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Goodman delivers A\$229 million half year operating profit, up 34% on 1H FY2011

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Release Immediate

Goodman Group ('Goodman' or 'Group') today announced its results for the half year ended 31 December 2011.

Key financial highlights for the period include:

- + **Operating profit after tax¹ of A\$229.2 million, a 34% increase on the same period last year**
- + **Strong financial position with balance sheet gearing at 24.5%**
- + **Liquidity position of A\$1.1 billion.**

Operational highlights include:

- + **96% occupancy levels across the Group's portfolio**
- + **A\$0.9 billion of development commitments across 42 projects**

Goodman's Group Chief Executive officer, Mr Greg Goodman said, "We are pleased to announce the Group's half year operating result which represents a 34% increase on the same period last year and positions us well to deliver a forecast FY2012 fully diluted operating EPS of 6.1 cents, up 8% on FY2011. We have performed strongly in the first half of FY2012, with solid contributions made by all of our operating businesses, reflecting the quality portfolio of the Group and the strength of our relationships with our capital partners.

The Group has worked hard to leverage its size, scale and expertise in response to the continued demand for prime logistics assets by both our customers and investors. This is reflected in the continued high occupancy of 96% across the Group and managed funds and the A\$0.6 billion in new third party equity for our managed funds.

Mr Goodman added, "Support from our capital partners has continued during the period demonstrating the strength of Goodman's global brand. Combined with our ability to develop prime logistics assets, Goodman has continued to gain market share in an environment, in which development capital is hard to secure. This has seen our development work in progress grow to A\$2.1 billion across 58 projects, with 85% of all developments pre-sold or pre-funded. More importantly however, our capital partnering approach is also resulting in Goodman jointly evaluating new markets with our global investment partners".

¹ Operating profit is before unrealised gains and losses from investment property revaluations, mark to market of derivatives and other non-cash items and one off gains included in the statutory accounting profit.

“Our development business continues to experience significant demand, led predominantly by third party logistics providers, traditional and online retailers, and the automotive sector. With our substantial development capabilities and support from our capital partners, we are well positioned to grow market share in our existing markets and also to pursue expansion into new markets.” Mr Goodman said.

Third party assets under management (AUM) increased to A\$15.3 billion over the half year, representing a 3.6% increase on a constant currency basis, compared with 30 June 2011. The Group’s managed fund platform completed a number of major initiatives during the first half, raising new third party equity of A\$0.6 billion. Separately, A\$1.9 billion of new and refinanced debt facilities were completed. These initiatives demonstrate the strength of Goodman’s equity and debt capital partner relationships and confirm that equity and debt markets remain open to the Group.

Europe

In a tough economic context Europe remains for Goodman a standout market, with over 1 million sqm of new developments announced in the 2011 calendar year, The fund platform completed a number of major initiatives during the first half, raising €351 million new third party equity for the Goodman European Logistics Fund (GELF) while securing as well a new €300 million debt package. Danny Peeters, CEO Continental Europe commented, “The combination of our access to capital with a strong development and asset management platform across the European territory puts us in a strong competitive position as a leading specialist provider of prime quality logistics property”.

Outlook

“We remain committed to the prudent yet active execution of our business strategy and will leverage the strong competitive position gained from the size, scale and quality of our diversified international operating platform, and our access to third party capital to explore a range of opportunities, including entry into new markets.” Mr Goodman said.

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About Goodman

Goodman Group is an integrated property group with operations throughout Australia, New Zealand, Asia, Europe and the United Kingdom. Goodman Group, comprised of the stapled entities Goodman Limited and Goodman Industrial Trust, is the largest industrial property group listed on the Australian Securities Exchange and one of the largest listed specialist fund managers of industrial property and business space globally.

Goodman's global property expertise, integrated own+develop+manage customer service offering and significant fund management platform ensures it creates innovative property solutions that meet the individual requirements of its customers, while seeking to deliver long-term returns for investors.

For more information please visit www.goodman.com