a new development throughout its life cycle.

In the United States, over 167,000 sqm of new developments were completed throughout the year, while over 200,000 sqm were in progress at 30 June 2016. One of these completed developments is the LEED-certified Goodman Commerce Center Eastvale, Southern California, where electric vehicle charge points, drought-tolerant landscaping, prismatic skylights to maximise natural lighting and LED lighting are all featured.





Fonterra Centre, Auckland, New Zealand.



Goodman Share Cycle at Goodman Business Park, Tokyo, Japan.

In Continental Europe, consistency and our commitment to quality were key themes. This continued focus has ensured our development product is highly regarded in the European market, most notably within the e-commerce sector, where Goodman has now delivered in excess of 1.5 million sqm of space.

To ensure our properties remain highly competitive, our development teams take a customer-focused approach, collaborating with them to deliver innovative and sustainable property solutions. The recently completed 28,000 sqm logistics property developed for eBay Enterprise at Goodman Halle Logistics Centre in Germany is one such example.

The facility achieved a Gold rating under the DGNB rating scheme and incorporates a range of sustainable design features including an innovative timber roof structure, energy efficient fluorescent lighting, efficient internal heating and native plants and landscaping to reduce water consumption.

In China's booming logistics market, Goodman has remained focused on quality and consistency. We've incorporated fundamental sustainability initiatives into each of our developments, including the landmark Goodman Qingpu Centre in Shanghai.

Completed in December 2015, the Qingpu Centre is Goodman's first three-storey distribution facility in China. The 110,000 sqm logistics property is currently targeting LEED certification, and incorporates multiple sustainability features, including skylights across approximately 4% of the roof area, providing natural light throughout the warehouse. The skylights are just one way the building is reducing its energy consumption, and will be especially effective when partnered with the energy efficient T5 lighting installed in the warehouse.

LEADING BY EXAMPLE

In Hong Kong, our team moved into its new green office space, where Goodman's 'Space To Work' principles were put into practice. The activity-based fitout features a variety of work spaces, with collaborative sections, private areas, formal spaces and relaxed work spaces all designed in to the build.

The result is flexible, but it's also sustainable. The new office has been designed to achieve the LEED Gold Standard (Commercial Interiors) and incorporates LED lighting with motion sensors, drinking water filtration and an air purification system. We've also used locally sourced and sustainable materials internally.



Goodman's new Hong Kong office.



Goodman's new Hong Kong office.

IMPROVING PERFORMANCE

Goodman has always seen the performance, presentation and efficiency of our properties as a core priority. Over the last year, we have maintained that focus across the globe.

In Australia, we've seen the results of several lighting upgrades completed over the past few years, particularly in car park and estate common areas. The business case for lighting upgrades continued to strengthen, driven by the reduction in energy costs for our customers, the lower cost of LED technologies, lease renewals and long-term asset valuations.

Once again, the Buildings Alive energy monitoring system has produced positive results across our Australian office portfolio over the last year. This system tracks live energy consumption data across the portfolio and contributed to a 5% reduction in energy consumption across our office portfolio during the last twelve months.

In New Zealand, we transformed Show Place Office Park in Christchurch into a highly sustainable and energy efficient office asset. The upgrade aimed to both reduce operational costs and the building's carbon footprint, to create a healthier environment for staff. It worked. This successfully achieved an approximate 40% reduction in energy consumption and New Zealand's first 5 star NABERS Energy whole building rating. Key sustainable features include a Variable Refrigerant Flow HVAC system with heat recovery, CO₂ sensors, LED lighting, daylight harvesting and occupancy sensors.

In Asia, our Property Services team in Hong Kong participated in the Power Smart Programme, which aimed to increase awareness and identify improvement opportunities across the Hong Kong portfolio. When we implemented the results, seven Goodman properties recorded energy reductions of 5% or more.

The improvements continued on projects outside of the scope of the Power Smart Programme. LED lighting upgrades with sensor controls at Goodman's Tuen Mun Distribution Centre and the Western Plaza were just one example, a move estimated to save approximately HK\$750,000 p.a. in energy costs across the two properties.

