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GMT Annual Meeting of Unitholders

Date	7 August 2012
Release	Immediate

WELCOME

Good afternoon ladies and gentlemen and welcome to this Annual Meeting of Unitholders. I'm Keith Smith, Independent Director and Chairman of Goodman (NZ) Limited, the manager of Goodman Property Trust.

My fellow directors and I are extremely pleased to be in Christchurch today.

Christchurch is an important market for our business representing around 10% of the total portfolio. While there are challenges ahead as the city is rebuilt we take a long term investment view that looks through the current uncertainty. With a substantial investor base, local staff and around $160 million already invested here we are committed to the region and have a vested interest in its recovery.

The purpose of this meeting is to review the recent performance of the Trust and consider the current business outlook. It is a great opportunity to communicate directly with those responsible for managing your investment and I encourage you to participate. I'd also like to invite you to stay for the afternoon tea that follows the meeting where directors and staff will be in available to answer any further questions you may have.

I would now like to introduce the other members of the Board, together with the executives of the Manager, who are present today.

For the record I'd like it noted that there are no apologies.

ATTENDENCE AND APOLOGIES

From my far right – Andy Eakin, Chief Financial Officer; Leonie Freeman, Independent Director; Peter Simmonds, Independent Director; Phil Pryke, Non-executive Director; Susan Paterson, Independent Director; Greg Goodman, Non-executive Director; and John Dakin, Chief Executive Officer and Executive Director.

I'm particularly pleased to be welcoming Leonie Freeman to her first Annual Meeting following her appointment to the Board in October 2011. Leonie is an experienced and capable property practitioner who brings considerable expertise to an already strong Board.

I'd also like to acknowledge the appointment of John Dakin to the newly created role of Executive Director. His Board appointment is in addition to his responsibilities as Chief Executive Officer and is consistent with the governance structure adopted by many leading listed entities.

John replaces James Hodgkinson who retired from the Board in June 2012 to pursue other opportunities within the Goodman Group. My fellow directors and I would like to acknowledge the significant contribution James has made to the success of GMT over the last 8 years and wish him well in his new endeavours.

The non-independent status of both James Hodgkinson and John Dakin means the composition of the Board is unchanged and a majority of Independent Directors is maintained.

REPRESENTATIVE OF TRUSTEE; EXECUTIVES AND ADVISORS PRESENT

In addition to the Board, there are executives of the Manager, representatives of our Trustee, Perpetual Trust Limited and representatives from the Trust's auditors, PricewaterhouseCoopers, present today.

I'd now like to proceed through some of the more formal aspects of the meeting before we begin the presentation.

MEETING FORMALITIES

+ I'd like it noted that in accordance with the Trust Deed, I have been nominated by the Trustee, Perpetual Trust Limited, to act as chairman of this meeting and I have now tabled this nomination.
+ I also confirm that the meeting has been properly convened and notice has been properly given to Unitholders.

GMT's Trust Deed requires at least five persons holding, or representing by proxy, or as representative or attorney, at least ten per cent of the number of Units on issue at the date of the meeting carrying the right to vote at the meeting for a quorum to be achieved.

I confirm that these requirements have been met; and that a quorum is present.

To simplify proceedings, I will refer to Goodman Property Trust throughout the meeting as the “Trust” or “GMT”, and Goodman (NZ) Limited – the manager of that Trust – as the “Manager”.

Now the formalities are dealt with we can proceed.

INTRODUCTION

Unitholders can be confident that they have invested in a substantial property business that has delivered strong operational results year after year.

GMT is one of New Zealand’s largest listed property providers with more than $1.6 billion of prime industrial and business space assets located in Christchurch and Auckland.

It is a top 15 NZX listed entity that has paid out more than $360 million in cash distributions over the last five years, representing around 90% of distributable earnings.

Consistent operational results have characterised the Trust’s financial performance over time and I’m pleased to report that GMT has achieved another sound result in the 12 months to 31 March 2012, delivering pre-tax distributable earnings of $80.9 million and an after-tax profit of $40.5 million.

