INTELLECTUAL PROPERTY
GOODMAN properties are a symbol of smart investment. By strategically locating modern, high quality properties in key gateway cities around the world, we’ve shortened the distance between business and consumers and put our customers ahead of the market.
WE DON’T BELIEVE IN GOOD. Or good enough. We don’t believe in the short-term or taking short-cuts. We don’t believe in putting business before people. Or anything before quality. We believe in great. Although we don’t believe we’re quite there yet. We believe in the importance of location and sustained growth and doing it right the first time. We believe in having integrity, always. We believe that knowledge is everything and perfection is in the details. That it is the little things that add up to make the biggest difference. That’s why there’s a plus in our logo. It’s a reminder to keep going above and beyond for our customers, our partners and our staff. To be the best, we believe, relies on every single one of us working together. To this end, we believe we can be better than good. We believe we can be great.
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Goodman is a global industrial property group. We own, develop and manage industrial real estate in 16 countries including logistics facilities, warehouses and business parks.

Our investment Partnerships give institutional investors access to our specialist investment management services and commercial and industrial property assets. We make decisions based on local knowledge, thorough research and more than 30 years of experience.

1,700+ customers
387 properties
16 countries
Oakdale Industrial Estate, Sydney, Australia.
Tokyo, Japan.
Goodman’s own+develop+manage model is an integrated customer service offering at the heart of our business.

It means we:
— Own high quality properties
— Develop properties in key locations to meet our customers’ business needs
— Manage, where we invest in high quality real estate globally and our partnership approach ensures we have dedicated local teams responsible for all aspects of property, asset and investment management. Our investors include sovereign wealth, pension and large multi-manager funds, participating across our investment platform.

GATEWAY CITIES

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, with large populations and rapid rates of urbanisation and consumerism, where demand is strong and our customers can be closer to their customers to meet their delivery and service expectations.
Our success is founded on long-term customer relationships across industries including logistics, retail, e-retail and automotive. We have the teams, scale, expertise, infrastructure and capital to service global customers and the flexibility to adapt to our customers’ local business requirements.

We tailor our warehousing solutions to suit the local, regional or global product and distribution needs of our retail customers, including proximity to their customers.

We have a track record in helping to develop the crucial distribution centres of some of the world’s largest and most successful e-retailers. We provide properties in strategic locations, close to large urban populations to allow our customers to meet their promised delivery time frames.

We are experienced in developing warehousing and distribution centres for the world’s leading automotive brands.

We strive to provide our customers in the complex field of logistics with sites that are close to key local and regional infrastructure.
AHEAD OF THE CURVE
In the last five years, Goodman has capitalised on opportunities within the industrial property sector driven by growth in e-commerce, consumerism and changes in technology.
I am proud to say we have exceeded our five-year targets on a nominal and risk-adjusted basis. We have outperformed our local and global competition and in FY17 the Group has delivered total Securityholder returns of 15%, with 159% achieved for the five years to 30 June 2017, both of which are excellent outcomes. Across the industrial asset class, our customer base remains stable and strong due to long-term lease commitments.

Many of the customers contributing to our growth are digital disruptors seeking precisely the kind of innovative solutions Goodman is delivering. Our gateway city strategy, for example, provides such customers with properties close to large urban populations, enabling them to better service their own customers.

Many of the customers contributing to our growth are digital disruptors seeking precisely the kind of innovative solutions Goodman is delivering.
Goodman Qingpu Centre, Shanghai, China.
FY17 was an outstanding year for Goodman. Our financial highlights include:

- Operating profit of $776 million, up 8.6% on FY16
- Statutory profit of $778 million which was down on last year mainly due to a one off $205 million unrealised valuation loss and costs on our US bonds associated with the modifications made to their covenants in June
- Group property valuation growth of $1.6 billion contributing to 3% growth in net tangible assets per security
- Operating earnings per security (EPS) of 43.1 cents, up 7.5% on FY16
- Distribution per security of 25.9 cents, up 8% on FY16
- Maintaining a strong financial position with gearing reduced to 5.9%
- Interest cover ratio of 9.5 times and Group liquidity at $3.2 billion.
A BALANCED APPROACH

Our success at Goodman relies on our ability to be both responsive to the market and proactive in securing new opportunities. Some examples of how our balanced approach works are through:

1. Strong financial position. This is the result of prudently balancing risk and return in our development activities. Most development activity is contained within our managed Partnerships, which allows us to reduce the capital we directly contribute. Our speculative development is mainly limited to supply constrained and proven logistics markets.

2. Quality portfolio supporting sustainable growth. As part of our strategy, we have continued with our asset rotation programme and reinvested the proceeds from asset sales into developing modern logistics properties in strategic gateway cities. Long term, this will contribute additional value to our global portfolio providing sustainable returns for Goodman and our stakeholders.

3. Appropriate mix of resources across regions and business segments. Goodman continues to benefit from a global operating platform with offshore earnings now contributing 59% of operating earnings. Our US expansion now contributes 18% of the Group’s development work in progress (WIP), with $1.3 billion in assets under management (AUM) across 11 properties.

Our management and development businesses have been key growth drivers, contributing 65% of operating earnings. While our asset sales programme has diluted investment earnings, our reduced development capital and the proceeds from asset sales resulted in lower net interest expense and higher return on capital.
CourierPost, Highbrook Business Park, Auckland, New Zealand.
Goodman is more focused than ever on energy efficiency and more sustainable business.
STRIDES IN ENERGY EFFICIENCY

Goodman is more focused than ever on energy efficiency and more sustainable business. To this end, we have introduced design initiatives such as installing LED lights with daylight sensors in our warehouses and translucent panels and skylights to maximise natural lighting.

We are using more solar panels on our rooftops and our customers are increasingly evaluating the benefits of doing the same. In Japan, we have more than 16 mega watts of solar photovoltaic cells installed across our portfolio. In Australia, we completed five solar installations in the last year, with four more in planning phase.

Since 2012 we have decreased the energy consumption of our Australian operations by around 15%, by selling less energy efficient properties and achieving greater energy efficiency due to capital investment into buildings.
BOARD RENEWAL

It is crucial we maintain the most effective blend of experience and contemporary vision on our Board. After 12 years of service on the Board, Anne Keating and John Harkness are retiring. Both were instrumental in transitioning Goodman from its Australian base to become one of the leading global industrial property groups providing competitive returns on a sustainable basis. I thank them for their contribution.

Philip Fan is also retiring from the Board to pursue his interests in Greater China. Philip’s service since 2011 has been valuable in Goodman’s expansion in China.

I wish all of them well in their future endeavours.

As part of the Board renewal process, I am delighted to welcome Stephen Johns to the Board as a Non-Executive Director. Stephen brings much experience through his eminent career as Chairman and Non-Executive Director of Brambles. Among other roles, Stephen had a long career with Westfield Group as an Executive and Non-Executive Director. We look forward to his contribution.

THANK YOU TO OUR PEOPLE

Goodman’s strong result is owed not only to the consistent implementation of our global strategy but also to the outstanding team of individuals who implemented it. I would like to sincerely thank all our employees for their contribution and of course, our investors and customers for their continued support.

Mr. Ian Ferrier AM,
Independent Chairman
ERA OF DISRUPT
Goodman delivered another strong performance in FY17. We capitalised on market conditions and continued to deliver consistent and sustainable growth.
Los Angeles, USA.
Our strong performance was evidenced by operating profit, earnings per security and distribution per security all up on last year. We also continued our proven strategy of focusing on key gateway cities, close to consumers.

