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GMT Annual Meeting of Unitholders

Date 29 July 2015

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.

The Board and management team are delighted to be here today and we look forward to reviewing the recent performance of the Trust with you this afternoon.

The meeting will also consider the economic outlook and how the strategy of the Trust is being refined to take advantage of the current operating environment.

The final objective of the meeting is the consideration of one ordinary resolution relating to the re-appointment of Leonie Freeman as an Independent Director.

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

Directors and staff will also be in attendance at the afternoon tea that follows the meeting to answer any further questions you may have.

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 – Phil Pryke, Non-executive Director; Susan Paterson, Independent Director; Peter Simmonds, Independent Director; Greg Goodman, Non-executive

Director; Leonie Freeman, Independent Director; Andy Eakin, Chief Financial Officer; and John Dakin, Chief Executive Officer and Executive Director.

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 work 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.

DIRECTOR VOTING

Following changes to the Trust Deed Unitholders now have the right to nominate and vote on the Independent Directors of the Manager.

This is the first meeting to incorporate voting. Leonie Freeman is retiring by rotation and being eligible, has offered herself for re-election.

You will be asked to cast your vote at the conclusion of proceedings. The scrutineers will be the Trust's auditors, PricewaterhouseCoopers.

OTHER ITEMS

Before we proceed any further I would also like to point out that the emergency exit for the building is through the rear doors of this meeting room and out through the main lobby doors.

In the unlikely event of an emergency you will be required to evacuate and assemble outside in a designated area. Should this occur please follow the directions of the Stamford Plaza 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

The 2015 financial year was a defining 12 months for GMT and investors should be encouraged with the advances that have been made and the impressive results that have been achieved.

The implementation of a more active property strategy and refinements to the management structures of the Trust have enhanced the business and lifted its financial performance.

The Trust has also benefited from a positive operating environment and while the immediate outlook is less certain with lower growth and inflation expectations we believe a consistent strategy will continue to ensure the Trust delivers strong results.

BUSINESS FOCUS

It's a relatively simple strategy that I'd like to reinforce again today:

1. GMT invests in modern, high quality, well located industrial and business space property;
2. substantial land holdings and a proven development capability extend the range of options available to customers; and
3. the portfolio is intensively managed to ensure that returns are maximised.

At last year's meeting I outlined a more active operational approach that included an accelerated development programme targeting between \$100 and \$150 million of new projects every year.

I'm pleased to report we are achieving these targets with \$112.1 million of new developments announced last year and \$72.6 million already secured in the first 4 months of the new financial year.

Converting GMT's strategic land holdings into high quality income producing assets remains a key business focus.

The emphasis on organic growth means that new development projects and investment initiatives are now being financed exclusively through asset recycling.

Funding these new capital commitments through asset sales and joint venture partnerships, like we have done in the Viaduct, is a sustainable approach that is expected to support the growth of the business into the future.

GOVERNANCE

Also in the package of new business initiatives announced last year were changes to the governance and management structures of the Trust.

Goodman Group is a supportive manager with a substantial cornerstone investment. Through its engagement and co-operation with the Independent Directors the Manager has ensured that GMT remains a contemporary investment vehicle with a governance framework similar to that of a listed company.

The introduction of investor nomination and voting on Independent Directors reinforces this commitment to good corporate governance. The new initiative increases the accountability of Directors ensuring that the interests of Unitholders remain at the forefront of the Board's decision making process.

MANAGEMENT CHANGES

We have also amended the fee structure of the Trust with changes designed to enhance GMT's operational and financial performance.

Unitholders voted overwhelmingly in support of the revised fee structure at the annual meeting in August. As a result, the Trust now receives a fee rebate equivalent to the management fee attributable to the development land portfolio. The balance of the

base management fee is also now used by the Manager to subscribe for new units in the Trust.

The fee rebate is a permanent change, while the requirement for the manager to use its fee to subscribe for new units is for a period of 5 years.

The changes improve an already competitive fee structure and have had an immediate impact on GMT's operating result adding around a half a cent to GMT's distributable earnings this year.

The Board remains focused on growing cash earnings and advancing the Trust's development programme is an important component of this strategy.

With the fee rebate calculated on the relative weighting of development land within the portfolio the new fee structure ensures the Manager is also motivated on converting GMT's land investments into income producing assets as quickly as possible.

The issue of new units to Goodman Group in its capacity as Manager has increased its cornerstone investment in the Trust to 18.0%. It is a positive outcome that further strengthens the already strong alignment between Goodman Group and other GMT investors.