In Continental Europe, we also focused on lighting, by continuing upgrades to LEDs across our portfolio. Several upgrade projects were completed during the year, and once fully completed, our European portfolio will consist of approximately 1 million sqm of space equipped with LED lighting.

Shorter term, these upgrades will reduce our customers' energy consumption and associated energy costs, while long term they will increase leasing competitiveness and property values.

RENEWABLE ENERGY IN JAPAN

The market conditions in Japan support investment in renewable energy on the roof tops of our buildings. Last year we installed a further 2.7 MW of solar PV capacity on the roof of the recently completed Goodman Business Park at Chiba Newtown, Tokyo.

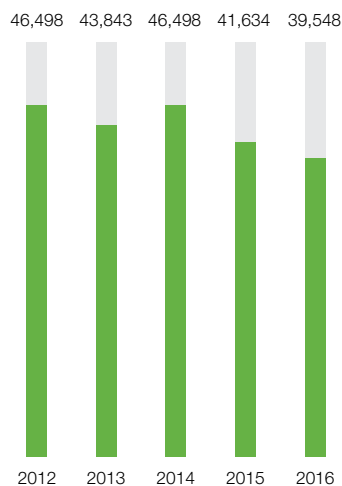
This latest installation increases Goodman's solar PV capacity in Japan to over 16 MW of renewable energy.

AUSTRALIAN GREENHOUSE GAS EMISSIONS

The year saw a decrease in greenhouse gas emissions for Goodman's Australian operations. The reduction in emissions to an estimated 39,548 tCO₂-e was mainly due to further sub-metering of customer power consumption, increased efficiencies across the portfolio, and asset sales completed during the year

Our calculation includes scope 1 and 2 emissions generated from Goodman's Australian property and building management services, as well as assets owned directly by Goodman and those within our Australian managed Partnerships. Where sub-metering allows, this does not include the GHG emissions of our customers.

Greenhouse gas emissions (tCO₂-e)



THE GOODMAN FOUNDATION

The Goodman Foundation has continued to grow over the last year, delivering significant strategic projects to support disadvantaged groups and vulnerable communities in the locations where we operate. The Goodman Foundation is represented across Australia, New Zealand, Greater China, the United Kingdom, France, Belgium, Germany, Poland, Japan and the United States.

Many of our community partners not only benefit from receiving Foundation cash grants, but also through fundraising and volunteer support from Goodman staff. During 2016, the Goodman Foundation supported over 70 charity partners within five distinct pillars of contribution:

- + Cash grants: Which are provided on a project-by-project basis to ensure tangible outcomes that will deliver a meaningful impact within the community. We work closely with our charitable partners to identify, scope and deliver capital projects that will build the capacity of the organisation or enhance the lives of people less privileged around the world;
- + In-kind contributions: Include the provision of skilled expertise, office fitouts and the provision of short-term and long-term warehouse and office facilities for our charitable partners;
- + good+heart: Which is a staff engagement programme where the Goodman team are provided with the opportunity to volunteer with a partnered charity or undertake other activity to support the fundraising efforts of a community partner. Over the 2016 year, more than 50 good+heart opportunities were taken up by close to half of the Goodman Group team around the world. The Goodman Foundation provides support to participants of good+heart by funding the activity costs, making a cash donation to the cause and providing participants with time off work, in addition to sourcing and organising opportunities for their participation throughout the year;
- + good+deeds: Is our workplace giving programme. The Goodman Foundation will match dollar for dollar the payroll donations made by team members to charities they have nominated. In addition, special purpose good+deeds fundraising is undertaken to support communities in times of crisis such as the devastation caused by natural disasters. In 2016, good+deeds fundraising supported the refugee crisis impacting Syria and the communities in Fiji following the destruction caused by Cyclone Winston; and
- + Employee fundraising: Is undertaken by the Goodman team for particular causes they feel passionate about, supporting the efforts of the Goodman Foundation and participating in other worthwhile opportunities to make a difference in a meaningful way. Fundraising activities during the year ranged from 'Fruity Fridays' to the Goodman 'Bake Off'.