Goodman’s integrated own+develop+manage platform and global network provides a broad diversity of earnings which we saw grow in FY17.

Key operational highlights to 30 June 2017 included:

- Growth in AUM to $34.6 billion (Own)
- An increase in development WIP to $3.5 billion (Develop)
- Average Partnership return of 14.4% (Manage).

This growth happened as we decreased our gearing level and increased liquidity, giving us the flexibility to capitalise on opportunities as they arise.

$34.6bn
TOTAL AUM

$3.5bn
DEVELOPMENT WIP

14.4%
AVERAGE PARTNERSHIP RETURN

Greg Goodman, Group CEO.
Technology is having a greater impact on consumers as well as on the industrial property market and how we service our customers. We are seeing, and planning for, rapid technology and behavioural change as more automation and artificial intelligence are rolled out.

Technology has raised consumer expectations around product availability, speed of delivery and cost. Meeting expectations on the latter two are essential. Therefore, proximity to consumers has become a critical factor in reducing delivery time and cost. In some markets there can be less than one hour between purchase and delivery.

As e-commerce evolves, demand grows for our expertise in high quality logistics facilities in prime locations. We expect this to accelerate over the next five to ten years.
We are seeing, and planning for, rapid technology and behavioural change as more automation and artificial intelligence are rolled out.
HIGHER QUALITY PORTFOLIO DELIVERING RESULTS

In FY17, we continued to improve asset quality through our strategy of asset rotation.

By taking advantage of the property cycle to refine our portfolio, we completed $3.5 billion in asset sales (including urban renewal), with another $2 billion forecast in the next year. This led to marked improvements in metrics such as occupancy, lease reversions and like-for-like rental growth, with expectations of further improvements.

Our customers value our quality locations and service, as evidenced by customer retention, which remained high at 81%. Our customer base is largely comprised of four industry sectors and no single customer accounts for more than 3% of our base.

In Australia, we have completed $2.1 billion in asset sales over the last three years as part of our urban renewal programme, with $1.2 billion settled in FY17 and a further $0.3 billion due to settle in FY18. The Group has sites under its control across the Australian portfolio, capable of delivering a pipeline of 35,000 apartments which will continue to be a potentially significant source of capital to fund our operations over the medium to long-term.

97% OCCUPANCY
81% RETENTION RATE
3.1m sqm LEASED

DHL, Oakdale Industrial Estate, Sydney, Australia.
TOP 20 CUSTOMERS (BY NET INCOME – LOOK THROUGH BASIS)

- AMAZON 2.9%
- DEUTSCHE POST (DHL) 2.6%
- METRO AG 2.5%
- JAPAN POST (TOLL) 2.2%
- DB SCHENKER 1.9%
- SAFEWAY INC. 1.8%
- WEISFARMERS 1.5%
- DECATHLON 1.4%
- CARREFOUR 1.2%
- IRON MOUNTAIN 1.2%
- LINFOX 1.1%
- BMW GROUP 1.1%
- KUEHNE + NAGEL 1.0%
- GEORGIA-PACIFIC 1.0%
- SINOTRANS 0.8%
- EQUINIX 0.8%
- ZALANDO 0.8%
- JD.COM 0.8%
- FLUI XEROX 0.7%
- COCA-COLA AMATIL 0.7%

Includes the Group’s share of net property income from its cornerstone investments across its managed Partnership platform.
We are well placed to keep delivering high quality product in key locations with a potential global development pipeline of $10 billion.
STRONG WORKBOOK INCREASINGLY MOVING INTO PARTNERSHIPS

Goodman’s development work in progress increased to $3.5 billion. It covers 77 projects in 12 countries and has a forecast yield on cost of 7.8%.

75% of this development work in progress is now within the Partnerships. This reduces volatility in development earnings while providing the Partnerships with the opportunity for higher returns, supporting outperformance over the long-term.

Customer enquiries remained strong, reinforcing the strategy to limit speculative development to supply constrained markets. 65% of developments were pre-committed on commencement and upon completion, 88% of developments had customer commitments.

We are well placed to keep delivering high quality product in key locations with a potential global development pipeline of $10 billion as we continue to favour development as the way to grow assets under management at this point in the cycle.
POSITIVE RETURNS

Goodman has increased its total assets under management to $34.6 billion. External assets under management are up 4% to $30.5 billion. This growth is despite $8 billion in asset sales achieved since FY15 and is a direct result of our higher quality portfolio in wealthy, consumer-dominated markets.

Given the volume of asset sales, net investment income is down. However, we anticipate the underlying portfolio will deliver strong long-term results as we redeploy capital to developments that leverage increasing urbanisation and rising consumerism.

Management earnings were up 3%, supported by positive valuations and development programmes. Strong returns in the Partnerships led to performance fees that are forecast to continue beyond FY18. The development and management businesses made strong contributions to Goodman’s outperformance, with a combined operating earnings before interest and taxes (EBIT) margin of 67%.
Major achievements in our Partnerships included:

- The Goodman Australia Industrial Partnership received a rating from Moody’s and a ratings upgrade from Standard and Poor’s. It also issued a US$600 million 10 year debt issuance.
- The Goodman Australia Partnership reduced its gearing from 26% to 7.3% with liquidity of around $1 billion.
- The Goodman Hong Kong Logistics Partnership restructured its unsecured debt platform with weighted average debt expiry extending to 5.5 years and net liquidity increasing to HK$2.9 billion.
- The Goodman European Partnership raised €399 million in uncalled equity.
Goodman’s capital management is focused on operational flexibility, the ability to fund financial obligations and supporting long-term growth. This year, we capitalised on positive market conditions and the strength of our underlying business.

Key activities included:

— Reducing our gearing to 5.9% (measured net of cash)
— Amending our bank and bond covenants
— Completing an exchange offer for US$1 billion in US144A bonds.

Due to our improved financial performance and position, we received credit rating upgrades from Standard and Poor’s (BBB+) and Moody’s (Baa1), with a stable outlook.

We also announced our repurchase of all $327 million Goodman PLUS hybrid securities to take place in October 2017. These capital management initiatives and further debt reduction will see continued interest savings in FY18 and beyond.

We now have $3.2 billion in liquidity while the Partnerships have $11 billion available in undrawn debt, equity and cash. This provides significant capacity to capitalise on growth opportunities.
Our diversity of earnings across divisions, combined with our scale and geographic spread, is expected to continue to deliver stable income growth.

SUSTAINING GROWTH INTO THE FUTURE

Goodman’s strategy is designed to meet the changing needs of our customers and provide sustainable returns into the future. The strength of our development and leasing activities are being driven by:

— Growth in consumerism globally
— Evolution of e-commerce and increased supply chain sophistication
— Rapid technological and behavioural change for both business and consumers as the use of automation and artificial intelligence increases
— Scarcity of land in our gateway city locations.

Our diversity of earnings across divisions, combined with our scale and geographic spread, is expected to continue to deliver stable income growth. Meanwhile, assets under management are set to increase as our Partnerships continue to invest in new developments.

At a time of low interest rates, we are focused on total property returns on an unlevered basis.

The Group’s forecast is for a full year operating profit for FY18 of $828 million, or 45.7 cents per security, up 6% on FY17.

The Group’s team of more than 1,100 employees worldwide is central to this success and I would like to sincerely thank them for their hard work and commitment. On behalf of Goodman, I’d also like to thank all our stakeholders for their ongoing support. We look forward to continuing to deliver consistently strong results well into the future.

Mr. Gregory Goodman,
Group Chief Executive Officer
Los Angeles, USA.
INTELLE
PROPER
*Comprises both stabilised and development assets.
AUSTRALIA

A strong team delivering a market-leading portfolio and setting the industry benchmark.