This investment is expected to grow to around 21% over time. The increase is a result of the new fee arrangement but also the issue of 37.3 million new units in December this year, being deferred consideration of the Highbrook Acquisition undertaken in 2012.

NEW APPOINTMENT

The Board and Management Team share a close and constructive working relationship overseeing the governance and business operations of the Trust.

Before we progress with the management presentations this afternoon I'd like to acknowledge the valuable contribution that Murray Barclay has made to the business over the last 10 years.

His efforts in a range of executive roles have contributed to the success of GMT and the Board would like to publicly thank him for his commitment and wish him well with his retirement.

Michael Gimblett was appointed as General Manager Property following Murray's retirement at the end of March. His is a capable replacement whose appointment comes after nine successful years in property and development related positions with Goodman.

I'd now like to pass over to Andy Eakin and John Dakin, who will give a more detailed overview of the Trust's operating performance.

ANDY EAKIN'S ADDRESS

Thank you Keith and good afternoon ladies and gentlemen. I'm delighted to be presenting to you today as we review the recent performance of the Trust.

We have been pursuing a more active strategy over the last 12-24 months and GMT has benefitted from these new business initiatives recording its strongest ever financial result.

The pre-tax profit of \$170.9 million represents a 16.4% increase on the previous year with significant levels of development, positive leasing outcomes and fair value gains all contributing to the record profit.

The majority of the fair value gains were attributable to the revaluation of the Trust's property portfolio. While these gains are not distributed they've had a positive impact on net tangible assets, contributing to the 8% increase from the prior year to 108 cents per unit.

CAPITAL MANAGEMENT

The favourable operating conditions of recent years continued through the financial year with sustained economic growth and robust property fundamentals supporting greater levels of customer demand across all areas of the business.

We've taken advantage of these conditions to accelerate our development programme, financing the increased level of building activity through asset sales.

It's a prudent approach and a buoyant investment market means we have achieved profits on sale of \$4.5 million on the eight properties that were sold for \$148.8 million during the period.

With asset disposals providing the capital to finance GMT's business growth we have also suspended the distribution reinvestment plan as the equity it provides is not currently required.

We expect to keep the DRP suspended while the Trust takes advantage of the strong investment market to recycle capital.

The emphasis on sustainable growth has been well received by the wider market and is one of the factors contributing to the recent rally in the GMT stock price. The value of GMT units is currently around \$1.25, a 30% increase from the closing price of 96 cents at the end of March 2014.

With asset sales matching new development and investment activity the Trust's strong balance sheet has been maintained. At 31 March 2015, net borrowings represented just 34.2% of the Trust's \$2.1 billion property portfolio.

This level of debt is just below 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 debt and Trust Deed covenants.

With a relatively low level of debt the Trust has significant balance sheet capacity to fund new opportunities.

TREASURY INITIATIVES

Following the Trust's March balance date we have undertaken two new initiatives to extend the term and improve the diversity of the Trust debt facilities.

A private placement of 10, 12 and 15 year debt to US investors was completed in April and a new seven year bond was offered to NZ retail investors in June. Both offers were highly successful securing \$257 million of new debt funding at very competitive margins.

With effective interest rates of 5.3% and 5.0% respectively, the two issues provide interest cost savings while significantly improving the expiry profile of the Trust's debt facilities.

At 31 March 2015, GMT's debt facilities had a weighted average term to expiry of 2.8 years. Following these recent issues the average term has been extended to almost five years.

Securing long dated funding and reducing the Trust's reliance on traditional bank lenders has been an important business objective.

With a combination of bank debt, wholesale bonds, retail bonds and US Private Placement issuance, GMT now has a very diverse debt book with bank borrowings making up less than 50% of drawn debt at 30 June 2015.

The improvements to both the tenor and diversity of the Trust's debt facilities is the continuation of a treasury programme that began with the first issue of retail bonds in 2009.

A key element in the success of these debt initiatives has been GMT's credit rating from Standard & Poor's. The rating agency recently reaffirmed the Trust's investment grade issuer rating of BBB, with its debt rated one notch higher at BBB+.

Being the only listed property vehicle with a credit rating, the investment grade assessment reflects positively on the quality of the Trust's assets, the strength of its balance sheet and its overall investment strategy.

EARNINGS & DISTRIBUTIONS

The Management Team have been extremely pleased with the performance of the Trust over the last 12 months and believe that in the current operating environment GMT is well positioned to deliver consistent earnings and distribution growth.

With pre-tax distributable earnings of 9.16 cents per unit the Trust achieved a strong result that was ahead of earlier guidance.

