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GMT Annual Meeting of Unitholders

Date 5 August 2014

Release Immediate

WELCOME

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

Welcome to this Annual Meeting of Unitholders, it is a pleasure to be hosting this year's meeting at Highbrook Business Park.

We are justifiably proud of this award winning estate and believe that the new facilities provided here at The Crossing typify the quality and value of the Trust's development programme.

The purpose of today's meeting is to review our investment and development strategy in a more buoyant economic environment, and to consider and vote on one extraordinary resolution.

I'd encourage you all to participate in today's forum and take the opportunity to communicate directly with those responsible for managing your investment.

I also invite you to stay for the refreshments that follow the meeting and highly recommend a walk through the plaza area outside to view some of the unique features that characterise this mixed use development.

ATTENDANCE AND APOLOGIES

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

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

Unfortunately Greg Goodman is unable to attend today, and has given his apologies.

The composition of the Board is unchanged since we met last year 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, Corporate Trust Limited and representatives from the Trust's advisors also present today. These advisors include –

- + our solicitors, Russell McVeagh;
- + our auditors, PricewaterhouseCoopers; and
- + our tax advisors, KPMG.

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 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.

VOTING PROCEDURE

A formal poll on the resolution being considered at today's meeting will be taken at the conclusion of proceedings. The scrutineers will be the Trust's auditors, PricewaterhouseCoopers.

You will be asked to cast your vote at the appropriate time using the voting and proxy form provided to you. If you do not have a voting and proxy form representatives from Computershare will be able to provide you with a replacement when the poll is conducted.

The Chairman, Directors and Others have been appointed as proxy by 481 Unitholders representing 297,706,518 Units. There are 3 abstentions representing 6,200,898 Units.

OTHER ITEMS

Before we proceed I would also like to point out that the emergency exits for the building are accessed through the rear doors of this meeting room. In the unlikely event of an emergency you will be required to evacuate and assemble outside in a designated area, if this occurs please follow the directions of the Waipuna Conference Centre staff.

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

It has been a very positive 12 months for the Trust with a growing economy and rising business confidence contributing to a stronger operating performance and record financial result.

An expanded and enhanced property portfolio together with stronger valuation gains this year have been the main contributors to the increase in profit before tax, to \$146.8 million.

It is also pleasing to be reporting a distributable earnings result at the upper end of our guidance range.

With the benefits of earlier investment and development decisions now being realised, the Board are looking forward to a period of robust business growth driven by sustained customer demand.

To ensure that the future investment performance of the Trust is maximised, we are refining our strategy and enhancing the management and governance structures of the Trust.

FUNDING GROWTH

These initiatives include a more active approach to capital management, with asset recycling now the preferred source of development funding.

With more sales planned it is a sustainable initiative that is expected to finance the growth of the business over the next 3-5 years.

With reduced capital requirements as a result of an ongoing asset sales programme, it has also been announced that the Distribution Reinvestment Plan is to be suspended later this year.

GOVERNANCE AND STRUCTURE

To the extent that it can under its Unit Trust structure, the Board has always sought to ensure the Trust has a contemporary governance framework aligning its practices more closely with those of a listed company.

It maintains a majority of Independent Directors, holds annual meetings, and leads the sector with its financial, remuneration and sustainability disclosures.

We have further extended this alignment with the introduction of investor nomination and voting on Independent Directors. The Executive and Non-Executive Directors will remain Goodman Group appointees.

The new initiative, which will come into effect next year, will increase the accountability of Directors ensuring that the interests of Unitholders remain at the forefront of the Board's decision making process.

We have previously discussed the benefits of the Trust's external management structure and the alignment of Goodman Group as GMT's Manager and largest investor.

It's a point I want to reinforce again today.

Goodman Group has reiterated to the Independent Directors that it is committed to New Zealand and the existing business structure. It replicates a successful and proven model that the Group follows in the global markets that it operates.