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Charity partners supported



SOS Children's Villages





Her Royal Highness The Duchess of Cornwall, visiting OzHarvest headquarters at Alexandria Industrial Estate.

OZHARVEST: A ROYAL VISIT

CASE STUDY

The Goodman Foundation was proud to see one of our founding charitable partners OzHarvest, receive a royal visit by Her Royal Highness The Duchess of Cornwall in November 2015.

The Duchess arrived at the purpose-built Goodman warehouse in Alexandria, South Sydney and was greeted by a contingent from Goodman and OzHarvest, along with many OzHarvest volunteers dressed in their distinct bright yellow.

During the visit, The Duchess, along with Mrs Kerry Baird, wife of NSW Premier The Hon Mike Baird, was shown the unique Goodman space. This was designed and funded by the Goodman Foundation in 2014, where OzHarvest's purpose to 'Nourish Our Country' comes to life through their food rescue, nutrition education and community engagement programmes.

Her Royal Highness chose to visit OzHarvest to see their innovative work in food rescue and food security, having saved more than 14 million kilograms of food from ending up in landfill and delivering more than 50 million meals to people in need across Australia.

During the visit, The Duchess met with young students from troubled backgrounds, who are changing their lives through OzHarvest's Nourish programme. Her Royal Highness also thanked the more than 100 OzHarvest supporters who were present at the distinguished occasion, for their passion, dedication and commitment to improving the environment and helping those less fortunate in the community.

"We are honoured that The Duchess could experience and witness first-hand how we 'Nourish Our Country' through our food rescue, education and engagement programmes. To take the time on her trip to visit our fantastic warehouse HQ, provided with love by Goodman in Alexandria, and to learn more about what OzHarvest does, what we have achieved to date, and to share it with the world will make an enormous difference to our organisation and to the people who we touch every single day through the act of generosity.", Ronni Kahn, CEO and Founder, OzHarvest, said.

CEREBRAL PALSY ALLIANCE: SEPTEMBER

CASE STUDY



Amy Hogan, Researcher for the Cerebral Palsy Society of NZ, and Mary, launching September with Goodman's New Zealand team.



Over the years, Goodman has been instrumental in helping us raise vital funds to support our mission to build better futures for individuals living with disability.

ROB WHITE
CEO, CEREBRAL PALSY
ALLIANCE

The Goodman Foundation is the exclusive global partner in 2016 for Cerebral Palsy Alliance's major fundraising initiative, September. The new partnership builds on our ongoing global support of the September event since 2014 and we're proudly promoting this through our 'Count Us In' campaign. This is an inclusive and engaging campaign created to encourage our staff and business partners, such as customers, agents and suppliers, to make a meaningful difference and positively impact the lives of people with cerebral palsy and their families.

September is an online health and wellness campaign where teams of four attempt to walk 10,000 steps each day throughout September. The initiative will engage around 90,000 participants across the world and has raised over \$9.3 million in Australia and close to \$12 million globally since it was launched in 2010. Fundraising targets for 2016 have been set at A\$5 million and Goodman has mobilised more than half of its global workforce and influenced many of our associated business partners to join us in the pursuit of this leading health and wellness charity event.

In addition, the Goodman Foundation provided funding to Cerebral Palsy Alliance in 2016 to renovate their Ryde facility including the installation of a gymnasium to support the health and well-being services offered to their clients.

Rob White, CEO, Cerebral Palsy Alliance said, "I would like to personally recognise and thank Goodman for their long standing support and contribution to Cerebral Palsy Alliance and September. Our partnership with Goodman began some 13 years ago, and I am delighted that Goodman has extended their support this year as exclusive global partner for September 2016. Over the years, Goodman has been instrumental in helping us raise vital funds to support our mission to build better futures for individuals living with disability."

DIVERSITY

Goodman's Diversity Strategy aims to create an inclusive and transparent work environment that is free of harassment and discrimination, where all employees can contribute equally to our commercial goals. We operate in geographically and culturally diverse markets and we recognise and celebrate the differences that exist in them. We also take the Goodman Corporate Values seriously and strive to blend these behaviours into the way we interact every day with each other, our customers and investors.