With the core investment portfolio producing stable rental cashflows it has been the contribution from completed development projects, earlier acquisitions and lower financing costs that have driven the $3.4 million increase in distributable earnings recorded this year.

While stronger earnings have contributed to the higher after tax profit, the 10.4% increase was mainly attributable to an improved valuation result in comparison to the previous this year.

To achieve our earnings forecast and lift overall profitability in a business environment that was more subdued than expected has been a particularly satisfying achievement. It reinforces the importance of investing in quality assets and maintaining strong relationships with all 245 of our customers.

We have continued to grow this customer base through our value adding development activity with almost 50,000 sqm of new projects commencing over the last financial year.

It's pleasing that this lift in activity has continued over more recent months with more than 35,000 sqm of new development starts announced since March.

CAPITAL MANAGEMENT

Achieving consistent operating results while advancing the development programme and positioning the trust for future growth has demonstrated that GMT is a robust business with the right strategy for today's uncertain market conditions.

Debt and equity initiatives have been undertaken in recent years in response to the challenges posed by global credit markets and faltering economic growth. These initiatives have strengthened the Trust creating an even more resilient and sustainable business.

The quality of the portfolio and the security it offers are recognised in the investment grade credit rating assigned by Standard & Poors. The rating agency has recently reiterated its triple B rating for the Trust and its triple B plus rating for the bonds that have been issued.

GMT is unique in the listed property sector in that it has diversified its capital structure with debt securities. Almost a third of GMT's debt funding is provided through its retail and wholesale bonds, with a syndicate of the main trading banks providing the balance of its debt funding.

We have continued to actively manage the Trust's sources of capital ensuring its strong balance sheet position is maintained. At 31 March 2012 GMT's net borrowings represented just 35.7 precent of its property assets compared to 36.7 percent a year earlier. This level of debt is well within the Board's target band of 35 to 40 percent and significantly below the 50 percent maximum allowed under the banking covenants and Trust Deed.

The weighted average term to expiry across these debt facilities remains at more than three years while the interest cover ratio of two and a half times is well above the minimum of two times required under the Trust's main banking facility.

Our prudent financial approach has meant that new development opportunities have been equity funded. Underwriting all four quarters of the distribution reinvestment plan has provided $63.4 million of new equity which has been matched to the funding requirements of our development programme over the last 12 months.

We have also been able to take advantage of strengthening investment markets to sell two smaller Auckland assets since our 31 March balance date.

The disposal of 120 Pavilion Drive in Mangere and the Vector Centre in Newmarket will realise around $28.5 million of additional equity that is already being recycled into new growth opportunities such as the new office development at Central Park in Auckland and the PlaceMakers outlet in Christchurch.

As announced in April last year, we have also increased the amount we reinvest back into the business, retaining an additional 10% of earnings. The Board believes that the amendment to the distribution policy to payout around 80% of distributable earnings is a prudent change that will ensure the Trust's cash distributions are more closely aligned with its free cashflows and that it remains well capitalised with sufficient capacity to fund the investment and development opportunities that contribute to greater growth.

We understand the impact this has on those who rely on their distributions to supplement their income but believe it strikes an appropriate balance between the competing investment objectives of yield focused investors and those who seek greater capital returns.

EARNINGS & DISTRIBUTIONS

Distributable earnings were within the guidance range provided last year, averaging 8.41 cents per unit before tax and 7.78 cents per unit after tax on a weighted unit basis.

Unitholders received a total tax paid, cash distribution for the year of 6.25 cents per unit as forecast.

The reduction from the 7.74 cents per unit paid in 2011 reflects a greater level of retained earnings and a higher effective tax rate following the removal of building depreciation deductions from 1 April 2011. The change contributed to the increase in the Trust's effective tax rate over the last two years, from 1.8% to 7.8%.