The slide on screen shows the extent of this business and with more than A\$26 billion of funds under management across, Asia Pacific, Europe and North America it is one of the worlds largest property groups.

An operating model that combines fund management with cornerstone investments ensures a close alignment of interests between Goodman Group and other investors.

It's a positive relationship that provides access to international customers, investors, and global expertise.

The value of this partnership to GMT has been demonstrated time and time again, and unique opportunities like Highbrook Business Park or the new Fonterra headquarters in Auckland's viaduct precinct wouldn't have been secured without Goodman Group.

Equally import is the readiness of Goodman Group Manager to engage with its wide investor base. As a result of this ongoing consultation the Board are extremely pleased to be presenting new management fee initiatives that are designed to enhance the operational and financial performance of GMT.

MANAGEMENT FEE

With a management expense ratio of just 0.54% GMT has one of the most efficient and cost effective management structures of any listed property entity.

The proposed changes to the base management fee will refine an already competitive fee structure, reducing the quantum of fees paid by GMT.

The proposed amendment has two key components:

1. The Trust will receive a fee rebate equivalent to the base management fee attributable to the development land portfolio.

2. The balance of the base management fee due to the Manager will now be used to subscribe for new units in GMT.

As the proposed amendment requires changes to GMT Trust Deed we will be voting on an extraordinary resolution to facilitate the change later in the meeting.

The Board believes that the new initiatives will provide a number of benefits to Unitholders.

The first of these is a lower management expense ratio. The rebate mechanism will reduce the amount of fees paid to the Manager and the total operating expenses incurred by the Trust. This will result in a lower management expense ratio overall.

The fee rebate for the current financial year is expected to be approximately \$1.0 million which will have an immediate and positive impact on GMT's distributable earnings. The obligation of the Manager to now use its base fee to subscribe for new units in the Trust will also contribute to an increase in underlying cash earnings, an area of real focus for us.

The combined impact of these two changes is expected to add around half a cent to GMT's distributable earnings, on a weighted average unit basis, this financial year.

The requirement to use its management fee to subscribe for new units in GMT means that Goodman Group's cornerstone investment in the Trust is expected to grow over time. It is a positive outcome that increases the already strong alignment between Goodman Group and other Unitholders.

With the base fee rebate calculated on the relative weighting of development land within the Trust's property portfolio the revised fee structure further encourages the Manager to convert GMT's strategic land holdings into income producing assets, reducing its development land weighting.

The Independent Directors believe that the proposed changes to the fee structure are positive new initiatives that will improve the investment performance of the Trust.

We consider the resolution facilitating the necessary amendments to the Trust Deed to be in the best interests of GMT and its Unitholders and unanimously recommend that you vote in favour of the Resolution.

We'll have the opportunity to consider the Resolution in more detail, later in the meeting. In the meantime I would like to pass over to Andy Eakin and John Dakin, who will give a more detailed overview of the Trust's financial and operational performance.

ANDY EAKIN'S ADDRESS

Thank you Keith and good afternoon ladies and gentlemen. It's a pleasure to be presenting to you today as we review GMT's strongest ever financial result.

An expanded and enhanced property portfolio, following the 2012 acquisition of the remaining interests in Highbrook Business Park, together with fair value gains on property and financial assets have been the main contributors to the 72.1% increase in profit after tax this year, to \$134.1 million.

The profit also reflects a sustained lift in activity levels right across the business.

The management team are extremely pleased with the performance of the Trust and are optimistic about the current business outlook. Increased occupancy levels across the portfolio and robust property market fundamentals are expected to support similar financial results well into the future.

Our active management approach and the new business initiatives we are undertaking are expected to enhance the performance of the Trust, helping us achieve our growth targets over the next few years.

EARNINGS & DISTRIBUTIONS

Distributable earnings, the measure we use to assess underlying operating performance, has increased this year to 8.36 cents per unit before tax on a weighted average unit basis. The result is towards the top of our guidance range and represents a pleasing increase on the 8.21 cents per unit achieved the previous year.