$12.9bn
ASSETS UNDER MANAGEMENT

161
PROPERTIES

6.1m sqm
SPACE UNDER MANAGEMENT

98%
OCCUPANCY

$708m
DEVELOPMENT WORK IN PROGRESS

77%
PRE-COMMITTED DEVELOPMENT

4
MANAGED PARTNERSHIPS

>1000
NUMBER OF CUSTOMERS
NEW ZEALAND

A focus on continuous improvement to reinforce Goodman’s position as a premium property provider.

$2.7bn
ASSETS UNDER MANAGEMENT

13
PROPERTIES

980,000 sqm
SPACE UNDER MANAGEMENT

98%*
OCCUPANCY

$85m
DEVELOPMENT WORK IN PROGRESS

80%
PRE-COMMITTED DEVELOPMENT

2
MANAGED PARTNERSHIPS

>240
NUMBER OF CUSTOMERS

*As at 31 March 2017
$10.2bn
ASSETS UNDER MANAGEMENT

55
PROPERTIES

4.5m sqm
SPACE UNDER MANAGEMENT

98%
OCCUPANCY

$929m
DEVELOPMENT WORK IN PROGRESS

22%
PRE-COMMITTED DEVELOPMENT

4
MANAGED PARTNERSHIPS

>300
NUMBER OF CUSTOMERS

Shanghai, China.

ASIA
Tokyo, Japan.
Striving to provide the highest quality industrial portfolio in strategic locations to service a growing consumer market.
Contemporary design features and world class amenities enable our customers to attract the best labour force.

Goodman Ichikawa, Tokyo, Japan.

Goodman Sakai, Osaka, Japan.
$7.1bn
ASSETS UNDER MANAGEMENT

142
PROPERTIES

5.1m sqm
SPACE UNDER MANAGEMENT

93%
OCCUPANCY

$1.1bn
DEVELOPMENT WORK IN PROGRESS

88%
PRE-COMMITTED DEVELOPMENT

5
MANAGED PARTNERSHIPS

>240
NUMBER OF CUSTOMERS

EUROPE
CONTINENTAL EUROPE

Partnering with our customers to develop high quality and sustainable logistics solutions designed for the future.
Developing our land bank to provide modern logistics facilities close to urban centres and key transport routes.

UNITED KINGDOM

Clipper and Amazon, Northampton Commercial Park, Northampton, United Kingdom.
THE AMERICAS

$1.6bn
ASSETS UNDER MANAGEMENT

16
PROPERTIES

680,000 sqm
SPACE UNDER MANAGEMENT

98%
OCCUPANCY

$623m
DEVELOPMENT WORK IN PROGRESS

68%
PRE-COMMITTED DEVELOPMENT

Los Angeles, USA.
Modern logistics facilities in strategic locations providing convenient access to customers and consumers.

UNITED STATES

Goodman Logistics Center Fontana, California, USA.
Building a sustainable and high quality business, offering our customers the best logistics assets in prime locations.
IN GOOD COMPANY
We asked several of our customers around the globe what our intellectual approach to property means specifically to them.

Here’s what they had to say.
José Antonio Ramos is in no doubt that the massive Esprit facility in Mönchengladbach, is not only the best in Regiopark, it’s the best in Germany.

“The quality of the Goodman facility is really what sets Goodman apart,” says Ramos, the Chief Commercial Officer at international apparel company, Esprit. “I have visited many facilities in the area and I can tell you the Goodman facility is a standout in every single detail – from the quality materials, and overall design, to even thinking about where the doors are located, everything has been considered.”

The Mönchengladbach facility is key to transforming Esprit’s business model to make it a fast, vertical apparel company. At 80,000 sqm, the new building is an expansion of the existing property. This expansion will see a new level of storage and automation, enabling more than 100 million units to pass through it each year.
“It was a complex project, having to coordinate the building, infrastructure, and technology,” says Ramos. “Having Goodman as a partner we could trust, allowed us to concentrate on what we know – clothing, while Goodman utilised its knowledge of the planning regulations and design to ensure we got what we needed. The execution was incredibly smooth. As a matter of fact, the final handover took place a week ahead of schedule.”

Nothing, however was more vital to the success of the Esprit transformation than its strategic location close to the A61 Motorway and Benelux countries. “It was essential to be in a place where we can distribute fast and effectively to each and every store across 12 different European markets,” says Ramos. “This is why we decided to consolidate all of our operations in an area that is becoming a hub for apparel companies. Goodman allowed that to happen.”

We needed a facility that was flexible enough to place the right merchandise in the right store, at the right time.
While DB Schenker is a global Goodman customer, with properties in seven countries, the French teams had not yet had the opportunity to work together on a new development – until now.

Goodman was enlisted to develop and manage an 8,600 sqm cross-dock facility for the global logistics provider at the port of Strasbourg in eastern France.

“Goodman worked with us on this project in a completely open, honest and transparent manner,” says Mr Bruno Lefeuvre, Head of Real Estate, DB Schenker, France. “This level of transparency is rare in our industry. For us, it was a pledge of confidence and an assurance that the result would be exactly what we expected.”
DB Schenker’s expectations were more than satisfied. The property features 72 docks, with 6,600 sqm of warehouse space and a 2,000 sqm office area. Furthermore, the site allows for expansion of the distribution centre by a further 3,700 sqm.

To ensure the quality of the project, Goodman juggled 25 different construction contracts for DB Schenker. “This is the way we do things,” says Mr Lefeuvre. “Because we want the quality of our facilities to be the best, we need the best contractors – it’s a guarantee of excellence. Goodman handled the negotiations according to DB Schenker’s high standards.”

“I would recommend Goodman for three criteria: Firstly, the expertise and professionalism demonstrated by its team. Secondly, the level of transparency under which they operate, and finally, their ability to really listen to us and to adapt to our way of doing things.”
LARGE CITIES ACCOUNT FOR 81% OF GLOBAL CONSUMPTION.

SOCIES WILL FOR BAL ION BY 2030
Goodman is known worldwide for its ability to look closely at a problem and come up with a clever solution. This was certainly the experience of Automotive importer, Shanghai Shihao International Logistics Co (SHTC) when it desperately needed a new warehouse facility in Goodman’s Pudong International Airport Logistics Park.

“We outlined our needs and Goodman responded,” says Mr Jason Zhang General Manager of SHTC, the only company that handles importation, transportation and storage for Maserati in China. “Goodman provided us with a state-of-the-art warehouse, strategically located just 30 kilometres from the pier where our automobiles arrive from Europe and right next to the County Highway airport exit. This has been especially beneficial from an operations perspective.”
Strategic location, outstanding service, and the ability to cater to our specific requirements are the three major reasons why I would recommend Goodman.
As a facility used to store high-end luxury cars such as Maserati and Ferrari, specific demands needed to be met. Goodman was able to meet these demands, including the sheer size and area of the storage space required, installation of fire prevention systems, and access for delivery and unloading of automobiles.

“A high-quality storage environment was crucial to us, not just for storing cars, but for the flatbed trucks they are unloaded from,” says Mr Zhang. “We’re located on the second level of the Goodman warehouse at Pudong and Goodman provided us with very wide ramps that allowed us to fit up to four of these heavy trucks on the ramp for loading and unloading.”

Working closely on the ground with SHTC was Goodman’s property team. “The team played a proactive role throughout the entire project, coordinating construction, communicating any problems, answering our questions and writing up the contract. At every step of the way, they tried their best to deliver,” says Mr Zhang.
Like many great ideas, this one started out with some lateral thinking. French e-commerce leader Cdiscount was rapidly running out of space at its Saint-Mard facility when at a chance meeting, Cdiscount’s Head of Development Frédéric Martin and Goodman came up with a plan.