Gender representation

Our Diversity Strategy not only recognises the differences in people but also considers the career development of all employees. However, an important long-term objective is to increase the representation of female employees at senior management levels in all regions.

As an important step towards this, in 2013 we set aspirational targets for women in senior executive roles. In contrast with previous years, the number of women in senior executive roles at Goodman slightly decreased in the 2016 financial year.

We consider employees one level below the executive category to be the future leaders of the business and the female representation of this group remained constant in 2016.

We see the path to increased female representation at executive levels within Goodman as being a combination of targeted recruitment, developing the skills of managers to coach and mentor, and creating a work culture that encourages people to fully develop their skills.







RECENT HIGHLIGHTS

Relaunched the Goodman Values

Over the past twelve months we have relaunched our Corporate Values through an internal communications programme, entitled "Success is in our GNA". The purpose of the programme is to generate greater awareness and understanding of our Values with the view to driving continuous improvement by ensuring greater alignment between our Values and behaviours, both internally and externally. The programme has been rolled out globally to all employees via an integrated communications programme which will continue to evolve through various phases. We recently conducted Global Brand Research among our key internal and external stakeholders, the results of which were very good and demonstrated a good understanding of the Values among staff. We are now using the findings of this report to help shape the future direction of the programme.

Goodman's Values centre around respect, appreciating each other's contribution, recognising differences between people, working as a team, demonstrating drive and determination, being customer focused and innovative, but all against a context of being honest, fair and clear with one another. How an employee demonstrates these behaviours is now part of the performance review process and we have made sure that our expectations are clearly displayed and referred to in actions and words.

Improved performance management

The effectiveness of our performance management system to assess employees' performance against their objectives was also upgraded and improved during the year. Employees were strongly encouraged to outline their career aspirations and create plans to achieve them. The usage of the performance management platform has been greater than before, as a better process means better outcomes for employees. In 2017, we plan to link a wider talent management platform to the performance management platform. The Values represent a portion of the overall review to reinforce their importance.

INTERNAL COMMUNICATION

Reviewed our career progression programme

We consulted with participants to review our Future+Women programme in Australia to help it better address barriers to women's career progression. We made changes to allow women to more effectively drive their own career development and to access one-on-one coaching. We stress the importance of employees managing their own career development and proactively seeking assistance.

Boosted management skills

Following its successful introduction in Australia in 2015, Maximise, a structured management development programme, was launched in China during the year. Among other skills, Maximise encourages senior managers to consider geographical and cultural diversities in relation to how they manage teams, while also focusing on mentoring and conducting effective performance reviews. Our Continental Europe business is well advanced in delivering structured management development, through both internal and external training.

Implemented online learning

We implemented more online learning through Lynda.com, where employees can access a diverse range of work related training, including presentation skills, technical skills and other critical elements of the way we work here at Goodman. We now define learning by it being technical, skills based or compliance related so that we are clear about what is required. This will continue to evolve over the coming years.

Our employment policies were reviewed to ensure barriers to participation are minimised through policies such as parental leave and flexible work. Flexible work arrangements are growing more common at Goodman and are reinforced by our 'Space To Work' office model. This includes providing employees with the appropriate technology and tools to allow them to work efficiently and seamlessly outside the office.

Strengthened alignment between performance and reward

We also continued to align performance and reward, and have a long-term scheme that all employees around the world participate in. We strive to ensure that no fixed remuneration disparity exists for male and female employees doing the same job, and use incentive compensation to drive people to succeed.