With a payout ratio of around 80%, the Trust paid cash distributions of 6.25 cents per unit last year.

LOOKING FORWARD

We have refined our strategy to take advantage of current market conditions and expect rising demand will continue to have a positive impact on the Trust's operating performance.

The new business initiatives you are voting on today will also contribute to the forecast rise in distributable earnings before tax to around 9.1 cents per unit for the 2015 financial year. Around half a cent of this increase is attributed to the proposed fee changes.

We expect to pay a full year cash distribution of 6.45 cents per unit, more than 3% higher than last year.

Maintaining our payout ratio at around 80% of distributable earnings allows us to help fund the development and investment initiatives that are realising the value in our strategic land holdings and enhances an already high quality property portfolio.

For an individual New Zealand resident taxpayer, with a marginal tax rate of 33%, a cash distribution of 6.45 cents per unit equates to a pre-tax yield of around 9.0% at the current unit trading price.

Payment of the first quarter distribution for the period ended 30 June 2014, is to be made on 18 September 2014 and will include a cash component of 1.6125 cents per unit.

CAPITAL MANAGEMENT

An emphasis on sustainable business growth is driving a successful asset sales programme. Over \$100 million of disposals have been completed since 2012, with the sales typically being secured at a premium to book value.

With strong gains being achieved, asset recycling is currently the most cost-effective source of development funding. With more disposals planned the Distribution Reinvestment Plan is to be suspended. The suspension, which is expected to occur later this year, marks a deliberate change in our capital management strategy with asset sales now the preferred source of development funding.

Today's more buoyant investment market is reflective of resurgent capital markets both locally and internationally.

The improvement in financial market conditions has helped facilitate new treasury initiatives with further debt refinancing activity and an extension to the Trust's bond programme being completed.

The \$100 million issue of seven year Goodman+Bonds in December 2013 further diversifies the Trust's sources of debt funding, extending its non-bank borrowing to over 30% of total debt.

The bond issuance and debt refinancing were achieved at very competitive margins, providing significant interest savings while also improving the expiry profile of the Trust's debt facilities.

At 31 March 2014, these facilities had a weighted average term to expiry of 3.5 years while net borrowings represented just 36% of the Trust's \$2.0 billion property portfolio.

This level of debt is at the lower end of the targeted band of 35 to 40 percent that the Board believes is optimal for the Trust, and significantly lower than the 50 percent level permitted under its bank, bond and Trust Deed covenants.

It's a strong balance sheet position that is reflected in the Trust's investment grade credit rating of BBB from Standard & Poor's. The rating agency has also recently reaffirmed its rating of the Trust's bonds and bank debt one notch higher at BBB+.

CONCLUDING COMMENTS

As the ultimate owners of the Trust I hope you are satisfied with the recent financial performance. Before I hand over to John for an operational overview I'd like to reinforce some of the key themes that I've covered this afternoon.

- + GMT is experiencing robust growth.
- + We are targeting distributable earnings growth of around three percent this year, in addition to the benefit arising from the proposed fee changes.
- + Distributions and underlying cash earnings are expected to grow accordingly.
- + Active capital management strategies and prudent treasury policies will continue to provide the flexibility to manage the Trust's expected growth.

Thank you everyone.

JOHN DAKIN'S ADDRESS

Thanks Andy and good afternoon ladies and gentlemen. It's great to be at Highbrook today supporting one of the many successful businesses that underpin GMT's strong operating results.

This year marks a particularly significant milestone in the history of the Trust, being 10 years since Goodman became an investment partner and set about repositioning GMT as an industrial and office space specialist.

It's been an eventful decade and I'm proud to have led the team that has worked hard to facilitate the transition from an NZX small cap stock into one of the New Zealand's largest listed entities.

We have evolved from modest beginnings into a robust property business with a substantial property portfolio that attracts many major companies as key customers. It is a business that has been built on a consistent strategy – to own, manage and develop the best commercial real estate in the country.