Goodman had been looking to develop a second facility at Saint-Mard for Cdiscount’s parent company, Casino Group, however it was becoming apparent that it made more sense for the project to switch to Cdiscount. According to Mr Martin, “space was becoming tight and so we needed the Saint-Mard 2 building in a hurry.”

Mr Martin says it was vital for Cdiscount to remain in the area because of its strategic position close to the city. “For us it is important to be at the gates of Paris because we need to be able to deliver to our customers on the same day they order,” says Mr Martin.
For us it is important to be at the gates of Paris because we need to be able to deliver to our customers on the same day they order.

Because the Saint-Mard facility housed Cdiscount’s flagship home furnishings and household appliances, it was necessary for Goodman to create an easily adaptable building. This was especially relevant when it came to the depth of the shipping dock, required to accommodate the over-sized products.

That second building was developed from an idea, to hand-over in a very rapid time. “Goodman was able to react and deliver the building in eight months,” says Mr Martin. “And it was functional from the day we were given the keys.”

Goodman is now working on an extension to the original Saint-Mard building – an idea that came from some more creative thinking and improvisation. “We didn’t have a notebook with us, so we reached for a serviette,” says Mr Martin. “With just a pen and a paper napkin, we worked with Goodman on a clever idea to extend the building we already occupied in Saint-Mard.”

“This certainly won’t be the last facility we develop with Goodman as Goodman represents values identical to those of Cdiscount, values that add up to customer satisfaction.”
The highlight of our relationship with Goodman was its team’s availability and determination to go above and beyond.
Goodman is a relatively new brand in Brazil, so it was no surprise that Luciano Custódio, General Manager, Bosch AA São Paulo, did not know much about us before first contact was made through a real estate consultant.

However, trust was soon established and Goodman quickly impressed Mr Custódio, especially when it came to customer service. “With Goodman, what was promised was delivered,” says Mr Custódio. “Goodman’s customer prioritisation is also shared by Bosch, so we were able to meet on that level.”

Bosch AA is the automotive aftermarket arm of the renowned German engineering company. The brief was for a modern facility that could better meet Bosch AA’s needs.

Goodman supplied Bosch AA with a recently built property that meets their needs for a modern, first class facility. Our team was also able to meet Bosch AA’s specific demands for an expanded office space and a mezzanine level in which to conduct its operations. “I was very happy, Goodman understood our requirements and customised the office area to exactly how we wanted it,” says Mr Custódio.

Nowadays, the facility is Bosch’s main hub for Latin America. “The location is very favourable from a logistics point of view, close to big population centres, highways, airports and our main customers.”
Kellogg’s has been a part of the Sydney landscape at Banksmeadow since 1924. As the cereal maker’s only Australian operation, location is extremely important.

Which is why Goodman’s distribution facility, directly across the road and connected to the manufacturing plant by an air-bridge, couldn’t be better placed. “Ease of transportation, access to ports, and a large consumer population nearby were critical,” says Roger Nesti, Kellogg’s Director of International Real Estate.

When Goodman acquired the property in 2011 the company went about refurbishing it to their own high-end specifications, from paintwork and lighting, right down to the choice of plants for the landscaping. “The thing that impresses me about Goodman properties I see all around the world, is their attention to keeping everything clean, fresh, up-to-date and inviting,” says Mr Nesti. “This is very important to Kellogg’s as a food company, where first impressions are crucial.”
I’ve never had Goodman ever say we can’t do it. They always say, let’s find a way.
It’s very valuable to know I have a global partner like Goodman that I can count on to provide the same product and the same result, whether I’m in Poland, Germany or Brazil.
When it came time to negotiate a new 10-year lease on the facility, it was quite a task, involving three players: Goodman, Kellogg’s and Linfox. “It was a unique situation, but Goodman being nimble, was able to work with us to put together a deal that helped us all come out as winners,” says Mr Nesti.

Mr Nesti says, what impresses him most about Goodman is the team’s entrepreneurial attitude, flexibility and determination to make things happen. “The prime example of this is our new project in Brazil, where the Goodman team is being extremely agile helping us to solve our problem, and facilitating our ability to accomplish our goals, while saving us money,” says Mr Nesti. “Whether I’m calling them at the last minute to take a flight with me because I need some help, or they are coming up with out-of-the-box ideas that we didn’t even think about ourselves, Goodman is there for us.”

“The scalability of Goodman’s operations is also very important to Kellogg’s. I handle everything outside of North America, so it’s very valuable to know I have a global partner like Goodman that I can count on to provide the same product and the same result, whether I’m in Poland, Germany or Brazil.”
IN 2030 GLOBAL CONSUMPTION WILL HAVE INCREASED BY US$23 TRILLION

Paris, France.
At Goodman, we are committed to sustainability across our global business operations. Embracing sustainability is beneficial to our investments, our environment and our communities.
We incorporate sustainability into our operations by integrating it within our business strategy and continually looking for ways to improve our performance.

Importantly, we consider sustainability early in the planning process for new developments, which delivers better outcomes. We engage with our customers and prioritise their sustainability objectives. Working together, we can ensure sustainability measures improve efficiency and, where possible, improve customer satisfaction by adding long-term value to the property.

OUR SUSTAINABILITY STRATEGY

Goodman’s sustainability strategy consists of four pillars:

— Sustainable development
— Asset management
— Corporate performance
— People and community.
Goodman Logistics Center Fontana, California, USA.
100% of Goodman’s completed developments included sustainable design initiatives.
SUSTAINABLE DEVELOPMENT

FY17 highlights include:

- 100% of Goodman’s completed developments included sustainable design initiatives
- Installation of over one million watts (megawatt) of solar photovoltaic (PV) panels in Japan and Australia
- More than 1.1 million sqm of industrial space with a certified green rating in Continental Europe.

We work collaboratively with our customers and consultants on new projects, incorporating the latest technology and design features to improve the environmental performance of our property portfolio. We focus on aspects such as natural lighting and energy efficiency.

Our development specifications are different in each region; however, we have similar sustainable design initiatives globally. These include:

- Translucent roof sheeting to maximise natural lighting
- Automated LED lighting to reduce energy consumption
- Electrical sub-metering to monitor and measure energy consumption
- Glare control to improve comfort for staff inside our warehouses
- Materials low in volatile organic compounds to improve internal air quality
- Rainwater harvesting and reuse to reduce water consumption
- Drought tolerant native landscaping to conserve water
- End of trip facilities such as staff showers and bicycle storage to encourage health and wellbeing.
REGION SPECIFIC INITIATIVES

Certification in Continental Europe
We maintain high levels of sustainability in our development specifications in Continental Europe, where obtaining green certification across our platform remains a priority. Our portfolio now consists of more than 1.1 million sqm of certified space, with 230,000 sqm in progress. Most certified assets are certified under the German Sustainable Building Council (DGNB) scheme, with others certified under schemes such as the Building Research Establishment Environmental Assessment Method (BREEAM).

Building resilience in Japan
Our Japanese logistics assets are some of Goodman’s highest quality and best performing assets, incorporating a range of sustainability, resilience and comfort features.

The new four-storey Akamatsudai facility in Kobe City is 50,900 sqm. Its features include around one mega watt of solar rooftop PV panels and importantly, the building is placed on raised and seismically stable land to mitigate the impact of earthquakes and tsunamis.