Despite the higher charges it's important to note that GMT still has a relatively low effective tax rate. The benefits of this are passed on to Unitholders through the Trust's listed PIE status with quarterly distributions fully tax paid for the vast majority of investors.

For an individual New Zealand resident taxpayer, with a marginal tax rate of 33%, the full year cash distribution of 6.25 cents per unit equates to a pre-tax yield of 9.2% at the current trading price of around $1.01. This represents a very attractive yield in comparison to the returns being offered by alternative investments at present.

LOOKING FORWARD

The current business environment is likely to persist in the short term with only modest economic growth anticipated over the next 12-18 months. We expect to deliver similar results under these conditions, maintaining our tax paid distribution at 6.25 cents per unit or around 80% of distributable earnings.

Although it remains uncertain, the medium to longer term outlook is more positive with increasing levels of business activity expected to lift occupier demand.

The Trust is well positioned to take advantage of any improvement in market conditions and Unitholders can be sure that we will continue with our prudent investment approach, delivering sustainable income returns while pursuing a value adding development programme.

NEXT DISTRIBUTION

Payment of the first quarter distribution for the 2013 financial year is to be made in September 2012 and will include a cash component of 1.5625 cents per unit.

Further details of this distribution will be announced to the NZX closer to the time.

WIDER BUSINESS

The Board has implemented a robust strategy that has adapted to today's more changeable operating conditions. The consistency of recent results reflects the effectiveness of this strategy, the quality of the underlying property portfolio and the efforts of a Management Team that is focused on the detail.

It is a team that is supported by the considerable resources and capability of the wider Goodman Group, a global property investment and fund management business with almost 900 staff and $24.5 billion of assets under management.

Led by Greg Goodman, the Group is the ultimate owner of GMT's Manager and the largest investor in the Trust with a cornerstone Unitholding of 17 percent. The alignment of interests between the Manager and Unitholders means that we all benefit from the external management structure that exists and the international perspective it brings. It also provides valuable access to global customer networks and specialist expertise, in the areas of insurance, treasury management, law and tax, that are of real benefit to the Trust.

The Management Team are also active protecting the broader interests of GMT Unitholders. This work has included representations to local and central government across a range of issues, including tax and investment changes, building act regulation, development levies, rating charges, local government reform and other issues including the rebuilding of Christchurch.

This commitment is ongoing and work is already underway on the recent announcement by the Inland Revenue Department regarding the review of the tax treatment of lease inducements.

This proposed change would result in these deductions being spread over the life of the lease rather than being claimed in the year it was incurred.

While the effective date of new legislation is likely to be immediate, the consultation process is now underway and we will be working hard with our advisors and listed peers to assess the short-term timing impact it may create.

We are also working with Perpetual Trust, the trustee of GMT, as it works through new licensing obligations with the Financial Markets Authority. The structure of this business and its relationship with its parent company, Pyne Gould Corporation, has created some challenges that may impact on its ability to serve customers like ourselves.

To date we have been satisfied with the quality and cost effectiveness of this service however we continue to monitor the situation and will act in the best interests of Unitholders should things change.

CORPORATE GOVERNANACE

The interests of Unitholders are actively promoted by the Board and protected by the strong governance frame work we have implemented.

I'm pleased that our corporate communications programme has been enhanced this year with the addition of some industry leading practices that benefit all stakeholders.

We have extended the variety of ways we communicate with investors, offering new media channels and an improved web portal for this year's annual report that includes a video overview from our Chief Executive Officer.

We have also promoted our sustainability initiatives and increased our disclosures around director and officer remuneration, going beyond what is required from a Trust and aligning our reporting more closely with listed companies.

I hope you have noticed these new features and appreciate the extra transparency they provides.

I would now like to pass over to John Dakin, our Chief Executive Officer, who will give a more detailed overview of the Trust's operational performance.

JOHN DAKIN'S ADDRESS

Thank you Mr Chairman and good afternoon ladies and gentlemen. It's a pleasure to be presenting to you in Christchurch today.