While reviewing our operational performance this afternoon I'd like to reinforce this strategy, demonstrating how it is guiding the decision making that is shaping the high quality business we all invest in.

OVERVIEW

GMT is an active property business that generated more than \$127 million of net rental income last year, significantly more than the \$21 million it recorded back in 2004.

Greater levels of development, increasing occupancy levels and rising rental rates are expected to contribute to even stronger operating results going forward.

It's an encouraging outlook that reflects a stage in the cycle where rising customer demand, driven by solid economic growth and strong property market fundamentals is driving positive leasing results.

INVESTMENT PORTFOLIO

With over one million square metres of rentable area and around 250 customers, our investment portfolio has real scale and depth. It features modern, well located properties that deliver the consistent rental cashflows that underpin the Trust's strong operating results.

High customer retention levels and the attraction of strategically located, high-quality, efficient buildings have all contributed to a pleasing increase in portfolio occupancy, which has lifted from 96% to 97% over the last 12 months.

The property services team worked hard to secure more than 150,000 sqm of new lease commitments during the year, which has helped extend the weighted average lease term across the portfolio from 5.3 years to 5.5 years.

This leasing success, together with a strengthening property market has also contributed to an improved valuation result with an overall gain of \$23.8 million being recorded.

It is the strongest uplift since 2008 and is largely attributable to the investment performance of the office portfolio and recent development completions. These assets have been the main contributors to firming in the portfolio capitalisation rate to 7.9%.

An improved investment market has also allowed the Trust to be more active, selling assets to fund its development investment activities.

It is a cost effective and sustainable approach that enhances the growth profile of the Trust while delivering valuable profits on sale.

DEVELOPMENT PROGRESS

I'm pleased to report that the high levels of business confidence being recorded at present is also being reflected in the number of new developments we are undertaking.

We announced 12 new projects last year and another three in the first quarter of this financial year. It is the greatest volume of work in progress since 2008 and signals a deliberate acceleration in our development programme.

With projects as large and diverse as Highbrook Business Park, we are creating award winning real estate that offers unparalleled working environments for its business occupiers with amenity and recreational spaces that benefit the whole community.

More than 60% of GMT's assets have been developed by Goodman over the last 10 years with the current 15 projects adding almost 95,000 sqm of industrial and office space to the portfolio.

These new facilities, which have a combined total project cost of \$165.7 million, are expected to contribute around \$13.6 million of annual net rental once fully leased and income producing.

It's a value adding activity that extends the range of options we are able to provide customers while enhancing the quality and growth profile of the portfolio.

IMPORTANCE OF PARTNERSHIPS

A large proportion of the new facilities we are building are for existing customers who are expanding their business operations. It's a trend that has characterised our development programme over the last 10 years reinforcing the benefits of our customer service model.

We endeavour to build long-term partnerships with our customers and maintain a close relationship with them, responding to their immediate property requirements while seeking to accommodate their changing business needs.

It's an approach that helps differentiate Goodman from other property providers. We are not like traditional landlords, we have customers not tenants and we do our best to ensure their businesses prosper.

More than 50 dedicated staff from accounting and property services personnel through to development and engineering managers help achieve these goals.

It's a team that understands that the success of our customers' businesses contributes to our own results and we have many examples of how we have facilitated our customers' growth.

Here at Highbrook Business Park, we have recently completed a substantial expansion to the Contract Logistics warehouse. This customer is part of the New Zealand Post Group of companies, one of the first organisations to recognise the commercial and strategic benefits of being located at this world class estate.

Since 2004 we have completed five facilities for The NZ Post Group, providing long term property solutions to a range of business units from mail sorting and distribution through to banking and digital solutions.

We are also extending our relationship with other customers here at Highbrook, with both Steel and Tube and CSR Viridian committing to new facilities adjoining their existing warehouses.

DHL is another key customer that has facilitated its business growth through a long term partnership with Goodman. The global logistics specialist leases three purpose built warehouses across Auckland and has a new facility under-development in

Christchurch. This customer now occupies over 55,000 sqm of industrial space within the portfolio contributing around five percent of our net rental income.