Our developments in New Zealand
We began eight new developments in New Zealand this year, including at Highbrook Business Park in Auckland. Within the Park, we have leased a new 5,300 sqm facility incorporating a warehouse, a concept showroom and a modern office area. Sustainability features include:

- Efficient lighting and glazing
- Translucent sheeting in the structural bays for natural light
- 40ha of parklands with esplanade reserves
- 12km of walking and cycling tracks.
Goodman Akamatsudai, Kobe City, Japan.
Can Margarit Logistics Centre, Barcelona, Spain.
**Oakdale Industrial Estate in Sydney**
Two new facilities were completed at Oakdale Industrial Estate during the year, including an 8,275 sqm property for DSV, a global transport and logistics operator. When DSV began to outgrow its premises, it pre-committed to leasing one of the new facilities at Oakdale. Sustainable design aspects include:

- LED high bay lighting
- 30,000 litre rainwater harvesting capacity for irrigation and amenities
- Solar hot water heating
- Native and drought tolerant landscaping.

**Can Margarit Logistics Centre in Barcelona**
We completed a logistics facility for the large sports retailer, Decathalon, in Barcelona. The facility is more than 39,000 sqm and features:

- LED lighting
- External green areas
- Bicycle facilities
- BREEAM Good Certificate.

**Goodman Logistics Center in Fontana**
In a city as eco-conscious as Los Angeles, it’s vital to incorporate sustainability principles in developments. Our work on this 59,400 sqm distribution facility in Fontana includes:

- Leadership in Energy and Environmental Design (LEED) certified shell
- Prismatic roof skylights to maximise natural lighting
- Stormwater detention basins
- Energy efficient lighting
- Drought tolerant landscaping.
ASSET MANAGEMENT

FY17 highlights include:

— A 4% reduction in energy consumption across our Australian office portfolio
— Continued roll out of LED lighting in Australia and Continental Europe
— A 5.5 star National Australian Built Environment Rating System (NABERS) Energy rating for our Sydney office for the fourth consecutive year.

This involves taking a strategic view of each asset and evaluating factors including location, age, capital requirements and lease appeal. Lighting upgrades continue to be an effective way to reduce energy demand in our stabilised assets.
We are committed to improving the operating performance of all our buildings, managing and investing in our assets to improve efficiency, long-term competitiveness and resilience.
These days, the upfront costs of installing LED lighting in warehouses can be recouped within two years through energy savings.
LIGHTING IMPROVEMENTS

Australia
We switched older style warehouse lights with LED alternatives in several Australian sites, including at Erskine Park Industrial Estate in Western Sydney, where 250 high bay lights were replaced with LED lighting. This reduced energy use by approximately 50% and the upfront capital investment was also reduced due to the project’s eligibility for energy saver certificates under the NSW Energy Saver Scheme.

The Australian office portfolio’s 4% reduction in energy consumption was achieved by a further focus on energy efficiency, demand management and monitoring initiatives.

Europe
We’ve installed LED lighting in more than one million sqm of warehouse space in Europe, which has the added benefit of increasing the future leasing appeal and value of the properties.

Hong Kong
Around half of our stabilised portfolio in Hong Kong has now upgraded to LED lighting. The remainder is due within two years. At Goodman Interlink in Hong Kong we:

— Replaced around 1,800 lights with LED alternatives. This is estimated to reduce monthly energy costs by around $HK26,500
— Upgraded the heating, ventilation, and air conditioning (HVAC) system to one that uses half the power.

Goodman Commerce Center Eastvale, Los Angeles, USA.
**Renewable energy**
We installed a further one megawatt of solar PV in Japan this year at Goodman Akamatsudai in Kobe City. This increased our total solar capacity in Japan to more than 16 megawatts. Japan remains our primary region for installation of PV panels, with more installations planned for Goodman Business Park Stage 2 in Chiba.

**Global Real Estate Sustainability Benchmark (GRESB)**
Goodman Group is a GRESB member. Membership gives us insights into the sustainability trends that impact real estate and access to collaborate with institutional real estate investors, owners and managers.

2017 was the seventh year Goodman participated in the GRESB survey. GRESB benchmarks environmental, social and governance (ESG) performance as reported by participants. More than seven Goodman entities submitted to GRESB including Partnerships from Australia, Asia, the UK and Continental Europe.

Each entity achieved Green Star status and ranked above their peer group average.
GREENHOUSE GAS EMISSIONS (tCO₂-e)

Australian greenhouse gas emissions
Goodman’s FY17 greenhouse gas emissions (GHG) for its Australian operations are estimated at 37,556 tCO₂-e. The decrease in our absolute emissions is primarily due to asset sales completed during the year, ongoing sub-metering of customer power consumption and energy efficiencies across the portfolio.

Our GHG calculation includes scope 1 and 2 emissions generated from Goodman’s Australian property and building management services, including assets owned directly by Goodman and those within our Australian managed Partnerships. Where sub-metering allows, we have excluded the GHG of our customers.
A BRIGHT FUTURE
The Goodman Foundation believes in giving back in tangible ways to the communities where we operate. We focus on social change through improving the quality of life of those less privileged.
Our community support is delivered through programmes with our long-term charitable partners. In FY17, the Goodman Foundation worked with more than 80 partners, making a meaningful difference in the lives of thousands.

Our efforts ranged from delivering in-school programmes, hospital equipment and new infrastructure, to cooking for the homeless.

Goodman’s employees are highly engaged in community work. They contributed more than 13,750 hours to volunteering with a charity or to fundraising activities for people in need.

Our mission is to build futures for children and adults with cerebral palsy and their families. Thanks to the support from Goodman and the Goodman Foundation, the future looks brighter. Together we are changing lives for people living with cerebral palsy.

ROB WHITE,
CHIEF EXECUTIVE OFFICER,
CEREBRAL PALSY ALLIANCE AUSTRALIA.
Cash grants are given on a project-by-project basis to ensure they will deliver meaningful community impact. Highlights during the year include:

**Australia and New Zealand**

— In-school mentoring and coaching with Raise Foundation, Rising Foundation, Stepping Stone House and The Helmsman Project
— Donation of neonatal hospital equipment through Humpty Dumpty Foundation
— Delivering the Insight Mental Health programme to schools for Black Dog Institute
— Sponsoring indigenous students with Yalari
— Funding of school readiness programmes for deaf children with The Shepherd Centre
— Funding of books for children with the Books in Homes programme
— Infrastructure improvements at Multiple Sclerosis Australia’s facilities
— Funding resources to set up Act for Kids in Blacktown
— Grants to support KiwiHarvest, OzHarvest and a new Hearing House Centre in Auckland
— Support for young people with cancer through CanTeen.
Asia
— Building indoor playrooms for children in Japan’s Fukushima area
— Saving sight in China’s Xingtang county with The Fred Hollows Foundation
— Helping to build an arts centre for people with disabilities at Hong Kong’s Fu Hong Society.

Continental Europe and the UK
— Infrastructure and operational grants for SOS Children’s Villages in Europe
— Founding grant to launch UKHarvest.

The Americas
— Adoption of 46 families for Christmas with Friends and Helpers.
81 charities Goodman supported
51 Good+Heart events
764 volunteers
13,751 community hours
In-kind contributions include the provision of expertise, office fitouts, vehicles and short and long-term warehouse and office facilities. Recipients this year included:

— OzHarvest
— Good360
— Special Olympics
— The Salvation Army
— Greenway Tenants Group
— Stepping Stone House
— The Helmsman Project.

