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Goodman Group building operating momentum across Continental Europe Over 550,000 sqm in new leases and development across Europe

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Goodman Group (Goodman or Group) is well positioned to deliver an expected operating profit after tax of €236.8 million to €243.2 million (A\$370 to A\$380 million) in the financial year 2011, according to the Group's Chief Executive Officer for Continental Europe, Danny Peeters. In August, Goodman announced an operating profit of €218.9 million (A\$310 million) for the financial year ended 30 June 2010. Mr Peeters said Goodman's Continental Europe business, which spans 11 countries, played a key role in achieving the positive results, and this is reflected in the Group's strong confidence in its European platform.

The projected results represent a 19% to 23% increase in operating profit after tax for the financial year 2011, equating to fully diluted earnings per security of 5.3 to 5.5 cents in a stabilising but low growth environment. The Group predicts that earnings for the financial year 2011 will be driven by growth in its active businesses enabling it to recover towards pre-recession levels of development and leasing.

Emerging from a difficult year Mr Peeters said "the Group is in good shape and financially stable, with low gearing and strong liquidity. Our proven business model was tested over the last 18 months and remains very robust". Goodman's financial strength is highlighted by the fact that it has successfully reactivated its European development pipeline through a prudent pre-committed and pre-sold approach, with developments predominantly pre-funded via third-party capital.

Goodman's integrated business model means more than just providing logistics and business space; the Group also owns and manages the properties, while its managed funds provide access to the third party capital needed to develop logistics warehouses and business space based on customers' individual requirements.

Mr Peeters acknowledged that the industry has faced many challenges in the last 18 months but said he was confident that the market has turned a corner.

"While the global recession has had an impact on our business, Goodman has emerged from the crisis in good financial shape and we are now seeing slow but steady signs of recovery. We are ready to do business and we can finance our development and building work through our managed funds. Our financial strength and access to capital sources allows us to take on development projects despite a subdued economic environment," he said.

Between January and September 2010, Goodman has secured over 550,000 sqm of leasing transactions and development commencements across Continental Europe.

The 96% occupancy rate of Goodman's logistics properties is evidence of the strength of its own+develop+manage model, which adds value to customers and investors alike.

"In recent months we have signed contracts for a number of new developments. In Poland, we have begun work on a 14,000 sqm development in Krakow, which will be ready in the spring of 2011 and is 27% pre-let to a new customer. We are also working on a 10,100 sqm warehouse

expansion with 150 sqm of office space in Torun. In France we will develop a 40,000 sqm warehouse for LIDL and a 20,000 sqm warehouse extension for an existing customer,” said Danny Peeters.

Goodman is confident that the demand for logistics space is showing signs of improvement and recognises that it is being driven by cost control and efficiency improvements.

“Customers have expressed a preference for locations where there is good infrastructure and where they can consolidate or relocate their businesses into larger or more modern facilities. They are also keen to lease energy efficient buildings. At present we have an impressive level of active enquiry where we are at an advanced stage of negotiation,” he said.

“We have strategically located warehouse space available for lease and a prime land bank available for development, but it is our strong financial footing that distinguishes us from our competition and allows us to continue to build momentum across Continental Europe,” said Danny Peeters

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About Goodman

Goodman is an integrated property group that owns, develops and manages industrial and business space across Europe, the United Kingdom and the Asia-Pacific region. The Group invests in business parks, office parks, industrial estates and warehouse and distribution centres.

Goodman also offers a range of listed and unlisted property funds, giving investors access to a range of specialist services and property assets, and is working continually to build value in industrial property and fund management, with innovative new developments, and business and investment offerings.

With total assets under management of €11.4 billion and over 325 properties under management, Goodman is the largest industrial listed property group on the Australian Stock Exchange and one of the largest listed specialist fund managers globally. Its market insight and dedicated local teams create sound investment opportunities and develop properties and environments that meet each client's individual requirements.

With more than 750 staff and 32 offices in 16 countries, Goodman has the global reach to meet customers' needs as their businesses expand or evolve. In Europe, Goodman has offices in Germany, the Netherlands, Belgium, Luxembourg, France, Spain, Italy, Poland, Czech Republic, Hungary, Slovakia and the UK. For more information please visit: www.goodman.com