It's a pleasing outcome that reflects greater revenue but also lower cash expenses following changes to the Trust's fee structure that included the requirement for the Manager to use its base fee to subscribe for new Units in GMT.

Adjusting for this change GMT's distributable earnings were 3.5% higher than last year.

There was a corresponding increase in the level of distributions paid and these rose 3.2% to 6.45 cents per unit. I'm pleased to note that a similar level of increase is forecast for the current year with distributions of around 6.65 cents per unit expected to be paid.

This is a tax-paid distribution, which we believe offers a very attractive yield in the current low interest rate environment.

Payment of the first quarter distribution, relating to the three months ended 30 June 2015, is to be made on 24 September 2015. It will include a cash component of 1.6625 cents per unit.

I hope you are all encouraged by the returns being generated by your investment and the recent results that have been achieved.

I'll now pass you over to John who will continue with the operational review.

Thank you.

JOHN DAKIN'S ADDRESS

Thanks Andy and good afternoon ladies and gentlemen. It's great to see so many familiar faces in the audience today.

I know a large number of you attended the open day at Highbrook Business Park recently, it was a popular event with more than 200 investors taking the opportunity to view progress at our largest estate.

I hope that you were impressed with the level of development activity being undertaken and the quality of the assets that are being built.

While reviewing our operational performance this afternoon I'd like to talk more about the current development focus and explain how this strategy is growing revenue streams and creating value for Unitholders.

INVESTMENT PORTFOLIO

It has been a very busy 12 months with sustained economic growth and strong property fundamentals supporting greater levels of customer demand.

The heightened level of customer enquiry is supporting strong leasing results with more than 100,000 sqm, or around 10% of the investment portfolio, secured on new or revised terms during the year.

This leasing success helped maintain occupancy at an average of 97%.

With the Trust maintaining a weighted average lease term of more than 5 years it has also ensured that the rental streams generated by the portfolio are contracted well into the future.

The benefit of the high occupancy rate and extended average lease term is that it maximises revenue cashflows while insulating the business from any fluctuation in occupier demand.

With around 250 companies leasing space within the portfolio the Trust generated over \$135 million of rental income last year.

These rental cashflows are provided by a diverse customer base that includes many of New Zealand's most substantial businesses, the largest are shown on screen now.

High customer retention levels, stable occupancy rates and rising market rentals mean that the Trust's revenue base is expected to grow. It's a positive outlook that reflects a stage in the cycle where rising demand and low vacancy is driving positive leasing outcomes.

VALUATIONS

Robust property market dynamics and strong investor demand are also being reflected in the Trust's valuation results with GMT recording a revaluation gain of \$75.3 million.

The 3.7% uplift is the Trust's strongest ever valuation result and a major contributor to this year's record profit.

While there were variations in the value movements among the individual properties some of the strongest uplifts came from newly completed development assets. These properties recorded revaluations of 12.6%, contributing \$20.5 million to the overall gain.

DEVELOPMENT PROGRESS

A significant development capability and strategic land holdings have always differentiated our business. It extends the range of options we're able to offer customers while improving the overall quality of the portfolio.

These are assets that you can't easily buy on market, they are well located, highly specified properties leased to substantial customers on long term leases.

With around 65% of the portfolio developed in the last 10 years it's a successful strategy that is delivering strong returns to the business.

The bar chart on the current slide shows the value of new development projects initiated over the last 5 years.

It's been an improving trend as we have accelerated our development programme to accommodate rising demand.

We announced 11 new development and infrastructure projects last year which will add more than 50,000 sqm of rentable area to the portfolio. With a total project cost of \$112.1 million, these new facilities are expected to generate an additional \$8.7 million of rental income per annum.

With \$72.6 million of new design build commitments already secured in the first quarter, we expect to announce a similar level of new projects this financial year.

It's the largest volume of building activity in more than 5 years and a significant proportion is being undertaken at Highbrook Business Park, here in Auckland.

HIGHBROOK BUSINESS PARK

With a current value in excess of \$850 million the scale of Highbrook means it is already an important driver of GMT's operating performance.

The natural features, locational benefits and amenity that this award winning Business Park provides has continued to attract new customers with more than \$100 million of new development projects announced in the last 18 months.

One of the largest facilities completed last year was the new head office and production facility for Metro Performance Glass.

Like most of our projects it was undertaken on a pre-committed basis utilising a fixed price construction contract.

At 16,723 sqm it's a substantial building that took around 10 months to develop. It is constructed from low maintenance, cost effective building materials that ensure a long economic life.