Good+Heart provides opportunities for Goodman employees to volunteer with or fundraise for a community partner. In FY17, around 80% of Goodman’s employees undertook Good+Heart opportunities. These included:

— Goodman’s exclusive global sponsorship of the Cerebral Palsy Alliance’s Steptember event where teams walked 10,000 steps a day during September. The event attracted 70,000 participants worldwide and raised over $6 million
— Cancer Council’s Biggest Morning Tea, Sydney, Australia
— Hong Kong’s Magic Mile event raising HK$1 million for Feeding Hong Kong
— Building gardens and renovating SOS Children’s Villages in Europe and cooking for the homeless
— Fundraising challenges including the MS Gong Ride and the Balmoral Burn in Sydney.

Good+Deeds is Goodman’s workplace giving programme where we match dollar for dollar the payroll donations made to charities by employees. In FY17 we raised more than $210,000 for community causes.
BUILDING BRIGHTER FUTURES WITH STEPPING STONE HOUSE

Stepping Stone House is a not-for-profit organisation providing medium and long-term accommodation and personal development for young people who are homeless or at risk of homelessness.

During the year, the Goodman Foundation supported Stepping Stone House with grants for programmes, a working bee and by donating office furniture, vehicles and laptops. “Goodman’s support and highly-engaged volunteers help our young people to break the cycle of homelessness,” says Stepping Stone House CEO, Jason Juretic.

Goodman donated cars and funded the Drive to Freedom programme which assists young people gain their provisional licence to help them to secure future apprenticeships.

A Goodman team organised a working bee at the organisation’s residential care home. They installed vegetable gardens, fragrant plants, outdoor seating and a fountain to provide a meditative space for young residents to benefit from nature’s calm.

Our annual funding of Empowerment Courses continued during the year, teaching skills such as goal setting, money management, communication and emotional intelligence.

We also funded a pioneering mentoring programme which saw two of our community partners work together. Volunteers from the Raise Foundation are working in a year-long programme to mentor young people who reside at Stepping Stone House.

Goodman’s support and highly-engaged volunteers help our young people to break the cycle of homelessness.

JASON JURETIC, CHIEF EXECUTIVE OFFICER, STEPPING STONE HOUSE.
With Goodman’s support, we will continue to change thousands of lives in China.

BRIAN DOOLAN, CHIEF EXECUTIVE OFFICER, THE FRED HOLLOWS FOUNDATION.

RESTORING SIGHT WITH THE FRED HOLLOWS FOUNDATION IN CHINA

Of China’s 1.3 billion people, an estimated 6.6 million are blind. This accounts for 20% of the world’s blind population.

Goodman has been a long-standing supporter of The Fred Hollows Foundation. “Goodman was integral to the successful launch of our Hong Kong office in 2015,” says The Fred Hollows Foundation CEO, Brian Doolan. “And now we are proud to partner with Goodman on the Xingtang project, as the Goodman Foundation shares our focus on positive social change.”

Over two years, the Xingtang project will support the training of 35 doctors, provide primary eye care training to 660 village health workers and screen 85,000 adults and children for eye health.

The project will work with local authorities and government to build a strong and sustainable primary eye health system and ensure the issue remains a priority. “With Goodman’s support, we will continue to change thousands of lives in China,” says Doolan.

At the launch in 2016, the Australian Ambassador to the People’s Republic of China, Ms Jan Adams AO PSM, hailed the partnership “a wonderful example of governments, independent non-government organisations, and the private sector leading the way and collaborating to alleviate poverty.”
# FIVE YEAR FINANCIAL SUMMARY

## INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<td>$M</td>
<td>$M</td>
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</tr>
<tr>
<td>Gross property income</td>
<td>219.6</td>
<td>207.7</td>
<td>206.1</td>
<td>204.6</td>
<td>177.1</td>
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<tr>
<td>Management income</td>
<td>181.0</td>
<td>205.5</td>
<td>215.3</td>
<td>259.3</td>
<td>266.3</td>
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<tr>
<td>Development income</td>
<td>471.6</td>
<td>767.6</td>
<td>763.7</td>
<td>1,250.4</td>
<td>1,207.1</td>
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<tr>
<td>Distributions from investments</td>
<td>3.1</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net gain/(loss) on disposals of assets</td>
<td>12.8</td>
<td>2.4</td>
<td>41.5</td>
<td>(26.7)</td>
<td>129.1</td>
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<tr>
<td>Net gain from fair value adjustments on investment properties</td>
<td>28.0</td>
<td>48.6</td>
<td>515.9</td>
<td>327.8</td>
<td>180.9</td>
</tr>
<tr>
<td>Share of net results of equity accounted investments</td>
<td>228.8</td>
<td>445.2</td>
<td>614.1</td>
<td>928.6</td>
<td>587.7</td>
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<tr>
<td><strong>Total income</strong></td>
<td>1,144.9</td>
<td>1,679.0</td>
<td>2,356.6</td>
<td>2,944.0</td>
<td>2,548.2</td>
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<tr>
<td>Property expenses</td>
<td>(59.7)</td>
<td>(60.1)</td>
<td>(59.4)</td>
<td>(63.9)</td>
<td>(46.9)</td>
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<tr>
<td>Development expenses</td>
<td>(311.4)</td>
<td>(579.8)</td>
<td>(619.0)</td>
<td>(929.1)</td>
<td>(919.9)</td>
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<tr>
<td>Employee expenses</td>
<td>(103.8)</td>
<td>(132.7)</td>
<td>(144.8)</td>
<td>(172.6)</td>
<td>(195.9)</td>
</tr>
<tr>
<td>Share based payments expense</td>
<td>(26.4)</td>
<td>(32.0)</td>
<td>(51.0)</td>
<td>(66.9)</td>
<td>(85.4)</td>
</tr>
<tr>
<td>Administrative and other expenses</td>
<td>(75.3)</td>
<td>(74.0)</td>
<td>(76.2)</td>
<td>(79.1)</td>
<td>(76.5)</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>(65.4)</td>
<td>(14.4)</td>
<td>(28.2)</td>
<td>(249.1)</td>
<td>(93.0)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(303.7)</td>
<td>(94.3)</td>
<td>(127.8)</td>
<td>(13.0)</td>
<td>(279.4)</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>(945.7)</td>
<td>(987.3)</td>
<td>(1,106.4)</td>
<td>(1,573.7)</td>
<td>(1,697.0)</td>
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<tr>
<td>Profit before income tax</td>
<td>199.2</td>
<td>691.7</td>
<td>1,250.2</td>
<td>1,370.3</td>
<td>851.2</td>
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<tr>
<td>Income tax expense</td>
<td>(15.9)</td>
<td>(13.0)</td>
<td>(21.0)</td>
<td>(75.6)</td>
<td>(54.4)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>183.3</td>
<td>678.7</td>
<td>1,229.2</td>
<td>1,294.7</td>
<td>796.8</td>
</tr>
<tr>
<td>Profit attributable to non-controlling interests</td>
<td>(22.3)</td>
<td>(21.4)</td>
<td>(21.2)</td>
<td>(20.1)</td>
<td>(18.7)</td>
</tr>
<tr>
<td><strong>Profit attributable to Securityholders</strong></td>
<td>161.0</td>
<td>657.3</td>
<td>1,208.0</td>
<td>1,274.6</td>
<td>778.1</td>
</tr>
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</table>