It's part of a wider Goodman association that includes 37 facilities in eight countries across Asia, Europe, and the Pacific.

The evolution of internet shopping and the continued outsourcing of logistics functions for many companies has been one of the drivers in the growth of freight forwarding operators here in New Zealand

Businesses like, Big Chill, Daniel Silva, Supply Chain Solutions and Toll are all logistics operators who have recognised our development capability and now occupy multiple facilities within the portfolio.

Bridgestone is another example of a company that has identified Goodman as its preferred property partner committing to tailored property solutions in a number of locations.

We completed a 5,000 sqm warehouse for this tyre distributor at M20 Business Park in Wiri back in 2011 and then built an adjoining facility a year later to accommodate its tyre retreading business.

We are now underway with an additional facility at Glassworks Industry Park in Christchurch. The automotive servicing outlet is anchoring a multi-unit development that fronts onto Halswell Junction Road, providing a second access to the property.

The current slide shows the Glassworks Estate and the level of activity being undertaken as we transform the former brownfields site, that was once home to Crown Crystal Glass, into a modern industrial park.

This heightened level of activity reflects strong levels of customer enquiry across all our development estates and I'm pleased to report we have substantial new projects underway in every location.

To achieve property outcomes that deliver the strongest investment returns we partner with proven architects, designers, engineers, contractors, and trade suppliers who understand our vision.

We want high quality, well located buildings with the technology and innovation that maximises their operational efficiency and long-term value.

FONTERRA ACQUISITION

The acquisition of the new Fonterra Headquarters for \$92.6 million is a new purchase consistent with this strategy.

The opportunity to own this substantial new office development was only possible through our relationship with Goodman Group and we're extremely pleased to be building a partnership with Fonterra, an iconic New Zealand brand and one of the world's leading dairy companies, as they establish new business premises in Auckland's Wynyard Quarter.

The 16,000 sqm campus style office is one of two commercial buildings being developed by Goodman Group in conjunction with Fletcher Building..

The next few slides provide artist's impressions of the low rise office building which is due to open in early 2016. The seven level property will feature large flexible floor plates and incorporate environmentally sustainable materials and energy efficient building systems.

Fonterra has taken a 15 year lease over the new premises. The commitment also includes naming rights, underground car parks, and further rights of renewal.

Situated on Fanshawe Street, opposite Victoria Park and between the GMT-owned Air New Zealand building and Viaduct Corporate Centre, the head office will occupy a high profile site in a progressive part of the city.

We have a significant interest in the viaduct with over \$140 million already invested there. It's a proven location for the Trust, with these assets delivering some of the highest total returns of our entire commercial portfolio since they were acquired.

SUMMARY AND OUTLOOK

Before I hand over to Keith to take us through the formal business of the meeting I'd like to finish with some concluding remarks.

There is a growing momentum in our business at present and the benefits of earlier investment decisions mean the Trust has extremely well placed to capitalise on rising customer demand.

Above average development volumes and a lift in portfolio occupancy are both contributing to growing revenue streams.

Delivering our development programme and realising the value in our strategic land holdings remains a key operational focus. It is our expectation that the 2015 financial year will be even stronger than the last, with over \$100 million of new projects anticipated.

We have the balance sheet capacity and active capital management strategies to finance this growth while our customer relationships and stakeholder partnerships will help ensure we remain one of New Zealand's preferred property providers.

Thank you ladies and gentleman.

FORMAL BUSINESS

Thanks John, we'll now move to the formal business of the meeting.

Since it was established as Manager of the Trust in 2004, Goodman Group has sought to closely align its interests with those of other investors, maintaining a cornerstone Unitholding while adopting progressive management and governance practices.

Independent Directors have worked on behalf of all investors to ensure the Trust remains a contemporary and attractive investment entity. Today's resolution continues this tradition with refinements to an already competitive fee structure expected to enhance GMT's operational and financial performance while increasing the already strong alignment between Goodman Group and other Unitholders.