The images on screen show various stages of the construction process.

More than 200 metres long it required over 3,900 cubic metres of concrete and 530 tons on structural steel to form the floor and portal frame of the building with a further 25,000 sqm of steel cladding and pre-cast concrete panels required to complete the walls and roof.

The next few slides show the finished development.

Its representative of the high quality industrial and business space assets our development programme is delivering across all our estates. These new facilities are typically yielding between 7.5 and 8.0% on cost and achieving gains of 10 to 15% when subsequently revalued.

Funded through asset sales it's a value adding business activity that is improving underlying cash earnings while enhancing the growth profile of the wider portfolio.

VIADUCT JOINT VENTURE

Another important initiative last year was the introduction of the Sovereign Wealth Fund of Singapore ("GIC"), as a joint venture partner investing in Auckland's western reclamation area.

Securing a global investment partner to co-invest in this rapidly developing location endorses GMT's investment strategy and allows the Trust to extend its portfolio in this location without committing additional capital.

The aerial map on screen shows the location of the properties owned by the joint venture.

It includes the new Fonterra and Datacom developments which will be acquired on completion in early 2016 and 2017 respectively.

To facilitate the transaction GMT and its previous investment partner sold their respective interests in the various assets at the March 2014 valuations. Subsequent valuations undertaken in 2015 showed little variation in underlying values supporting the sale prices that were achieved.

GMT has a 51% interest in the expanded joint venture which has continued with the Trust's investment strategy in the Viaduct investing in high quality, campus style office properties occupied by major customers on long term leases.

The next few images showcase the assets owned by the joint venture together with an artist's impression of the new Datacom facility that the partnership recently contracted to buy.

With substantial public investment revitalising the public areas there is already a variety of new development underway with commercial, retail, residential and hospitality uses all permitted activities under the special zoning designation.

With a mandate to grow to around \$500 million over time, the expanded joint venture will provide GMT with greater asset and customer diversity and a wider mix of ownership tenures in a part of the city that is expected to deliver strong growth.

LOOKING AHEAD

We have made significant progress over the last 12 months with a more active operational strategy to take advantage of a buoyant property market.

A stable economic outlook, while less positive than it was 12 months ago should still continue to generate strong customer demand for high quality, well located business space.

The Trust is in robust health and is well positioned to capitalise on this demand.

Facilitating the growth of the business through prudent capital management will continue to maintain our strong balance sheet position and we look forward to delivering another consistent operating result in 12 months time.

Thank you ladies and gentleman.

GENERAL BUSINESS

Thanks John, it has been a very positive 12 months for the Trust.

I hope Unitholders are satisfied with the results that have been achieved and the business improvements that have been implemented.

We've adapted our strategy to the operating conditions and refined an already high quality business.

While the economic outlook is less positive GMT's high quality property portfolio and strong capital base give the Board confidence that the Trust will continue to perform strongly into the future.

I would now like to open the floor for questions.

PROCEDURE FOR QUESTIONS FROM UNITHOLDERS

If you'd like to ask a question of the Board or its advisors please signal your intention to do so by raising your hand 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.

Ladies and gentlemen, as there are no further questions we will proceed to the formal business of the meeting

RESOLUTION

As I mentioned earlier in my address, this is the first meeting to incorporate voting on Independent Directors.

Leonie Freeman is retiring by rotation and being eligible, has offered herself for re-election. Leonie has been a highly effective member of the Board and the Directors unanimously recommend that Unitholders vote in favour of her re-appointment.

Leonie's CV is included in the Notice of Meeting and before I deal with the resolution I will invite Leonie to address the meeting.

The Resolution is set out in the Notice of Meeting and on the voting form you will have received. As it has been notified, there is no formal requirement for a seconder.

A majority of not less than half of persons entitled to vote and voting is required to carry this resolution.

Of the 514,265,805 proxy votes received, 99.2% are in favour of the resolution, 0.2% against and 0.6% are discretionary.

Are there any questions on the resolution?

As there are no further questions we will proceed to a poll and formally conclude this meeting.

VOTING AND CLOSURE

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 and you are welcome to stay and enjoy the hospitality while the poll is being conducted.

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

Ladies and gentlemen, thank you very much for your attendance and participation this afternoon, 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 \$1.5 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 18.0%.

GMT is New Zealand's leading industrial and business space provider. It has a substantial property portfolio with a value in excess of \$2.1 billion that accommodates around 250 customers. The Trust holds an investment grade credit rating of BBB from Standard & Poor's.