In my address this afternoon I'd like to reiterate our investment strategy and demonstrate how an active management style has supported the strong operational performance of the Trust.

I'd also like to review the progress in our development programme, highlighting some exciting new projects at our key estates in Christchurch and Auckland.

BUSINESS STRATEGY

The last few years have been challenging for many businesses with lower levels of economic activity impacting on financial performance.

A consistent strategy has ensured that GMT has continued to deliver sound operating results over this period while capital management initiatives have maintained the Trust's strong balance sheet position.

It's a proven and effective business model that can be summarised in a few key points:

+ We invest in modern, high quality, strategically located industrial and business space properties.
+ We take a long term investment view and actively manage our own properties.

+ We have depth and scale in the portfolio that allows us to attract and retain new and existing customers.
+ We build lasting relationships with these customers, accommodating their changing business needs.

It's a simple strategy that differentiates our business and helps the Trust achieve strong operational performances, even in more difficult economic conditions.

PORTFOLIO PERFORMANCE

Strong leasing results were a main contributor to the Trust's sound financial result this year. Our dedicated property services team have worked extremely hard in a highly competitive market to retain existing customers and secure new business.

Their success has meant that more than 155,000 sqm of rentable area or around 15.8% of the total investment portfolio has been leased on new or revised terms. This leasing activity has helped maintain portfolio occupancy at 96%, ensuring that revenue targets were achieved and that the Trust delivered a distributable earnings result in-line with earlier guidance.

It has also helped preserve the Trust's weighted average lease term at more than five years.

This means that the rental cashflows generated from the investment portfolio are contracted well into the future. The benefit of the extended average term is that it insulates the business from cyclical variations in occupier demand.

These contracted rental streams are provided by a wide customer base that includes substantial companies such as Air New Zealand, DHL, Fletcher Building, Linfox Logistics, New Zealand Post, Toll and Vodafone.

VALUATIONS

While the portfolio has performed well, it hasn't avoided the valuation impacts of a sluggish property market.

The Trust recorded a devaluation of $19.5 million or 1.2% last year, which in the context of a $1.6 billion portfolio is a relatively small decline, reinforcing our belief that premium assets and active management are the best protection against economic shocks and general market cycles.

While there are variations in the value movements among the individual properties, some of the strongest uplifts came from newly completed development assets. This development activity realised over $3.3 million of investment gains last year, adding more than a quarter cent to our net tangible asset backing.

It is also encouraging that recent sales have been agreed at a premium to book value indicating that there has been a general lift in investment sentiment since the valuations were completed in March.

DEVELOPMENT PROGRESS

With a proven development capability and substantial land holdings in Auckland and Christchurch, GMT has established itself as one of the country's leading industrial and business space developers.

More than 500,000 sqm of space has been added to the portfolio since 2004, broadening our customer base and enhancing the overall quality and value of the portfolio.

Our development estates have continued to attract new business with 49,000 sqm of new projects commencing last year and a further 35,000 sqm announced since March.

The following slides highlight the encouraging progress of our development programme.

These first of these images is the recently completed office and warehouse facility for automotive parts and equipment retailer, Super Cheap Auto (New Zealand) Limited at Savill Link in Otahuhu.

This 20,000 sqm national distribution centre is the largest industrial development undertaken by the Trust since 2006. With a completed value of $26.3 million it generates around $2.0 million of annual rental income.

Good progress has also been achieved at Highbrook Business Park in East Tamaki which we jointly own with Goodman Group and the Fisher family. This 108 hectare estate was formerly the Ra Ora Horse Stud, home of well-known New Zealand industrialist Sir Woolf Fisher.

It is our largest asset and now that it is 50% complete it generates a significant proportion of the Trust's rental revenue. The premium quality of the estate was recognised at the 2011 Property Council Awards where it won the coveted Supreme Award together with an Excellence Award in the urban land development category.

At Highbrook, new developments have been completed for Plytech, Nalco and Scalzo over the last 12 months while work is still underway on new purpose-built facilities for Stanley Black & Decker and Panasonic.