## OPERATING PROFIT RECONCILIATION (NON-IFRS)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tr>
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<td>$M</td>
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<tr>
<td>Operating profit available for distribution</td>
<td>544.1</td>
<td>601.1</td>
<td>653.5</td>
<td>714.5</td>
<td>776.0</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property valuation related movements</td>
<td>(36.7)</td>
<td>172.4</td>
<td>709.7</td>
<td>614.4</td>
<td>397.6</td>
</tr>
<tr>
<td>Fair value adjustments and unrealised foreign currency exchange movements related to capital management</td>
<td>(293.0)</td>
<td>(78.4)</td>
<td>(99.8)</td>
<td>81.5</td>
<td>(243.8)</td>
</tr>
<tr>
<td>Other non-cash adjustments or non-recurring items</td>
<td>(53.4)</td>
<td>(37.8)</td>
<td>(55.4)</td>
<td>(135.8)</td>
<td>(151.7)</td>
</tr>
<tr>
<td><strong>Profit attributable to Securityholders</strong></td>
<td>161.0</td>
<td>657.3</td>
<td>1,208.0</td>
<td>1,274.6</td>
<td>778.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
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<tr>
<td></td>
<td>$M</td>
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<td>$M</td>
<td>$M</td>
<td>$M</td>
</tr>
<tr>
<td>Operating profit per stapled security (cents per security)†</td>
<td>32.4</td>
<td>34.8</td>
<td>37.2</td>
<td>40.1</td>
<td>43.1</td>
</tr>
<tr>
<td>Distributions (cents per security)</td>
<td>19.4</td>
<td>20.7</td>
<td>22.2</td>
<td>24.0</td>
<td>25.9</td>
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† Diluted for performance rights.
## STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Cash, cash equivalents and receivables</td>
<td>1,172.8</td>
<td>780.8</td>
<td>1,137.0</td>
<td>1,774.5</td>
<td>2,681.9</td>
</tr>
<tr>
<td>Property assets</td>
<td>3,355.4</td>
<td>3,663.0</td>
<td>4,337.7</td>
<td>4,096.5</td>
<td>3,245.7</td>
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<tr>
<td>Equity accounted investments</td>
<td>3,243.1</td>
<td>3,855.6</td>
<td>4,508.8</td>
<td>5,348.1</td>
<td>5,522.7</td>
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<tr>
<td>Intangible assets</td>
<td>891.4</td>
<td>932.7</td>
<td>976.4</td>
<td>780.6</td>
<td>771.9</td>
</tr>
<tr>
<td>Other (including derivative financial instruments)</td>
<td>228.0</td>
<td>171.8</td>
<td>302.4</td>
<td>387.4</td>
<td>489.0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>8,890.7</td>
<td>9,403.9</td>
<td>11,262.3</td>
<td>12,387.1</td>
<td>12,711.2</td>
</tr>
<tr>
<td>Payables and provisions</td>
<td>520.0</td>
<td>656.8</td>
<td>732.0</td>
<td>747.4</td>
<td>866.6</td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>2,249.8</td>
<td>2,160.5</td>
<td>2,707.9</td>
<td>2,866.2</td>
<td>2,878.3</td>
</tr>
<tr>
<td>Other (including derivative financial instruments)</td>
<td>285.2</td>
<td>356.2</td>
<td>446.3</td>
<td>381.2</td>
<td>344.1</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>3,055.0</td>
<td>3,173.5</td>
<td>3,886.2</td>
<td>3,993.8</td>
<td>4,089.0</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>5,835.7</td>
<td>6,230.4</td>
<td>7,376.1</td>
<td>8,393.3</td>
<td>8,622.2</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(331.5)</td>
<td>(325.8)</td>
<td>(325.8)</td>
<td>(325.8)</td>
<td>(325.8)</td>
</tr>
<tr>
<td><strong>Net assets (after non-controlling interests)</strong></td>
<td>5,504.2</td>
<td>5,904.6</td>
<td>7,050.3</td>
<td>8,067.5</td>
<td>8,296.4</td>
</tr>
</tbody>
</table>

### NTAs per security ($)
- 2013: 2.69
- 2014: 2.88
- 2015: 3.46
- 2016: 4.10
- 2017: 4.21

### Gearing ratio1 (%) (from total interest bearing liabilities over total assets, both net of cash, cash equivalents and the asset component of the fair values of USD/EUR and USD/GBP cross currency interest rate swaps)
- 2013: 18.5
- 2014: 19.5
- 2015: 17.3
- 2016: 11.8
- 2017: 5.9

## STATEMENT OF CHANGES IN EQUITY

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Total equity at the beginning of the year</td>
<td>5,174.6</td>
<td>5,835.7</td>
<td>6,230.4</td>
<td>7,376.1</td>
<td>8,393.3</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>460.2</td>
<td>797.4</td>
<td>1,429.2</td>
<td>1,298.5</td>
<td>678.2</td>
</tr>
<tr>
<td>Contributions of equity, net of transaction costs</td>
<td>441.4</td>
<td>42.1</td>
<td>89.3</td>
<td>95.5</td>
<td>(481.2)</td>
</tr>
<tr>
<td>Distributions provided or paid</td>
<td>(243.7)</td>
<td>(445.4)</td>
<td>(388.3)</td>
<td>(408.0)</td>
<td>(325.8)</td>
</tr>
<tr>
<td>Other transactions with equity holders</td>
<td>20.9</td>
<td>27.7</td>
<td>36.7</td>
<td>51.3</td>
<td>62.5</td>
</tr>
<tr>
<td>Movements in non-controlling interests</td>
<td>(17.7)</td>
<td>(27.1)</td>
<td>(21.2)</td>
<td>(20.1)</td>
<td>(30.6)</td>
</tr>
<tr>
<td><strong>Total equity at the end of the year</strong></td>
<td>5,835.7</td>
<td>6,230.4</td>
<td>7,376.1</td>
<td>8,393.3</td>
<td>8,622.2</td>
</tr>
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</table>

## CASH FLOW STATEMENT

<table>
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</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>356.1</td>
<td>404.4</td>
<td>654.7</td>
<td>830.1</td>
<td>586.4</td>
</tr>
<tr>
<td>Net cash provided by/(used in) investing activities</td>
<td>146.4</td>
<td>(228.5)</td>
<td>(147.8)</td>
<td>160.0</td>
<td>730.0</td>
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<tr>
<td>Net cash used in financing activities</td>
<td>(167.9)</td>
<td>(461.4)</td>
<td>(120.3)</td>
<td>(399.6)</td>
<td>(556.3)</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash held</strong></td>
<td>334.6</td>
<td>(285.5)</td>
<td>386.6</td>
<td>590.5</td>
<td>760.1</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>310.8</td>
<td>645.4</td>
<td>359.9</td>
<td>746.5</td>
<td>1,337.0</td>
</tr>
<tr>
<td>Effect of exchange rate fluctuations on cash held</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(2.0)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>645.4</td>
<td>359.9</td>
<td>746.5</td>
<td>1,337.0</td>
<td>2,095.1</td>
</tr>
</tbody>
</table>

1. Gearing calculated as total interest bearing liabilities over total assets, both net of cash, cash equivalents and the asset component of the fair values of USD/EUR and USD/GBP cross currency interest rate swaps.
BOARD OF DIRECTORS

MR IAN FERRIER, AM
Independent Chairman, Appointed 1 September 2003

MR GREGORY GOODMAN
Group Chief Executive Officer, Appointed 7 August 1998

MR PHILIP FAN
Independent Director, Appointed 1 December 2011

MS REBECCA MCGRATH
Independent Director, Appointed 3 April 2012

MR DANNY PEEETERS
Executive Director, Corporate, Appointed 1 January 2013

MR PHILLIP PRYKE
Independent Director, Appointed 13 October 2010

COMPANY SECRETARY
Mr Carl Bicego
Appointed 24 October 2006
MS ANNE KEATING
Independent Director,
Appointed 23 February 2005