A full explanation of the Trust Deed amendments required to effect these changes was provided in the Notice of Meeting.

The Resolution contemplates that I, as Chairman, table a form of the Trust Deed, signed by myself for identification purposes, showing the amendments proposed.

I now formally table the amended Trust Deed.

Before opening the floor to questions, I will provide a summary of the resolution you are voting on today.

RESOLUTION

Unitholder approval is required under Listing Rules 7.3.1, 7.5 and 9.2.1 due to the relationship between the Trust and Goodman Group and the fact that Units will be issued to the Manager as a result of the Trust Deed Amendments.

The Resolution is set out in the Notice of Meeting, and for your convenience is also displayed on the screen. As the Resolution has been notified, there is no formal requirement for a seconder.

I'll now read the resolution:

As an extraordinary resolution, that Unitholders approve:

- (a) the amendments to the Trust Deed relating to:
 - (i) the rebate of certain management fees paid to the Manager; and
 - (ii) the requirement for the Manager to use its base management fee (for a five year period from 1 April 2014) to subscribe for new Units, in the form tabled at the Meeting and signed by the chairperson for the purpose of identification; and
- (b) the issue of Units to the Manager (or any nominee of the Manager) pursuant to the amendments to the Trust Deed.

In my opening address I noted the benefits the changes are expected to provide, they include:

1. A lower management expense ratio.
2. Improved earnings.
3. A reduced development land weighting.
4. Increased alignment.

These are immediate and lasting benefits and the Independent Directors unanimously recommend that Unitholders vote in favour of this proposal.

Of the 303,907,416 proxy votes received, 97.5% are in favour of the resolution, 0.21% against and 0.24% are discretionary. Abstentions represented around 2.0% of the total.

A majority of not less than three quarters of persons entitled to vote and voting is required to carry this extraordinary resolution. Goodman Group and its Associated Persons are not permitted to vote.

These disqualifications do not apply where any of those persons acts as a proxy or representative for a person who is not disqualified from voting, and is voting in accordance with the express instructions of that other person.

PROCEDURE FOR QUESTIONS FROM UNITHOLDERS

I would now like to open the floor for questions, these can relate to the resolution or be more general in nature.

Please signal your intention to ask a question and a member of staff will bring you a microphone. For the record, I would also ask that you identify yourself before you speak; and, if you are a proxy or representative for a Unitholder, please let us know that as well.

VOTING AND CLOSURE

Ladies and gentlemen, as there are no further questions we will proceed to a poll and formally conclude this meeting.

If you have not already voted you should complete your voting and proxy form and place it in the boxes on the registration table outside this meeting room. There are pens available and Computershare staff will be on hand should you have any questions or require replacement forms.

Refreshments are also being served in the reception area and you are welcome to stay and enjoy the hospitality while the poll is being conducted.

The result of the poll will be announced to the NZX in due course and a copy of the announcement will also be available on our website.

Thank you very much for your attendance and participation today, I now declare this meeting closed.

For further information please contact:

Keith Smith
Chairman
Goodman (NZ) Limited
(021) 920 659

John Dakin
Chief Executive Officer
Goodman (NZ) Limited
(09) 375 6063
(021) 321 541

Andy Eakin
Chief Financial Officer
Goodman (NZ) Limited
(09) 375 6077
(021) 305 316

About Goodman Property Trust:

GMT is an externally managed unit trust, listed on the NZX. It has a market capitalisation of around \$1.3 billion, ranking it in the top 15 of all listed investment vehicles. The Manager of the Trust is a subsidiary of the ASX listed Goodman Group, Goodman Group are also the Trust's largest investor with a cornerstone unitholding of 17.6%.

GMT is New Zealand's leading industrial and business space provider. It has a substantial property portfolio with a value in excess of \$2.0 billion that accommodates around 260 customers. The Trust holds an investment grade credit rating of BBB from Standard & Poor's.