FIVE YEAR FINANCIAL SUMMARY

	2012 \$M	2013 \$M	2014 \$M	2015 \$M	2016 \$M
Income statement					
Gross property income	235.7	219.6	207.7	206.1	204.6
Management income	139.2	181.0	205.5	215.3	259.3
Development income	340.1	471.6	767.6	763.7	1,250.4
Distributions from investments	22.2	3.1	2.0	—	—
Net gain/(loss) on disposals of assets	34.2	12.8	2.4	41.5	(26.7)
Net gain from fair value adjustments on investment properties	6.5	28.0	48.6	515.9	327.8
Share of net results of equity accounted investments	166.6	228.8	445.2	614.1	928.6
Total income	944.5	1,144.9	1,679.0	2,356.6	2,944.0
Property expenses	(61.7)	(59.7)	(60.1)	(59.4)	(63.9)
Development expenses	(216.0)	(311.4)	(579.8)	(619.0)	(929.1)
Employee expenses	(87.3)	(98.8)	(132.7)	(144.8)	(172.6)
Share based payments expense	(24.4)	(26.4)	(32.0)	(51.0)	(66.9)
Administrative and other expenses	(64.0)	(70.5)	(74.0)	(76.2)	(79.1)
Impairment losses	(89.5)	(65.4)	(14.4)	(28.2)	(249.1)
Restructuring costs	—	(9.8)	—	—	—
Net finance income/(costs)	58.6	(303.7)	(94.3)	(127.8)	(13.0)
Total expenses	(484.3)	(945.7)	(987.3)	(1,106.4)	(1,573.7)
Profit before income tax	460.2	199.2	691.7	1,250.2	1,370.3
Income tax expense	(9.7)	(15.9)	(13.0)	(21.0)	(75.6)
Profit for the year	450.5	183.3	678.7	1,229.2	1,294.7
Profit attributable to other non-controlling interests	(42.2)	(22.3)	(21.4)	(21.2)	(20.1)
Profit attributable to Securityholders	408.3	161.0	657.3	1,208.0	1,274.6
Operating profit reconciliation (non-IFRS)					
Operating profit available for distribution	463.4	544.1	601.1	653.5	714.5
Adjustments for:					
Property valuation (losses)/gains	(6.6)	(36.7)	172.4	721.7	809.5
Non-property related impairment losses	(21.5)	—	—	(12.0)	(204.6)
Derivative mark to market and unrealised foreign exchange movements	5.1	(293.0)	(78.4)	(99.8)	81.5
Other non-cash adjustments or non-recurring losses	(32.1)	(53.4)	(37.8)	(55.4)	(126.3)
Profit attributable to Securityholders	408.3	161.0	657.3	1,208.0	1,274.6
Operating profit per stapled security					
(cents per security)¹	30.5	32.4	34.8	37.2	40.1
Distributions (cents per security)	18.0	19.4	20.7	22.2	24.0

1. Fully diluted for performance rights.

	2012 \$M	2013 \$M	2014 \$M	2015 \$M	2016 \$M
Balance sheet					
Cash and receivables	605.9	1,172.8	780.8	1,137.0	1,774.5
Property assets	3,469.8	3,355.4	3,663.0	4,337.7	4,096.5
Equity accounted investments	2,893.4	3,243.1	3,855.6	4,508.8	5,348.1
Intangible assets	783.2	891.4	932.7	976.4	780.6
Other (including derivative financial instruments)	467.6	228.0	171.8	302.4	387.4
Total assets	8,219.9	8,890.7	9,403.9	11,262.3	12,387.1
Payables and provisions	512.2	520.0	656.8	732.0	747.4
Interest bearing liabilities	2,347.5	2,249.8	2,160.5	2,707.9	2,865.2
Other (including derivative financial instruments) ¹	185.6	285.2	356.2	446.3	381.2
Total liabilities	3,045.3	3,055.0	3,173.5	3,886.2	3,993.8
Net assets	5,174.6	5,835.7	6,230.4	7,376.1	8,393.3
Non-controlling interests	(318.8)	(331.5)	(325.8)	(325.8)	(325.8)
Net assets (after non-controlling interests)	4,855.8	5,504.2	5,904.6	7,050.3	8,067.5
NTA per security (\$)	2.54	2.69	2.88	3.46	4.10
Gearing ratio ¹ (%)	23.9	18.5	19.5	17.3	11.8
Statement of changes in equity					
Total equity at the beginning of the year	5,013.9	5,174.6	5,835.7	6,230.4	7,376.1
Total comprehensive income for the year	429.9	460.2	797.4	1,429.2	1,298.5
	5,443.8	5,634.8	6,633.1	7,659.6	8,674.6
Contributions of equity, net of transaction costs	33.3	441.4	42.1	89.3	95.5
Distributions provided or paid	(283.1)	(243.7)	(445.4)	(388.3)	(408.0)
Other transactions with equity holders	22.8	20.9	27.7	36.7	51.3
Movements in non-controlling interests during the year	(42.2)	(17.7)	(27.1)	(21.2)	(20.1)
Total equity at the end of the year	5,174.6	5,835.7	6,230.4	7,376.1	8,393.3
Cash flow statement					
Net cash provided by operating activities	266.8	356.1	404.4	654.7	830.1
Net cash used in investing activities	(220.8)	146.4	(228.5)	(147.8)	160.0
Net cash provided by/(used in) financing activities	37.0	(167.9)	(461.4)	(120.3)	(399.6)
Net increase/(decrease) in cash held	83.0	334.6	(285.5)	386.6	590.5
Cash at the beginning of the year	227.8	310.8	645.4	359.9	746.5
Cash at the end of the year	310.8	645.4	359.9	746.5	1,337.0