The largest of the current projects however is The Crossing, a 24,700 sqm mixed-use development that incorporates serviced apartment accommodation, commercial office space and retail & hospitality type amenity.

It is an important element in the estate master plan and completion of the first phase is expected to provide a catalyst for subsequent development at this world class business park.

The next few images show progress in the construction programme, which is scheduled to complete in stages from March next year.

Leasing progress has been excellent with more than 50% of the total floor area already committed. An established conference centre operator and function organiser are an important recent signing, taking a 12 year lease over 650 sqm.

We have also been active in the suburban office market, announcing the commencement of a new building at Central Park Corporate Centre in Greenlane during June 2012.

With low levels of vacancy in prime stock throughout the southern corridor, the 5,340 sqm office building is one of very few options for businesses seeking high quality office accommodation.

Situated at the front entrance of the estate, the low-rise building will incorporate sustainable design elements and feature large floorplates with on-site amenity that includes a lobby café and landscaped plaza area.

Scheduled to complete in July 2013, the development has a forecast total project cost of $21.4 million and it is expected to return a yield on cost of 9.5% once leased and fully income producing.

Christchurch

Our Christchurch portfolio has also recorded encouraging levels of customer enquiry with a new development commitment from PlaceMakers announced in the last week.

The $5.0 million trade store is to be built at Glassworks Industry Park in Hornby, one of the four assets we own in Christchurch. The estate plan is shown on screen with the location of the PlaceMakers facility highlighted.

The Glassworks estate takes its name from the Crown Crystal Glass factory which operated from the site up until the late 1980's. Having opened in the 1920's it was New Zealand's most successful glass manufacturer and many of its product items are highly collectible today.

The images on screen contrast some of the original manufacturing facilities with the regeneration work that has occurred on this brownfield industrial site under Goodman ownership.

Show Place Office Park in Addington is the other Christchurch estate that offers future development potential with further buildings able to be developed on the site.

Situated beside Addington racecourse and the new rugby stadium this premium quality office park accommodates a number of key customers including, AMI, Holcim, IAG NZ, Solid Energy, Transpower and Westpac.

The following slide highlights the Solid Energy Building, the most recently developed building at the estate. It is a five green star rated building that incorporates design elements that make it highly energy efficient while also being environmentally sustainable.

The quality of its design and the overall success of the development was reflected in the merit award it received at the annual Property Council Awards.

The low rise campus style accommodation provided at this estate is typical of the type of office assets we invest in.

We have been extremely fortunate that the design and location of our properties has meant they sustained only superficial damage in the earthquakes and aftershocks that have struck since September 2010.

We have previously emphasised our commitment to Christchurch and I'd like to reinforce this again today, we invest for the long term and support our local communities and stakeholders.

While Christchurch faces challenges as it recovers it remains an important investment market for us and a critical driver of the national economy.

SUMMARY OUTLOOK

I hope I have demonstrated today what an active business we are.

We invest in modern, well-located and high quality properties and work hard to maximise returns for our investors.

We foster lasting relationships with our customers and pursue an award winning development programme that broadens our customer base and enhances the overall quality and value of the portfolio.

By focusing on the small details and delivering superior levels of customer service, we have differentiated our business as New Zealand's leading industrial and business space provider.

While there are challenges, we look forward to the year ahead and anticipate another consistent operating result in 2013.

Thank you all

GENERAL BUSINESS

Thank you, John.

I will now move on to general business, and open the floor for questions or comments from Unitholders or their appointed representatives.

I ask that in addressing the Chair with questions, you please use one of the microphones and identify yourself by name; and that, if you are a proxy for a Unitholder, that you please name the Unitholder on whose behalf you hold that that proxy; and, if you represent a corporate or similar Unitholder, please do likewise.

CLOSURE

Ladies and gentlemen, that concludes the business of the meeting. I thank you for your attendance and participation and invite you to join us for refreshments.

- Ends -

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