MR STEPHEN JOHNS
Independent Director,
Appointed 1 January 2017

MR JOHN HARKNESS
Independent Director,
Appointed 23 February 2005

MR ANTHONY ROZIC
Deputy Chief Executive Officer and
Chief Executive Officer, North America
Appointed 1 January 2013

MR JIM SLOMAN, OAM
Independent Director,
Appointed 1 February 2006
## SECURITIES INFORMATION

### Top 20 Securityholders
**As at 30 August 2017**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Securityholder</th>
<th>Number of securities</th>
<th>Percentage of total issued securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>HSBC Custody Nominees (Australia) Limited</td>
<td>734,201,185</td>
<td>41.04</td>
</tr>
<tr>
<td>2.</td>
<td>J P Morgan Nominees Australia Limited</td>
<td>529,599,250</td>
<td>29.54</td>
</tr>
<tr>
<td>3.</td>
<td>Citicorp Nominees Pty Limited</td>
<td>134,875,043</td>
<td>7.54</td>
</tr>
<tr>
<td>5.</td>
<td>BNP Paribas Noms Pty Ltd &lt;Agency Lending DRP A/C&gt;</td>
<td>49,092,064</td>
<td>2.74</td>
</tr>
<tr>
<td>6.</td>
<td>Citicorp Nominees Pty Limited &lt;Colonial First State Inv A/C&gt;</td>
<td>39,791,826</td>
<td>2.22</td>
</tr>
<tr>
<td>7.</td>
<td>BNP Paribas Noms Pty Ltd &lt;DRP&gt;</td>
<td>32,395,218</td>
<td>1.81</td>
</tr>
<tr>
<td>8.</td>
<td>Beeside Pty Limited</td>
<td>16,923,077</td>
<td>0.95</td>
</tr>
<tr>
<td>9.</td>
<td>Trison Investments Pty Ltd</td>
<td>13,834,398</td>
<td>0.77</td>
</tr>
<tr>
<td>10.</td>
<td>AMP Life Limited</td>
<td>12,158,211</td>
<td>0.68</td>
</tr>
<tr>
<td>11.</td>
<td>Trison Investments Pty Ltd</td>
<td>4,500,000</td>
<td>0.25</td>
</tr>
<tr>
<td>12.</td>
<td>Bond Street Custodians Limited &lt;ENH Property Securities A/C&gt;</td>
<td>3,954,442</td>
<td>0.22</td>
</tr>
<tr>
<td>13.</td>
<td>HSBC Custody Nominees (Australia) Limited &lt;NT-Commonwealth Super Corp A/C&gt;</td>
<td>3,129,296</td>
<td>0.17</td>
</tr>
<tr>
<td>14.</td>
<td>RBC Investor Services Australia Nominees Pty Limited &lt;BKMINI A/C&gt;</td>
<td>2,498,845</td>
<td>0.14</td>
</tr>
<tr>
<td>15.</td>
<td>BNP Paribas Noms (NZ) LTD &lt;DRP&gt;</td>
<td>2,385,711</td>
<td>0.13</td>
</tr>
<tr>
<td>17.</td>
<td>IOOF Investment Management Limited &lt;LPS Super A/C&gt;</td>
<td>1,931,833</td>
<td>0.11</td>
</tr>
<tr>
<td>18.</td>
<td>DPCON BVBA</td>
<td>1,843,520</td>
<td>0.10</td>
</tr>
<tr>
<td>19.</td>
<td>HSBC Custody Nominees (Australia) Limited &lt;A/C 2&gt;</td>
<td>1,564,190</td>
<td>0.09</td>
</tr>
<tr>
<td>20.</td>
<td>UBS Nominees Pty Ltd</td>
<td>1,424,987</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Securities held by top 20 Securityholders 1,668,960,581 93.28
Balance of securities held 120,160,562 6.72

**Total issued securities** 1,788,851,143 100.00

### Range of securities

<table>
<thead>
<tr>
<th>Range of securities</th>
<th>Number of Securityholders</th>
<th>Number of securities</th>
<th>Percentage of total issued securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–1,000</td>
<td>8,140</td>
<td>3,946,818</td>
<td>0.22</td>
</tr>
<tr>
<td>1,001–5,000</td>
<td>11,812</td>
<td>28,716,636</td>
<td>1.61</td>
</tr>
<tr>
<td>5,001–10,000</td>
<td>2,821</td>
<td>19,990,364</td>
<td>1.12</td>
</tr>
<tr>
<td>10,001–100,000</td>
<td>1,683</td>
<td>34,867,466</td>
<td>1.95</td>
</tr>
<tr>
<td>100,001–over</td>
<td>104</td>
<td>1,701,599,859</td>
<td>95.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>24,560</td>
<td>1,789,121,143</td>
</tr>
</tbody>
</table>

There were 647 Securityholders with less than a marketable parcel in relation to 5,585 securities as at 30 August 2017. There were 60,979,988 Performance Rights over securities held by 630 Participants under the Long-Term Incentive Plan as at 30 August 2017.

### Substantial Securityholders

<table>
<thead>
<tr>
<th>Substantial Securityholders</th>
<th>Number of securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader Investment Corporation; China Investment Corporation</td>
<td>168,462,083</td>
</tr>
<tr>
<td>Vanguard Group Inc.</td>
<td>144,760,798</td>
</tr>
<tr>
<td>BlackRock Group</td>
<td>128,740,307</td>
</tr>
<tr>
<td>State Street</td>
<td>89,943,847</td>
</tr>
</tbody>
</table>

1. In accordance with latest Substantial Securityholder Notices as at 30 August 2017.

**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 Depositary Nominees Pty Limited to cast one vote for each Chess Depositary 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.
GOODMAN GROUP
Goodman Limited
ABN 69 000 123 071
Goodman Industrial Trust
ARSN 091 213 839
Responsible Entity of Goodman Industrial Trust
Goodman Funds Management Limited
ABN 48 067 796 641; AFSL Number 223621
Goodman Logistics (HK) Limited
Company No. 1700359; ARBN 155 911 149

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Sydney NSW 2001
Australia
Telephone 1300 791 100 (within Australia)
   +61 2 9230 7400 (outside Australia)
Facsimile +61 2 9230 7444

Suite 901
Three Pacific Place
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Hong Kong
Telephone +852 2249 3100
Facsimile +852 2525 2070

Email info@goodman.com
Website www.goodman.com

OTHER OFFICES
Allentown  Budapest  Los Angeles  Poznań
Amsterdam  Chengdu  London  Prague
Auckland  Düsseldorf  Luxembourg  São Paulo
Beijing  Guangzhou  Madrid  Shanghai
Birmingham  Hamburg  Melbourne  Sydney
Brisbane  Hong Kong  Osaka  Tokyo
Brussels  Kraków  Paris  Warsaw

DIRECTORS
Mr Ian Ferrier, AM
Independent Chairman
Mr Gregory Goodman
Group Chief Executive Officer
Mr Philip Fan
Independent Director
Mr Stephen Johns
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 Sioman, OAM
Independent Director

COMPANY SECRETARY
Mr Carl Bicego

SECURITY REGISTRAR
Computershare Investor Services Pty Limited
Level 5
115 Grenfell Street
Adelaide SA 5000
Australia
GPO Box 1903
Adelaide SA 5001
Australia
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 18
123 Pitt Street
Sydney NSW 2000
Australia

AUDITOR
KPMG
10 Shelley Street
Sydney NSW 2000
Australia

ASX CODE
GMG