1. Gearing calculated as total interest bearing liabilities over total assets.

**GREGORY GOODMAN**

GROUP CHIEF EXECUTIVE OFFICER

**ANTHONY ROZIC**DEPUTY GROUP CHIEF EXECUTIVE OFFICER
AND CHIEF EXECUTIVE OFFICER,
NORTH AMERICA**NICK VRONDAS**

GROUP CHIEF FINANCIAL OFFICER

**NICK KURTIS**

GROUP HEAD OF EQUITIES

GROUP EXECUTIVES



JAMES INWOOD

GROUP HEAD OF INVESTMENT MANAGEMENT



JOHN TAYLOR

GROUP GENERAL MANAGER,
HUMAN RESOURCES



ALISON BRINK

GROUP GENERAL MANAGER,
MARKETING AND COMMUNICATIONS



MICHAEL O'SULLIVAN

GROUP CORPORATE EXECUTIVE



JASON LITTLE
GENERAL MANAGER,
AUSTRALIA



JOHN DAKIN
CHIEF EXECUTIVE OFFICER,
NEW ZEALAND



PAUL MCGARRY
HEAD OF ASIA



KRISTOFFER HARVEY
CHIEF EXECUTIVE OFFICER,
GREATER CHINA

REGIONAL EXECUTIVES



ANGUS BROOKS
CHIEF EXECUTIVE OFFICER,
JAPAN



PHILIPPE VAN DER BEKEN

MANAGING DIRECTOR,
CONTINENTAL EUROPE



CHARLES CROSSLAND

MANAGING DIRECTOR,
UK LOGISTICS



DANNY PEETERS

EXECUTIVE DIRECTOR, CORPORATE



CESAR NASSER

CHIEF EXECUTIVE OFFICER,
BRAZIL



JIM JOHNSTON

MANAGING DIRECTOR,
UK BUSINESS PARKS



ANTHONY ROZIC

DEPUTY GROUP CHIEF EXECUTIVE OFFICER
AND CHIEF EXECUTIVE OFFICER,
NORTH AMERICA



MR IAN FERRIER, AM

INDEPENDENT CHAIRMAN,
APPOINTED 1 SEPTEMBER 2003



MR GREGORY GOODMAN

GROUP CHIEF EXECUTIVE OFFICER,
APPOINTED 7 AUGUST 1998



MS REBECCA MCGRATH

INDEPENDENT DIRECTOR,
APPOINTED 3 APRIL 2012



MR PHILIP FAN

INDEPENDENT DIRECTOR,
APPOINTED 1 DECEMBER 2011



MS ANNE KEATING

INDEPENDENT DIRECTOR,
APPOINTED 23 FEBRUARY 2005

BOARD OF DIRECTORS



MR JIM SLOMAN, OAM

INDEPENDENT DIRECTOR,
APPOINTED 1 FEBRUARY 2006



MR DANNY PEETERS

EXECUTIVE DIRECTOR, CORPORATE,
APPOINTED 1 JANUARY 2013



MR PHILLIP PRYKE

INDEPENDENT DIRECTOR,
APPOINTED 13 OCTOBER 2010



ANTHONY ROZIC

DEPUTY GROUP CHIEF EXECUTIVE OFFICER
AND CHIEF EXECUTIVE OFFICER,
NORTH AMERICA
APPOINTED 1 JANUARY 2013



MR JOHN HARKNESS

INDEPENDENT DIRECTOR,
APPOINTED 23 FEBRUARY 2005



MR CARL BICEGO

COMPANY SECRETARY,
APPOINTED 24 OCTOBER 2006

SECURITIES INFORMATION

Top 20 Securityholders As at 31 August 2016

	Number of securities	Percentage of total issued securities
1. HSBC Custody Nominees (Australia) Limited	557,653,968	31.17
2. J P Morgan Nominees Australia Limited	527,138,766	29.46
3. National Nominees Limited	219,710,323	12.28
4. Citicorp Nominees Pty Limited	123,735,626	6.92
5. BNP Paribas Noms Pty Ltd <DRP>	68,278,056	3.82
6. Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	46,467,353	2.60
7. AMP Life Limited	30,286,385	1.69
8. BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	20,980,439	1.17
9. Beeside Pty Limited	16,923,077	0.95
10. Trison Investments Pty Ltd	15,259,385	0.85
11. CPU Share Plans Pty Ltd <GMG LTI Unallocated A/C>	10,802,513	0.60
12. Trison Investments Pty Ltd	4,500,000	0.25
13. RBC Investor Services Australia Nominees Pty Limited <PISelect>	4,074,315	0.23
14. Bond Street Custodians Limited <ENH Property Securities A/C>	3,875,091	0.22
15. National Nominees Limited <N A/C>	3,469,276	0.19
16. HSBC Custody Nominees (Australia) Limited – A/C 2	3,418,935	0.19
17. RBC Investor Services Australia Nominees Pty Ltd <BKMINI A/C>	2,362,425	0.13
18. IOOF Investment Management Limited <IPS Super A/C>	2,208,045	0.12
19. HSBC Custody Nominees (Australia) Limited	2,042,917	0.11
20. UBS Nominees Pty Ltd	1,540,830	0.09
Securities held by top 20 Securityholders	1,664,727,725	93.05
Balance of securities held	124,393,418	6.95
Total issued securities	1,789,121,143	100.00

Range of securities	Number of Securityholders	Number of securities	Percentage of total issued securities
1 – 1,000	7,456	3,653,209	0.20
1,001 – 5,000	11,578	28,458,525	1.59
5,001 – 10,000	2,982	21,220,142	1.19
10,001 – 100,000	1,780	37,300,159	2.08
100,001 – over	107	1,698,489,108	94.93
Rounding			0.01
Total	23,903	1,789,121,143	100.00

There were 654 Securityholders with less than a marketable parcel in relation to 6,339 securities as at 31 August 2016.

Substantial Securityholders¹

	Number of securities
Leader Investment Corporation; China Investment Corporation	168,462,083
State Street	106,113,676
Blackrock, Inc.	103,955,559
Vanguard Group	102,759,342

1. In accordance with latest Substantial Securityholder Notices as at 31 August 2016.

Goodman Logistics (HK) Limited CHESS Depository Interests

ASX reserves the right (but without limiting its absolute discretion) to remove Goodman Logistics (HK) Limited, Goodman Limited and Goodman Industrial Trust from the official list of the ASX if a CHESS Depository Interest (CDI) referencing an ordinary share in Goodman Logistics (HK) Limited, a share in Goodman Limited or a unit in Goodman Industrial Trust cease to be stapled, or any new securities are issued by Goodman Logistics (HK) Limited, Goodman Limited or Goodman Industrial Trust and are not (or CDIs in respect of them are not) stapled to equivalent securities in the Goodman Group.

Voting rights

On a show of hands at a general meeting of Goodman Limited or Goodman Industrial Trust, every person present who is an eligible

Securityholder shall have one vote and on a poll, every person present who is an eligible Securityholder shall have one vote for each Goodman Limited share and one vote for each dollar value of Goodman Industrial Trust units that the eligible Securityholder holds or represents (as the case may be). At a general meeting of Goodman Logistics (HK) Limited, all resolutions will be determined by poll, and eligible Securityholders will be able to direct Chess Depository Nominees Pty Limited to cast one vote for each Chess Depository Instrument (referencing a Goodman Logistics (HK) Limited share) that the eligible Securityholder holds or represents (as the case may be).

On-market buy-back

There is no current on-market buy-back.

CORPORATE DIRECTORY

GOODMAN GROUP

Goodman Limited

ABN 69 000 123 071

Goodman Industrial Trust

ARSN 091 213 839

Responsible Entity

Goodman Funds Management Limited

ABN 48 067 796 641; AFSL Number 223621

Goodman Logistics (HK) Limited

Company No. 1700359; ARBN 155 911 149

OFFICES

Registered offices

Level 17

60 Castlereagh Street

Sydney NSW 2000

Australia

GPO Box 4703

Sydney NSW 2001

Telephone 1300 791 100 (within Australia)
+61 2 9230 7400 (outside Australia)

Facsimile +61 2 9230 7444

Email info@goodman.com

Website www.goodman.com

Suite 901

Three Pacific Place

1 Queen's Road East

Hong Kong

Telephone +852 2249 3100

Facsimile +852 2525 2070

OTHER OFFICES

Adelaide	Christchurch	Osaka
Allentown	Cracow	Paris
Amsterdam	Düsseldorf	Perth
Auckland	Guangzhou	Poznan
Barcelona	Hamburg	Prague
Beijing	Hong Kong	Reading
Birmingham	London	São Paulo
Brisbane	Los Angeles	Shanghai
Brussels	Luxembourg	Sydney
Budapest	Madrid	Tokyo
Chengdu	Melbourne	Warsaw

DIRECTORS

Mr Ian Ferrier, AM

Independent Chairman

Mr Gregory Goodman

Group Chief Executive Officer

Mr Philip Fan

Independent Director

Mr John Harkness

Independent Director

Ms Anne Keating

Independent Director

Ms Rebecca McGrath

Independent Director

Mr Danny Peeters

Executive Director

Mr Phillip Pryke

Independent Director

Mr Anthony Rozic

Executive Director

Mr Jim Sloman, OAM

Independent Director

COMPANY SECRETARY

Mr Carl Bicego

SECURITY REGISTRAR

Computershare Investor Services Pty Limited

Level 5

115 Grenfell Street

Adelaide SA 5000

GPO Box 1903

Adelaide SA 5001

Telephone 1300 723 040 (within Australia)
+61 3 9415 4043 (outside Australia)

Facsimile +61 8 8236 2305

Email www.investorcentre.com/contact

Website www.computershare.com

CUSTODIANS

The Trust Company Limited

Level 12

123 Pitt Street

Sydney NSW 2000

Auditor

KPMG

10 Shelley Street

Sydney NSW 2000

ASX CODE

GMG

Disclaimer

This Securityholder Review has been prepared by Goodman Group (Goodman Limited (ABN 69 000 123 071), Goodman Funds Management Limited (ABN 48 067 796 641; AFSL Number 223621) as the Responsible Entity for Goodman Industrial Trust (ARSN 091 213 839) and Goodman Logistics (HK) Limited (Company No. 1700359; ARBN 155 911 149). 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. This Annual Report is not an offer or invitation for subscription or purchase of securities or other financial products. It does not constitute an offer of securities in the United States. Securities may not be offered or sold in the United States unless they are registered under the US Securities Act of 1933 or an exemption from registration is available. This Annual Report 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 have 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 Goodman 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. All values are expressed in Australian currency unless otherwise stated. September 2016.

