



Goodman PLUS Trust
Annual Report 2008





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Corporate governance

Corporate governance is the framework of rules, systems and processes by which authority is exercised within an organisation and accountability placed. It influences how the objectives of Goodman PLUS Trust (Trust) are set and achieved, how risk is monitored and assessed and how performance is optimised.

The Trust recognises that an effective corporate governance culture is critical to success. We have designed and implemented a substantial range of governance initiatives, described in detail below, and we believe that our corporate governance systems are robust and effective. We recognise corporate governance is not static and systems will need to evolve over time to meet the demands of a changing market and corporate circumstances. At all times, we strive to achieve governance outcomes which balance the needs of the Trust, its stakeholders, regulators and the market.

The Trust is a listed registered managed investment scheme and is subject to the Listing Rules of the Australian Securities Exchange (ASX), including the Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. We have also had regard to the Council's Second Edition to apply from future reporting periods. Any departures from the Council's Principles of Good Corporate Governance and Best Practice Recommendations are described in the Corporate Governance Statement below.

As a result of the Trust not having employees of its own, and as a result of the limited business activities of the Trust, some of the Council's recommendations are undertaken by Goodman Group (Goodman) rather than the Trust, as set out below.

The Board

Goodman Funds Management Limited (GFM) is the responsible entity for the Trust (Responsible Entity). The Trust is governed by its constitution, applicable laws (including the Corporations Act), the ASX Listing Rules and the compliance plan lodged with the Australian Securities & Investments Commission (ASIC).

The boards of Goodman International Limited (GIL) and GFM, as the responsible entity for Goodman Industrial Trust (GIT), are the same as that of the Responsible Entity and have the same directors. These boards meet jointly but discuss matters relating to Goodman and the Trust separately. The term "Board" hereafter should be read as a reference to the boards of GIL and GFM as responsible entity for the Trust and GIT.

The Board is comprised of nine Directors, the majority of whom are independent, and is chaired by Mr David Clarke. The Board believes its existing size and composition provides a broad base of skills and experience necessary to set the strategic direction of the Trust, oversee management's implementation of strategy and enhance corporate performance.

The Directors bring a wide range of skills and experience to their respective roles and are committed to achieving a high standard of corporate governance. The diversity of each of the Director's backgrounds strengthens the Board and enables it to bring critical judgement and independent assessment to the oversight of the Trust's business. The Board is responsible for all aspects of the management of the Trust and has ultimate responsibility for its corporate governance practices.

The Board has adopted a charter that sets out the functions of the Board. The charter clearly establishes the role of the Board in setting the Trust's objectives and its responsibilities in the implementation of such objectives. A copy of the charter is published on Goodman's website www.goodman.com.

To assist the Directors in exercising their responsibilities with critical judgement and independent thinking, comprehensive Board papers are issued in advance of meetings to enable full and informed participation.

The Board's functions include:

- (a) appointing the Group Chief Executive Officer;
- (b) setting strategic direction;
- (c) reviewing progress on strategy;
- (d) developing key policies which impact on the Trust;
- (e) approving strategic alliances;
- (f) monitoring organisational performance against set targets;
- (g) ensuring compliance with statutory, financial and social responsibilities; and
- (h) ensuring business risks are appropriately identified and managed.

The Board has developed a statement of delegated authority to management. This delegated authority stipulates which matters are dealt with by the Board and which matters are within the authority of management. The statement of delegated authority governs areas such as finance, corporate matters and property transactions. The composition of the Board as at 30 June 2008 is shown on page 3. Please refer to page 12 in the Directors' report for details of each Director's attendance at Board and Committee meetings during the year.

Directors' obligations and rights

Goodman uses formal letters of appointment for Directors in order to ensure that the Directors clearly understand the expectations of them. Each letter outlines the terms of the Director's appointment and includes matters such as their powers and duties, attendance at meetings, remuneration, appointment on committees, induction and continuing education, disclosure of interests and circumstances where their office becomes vacant. Please refer to pages 13 and 14 in the Directors' report for the skills and experience of each of the Directors.

In respect of tenure, Non-Executive Directors are subject to re-election by rotation at least every three years and new Directors appointed to the Board are required to seek election at the first Annual General Meeting of Goodman following their appointment. However, Unitholders do not have the right to vote (in respect of their holding in Goodman PLUS) at the Annual General Meeting of Goodman. Together with letters of appointment, all new Directors are provided with an information pack regarding the operations of Goodman.

Corporate governance (cont)

Goodman requires Directors to hold securities with a value equivalent to twice their annual fee and applies 25% of Directors' after tax remuneration to the acquisition of Goodman securities until that value of securities is held. For the purposes of this policy, the value of each parcel acquired is the higher of the purchase price or market value at the end of the financial year.

Goodman has a formal policy allowing Directors to take independent legal advice at Goodman's expense should they believe it necessary for the performance of their duties.

The Company Secretary and senior executives are always available to the Directors to provide them with information or clarification as required. These senior executives also present information at Board meetings in order to provide the Directors with unfettered access to all relevant information and the ability to candidly question senior management in relation to any matter they deem necessary.

Directors and senior executives are also encouraged to participate in further education relevant to their roles. Goodman reimburses the costs of further education which is relevant to a Director's or senior executive's role.

Independent decision-making

The Board recognises the importance of independent decision-making by Directors and has established policies which require the independence of Directors to be assessed annually and that Directors inform the Chairman prior to accepting any other board appointments offered to them. Each Director provides confirmations on their ability to adequately perform their role on an annual basis. The Directors bring independent thinking, high standards of corporate governance and good judgement to the Board.

The Independent Directors may elect to consider matters without the presence of senior executives or the Non-Independent Directors where they believe this would bring additional transparency to the conduct of Goodman's affairs.

Criteria for assessing independence

The Board has assessed individual Directors for independence using the definition of independence provided in the ASX Corporate Governance Guidelines.

The Board considers that a material professional adviser or material consultant is one that derives more than 5% of their revenue from the Group. The Board also considers that a substantial securityholder, for the purpose of assessing independence, holds more than 10% of Goodman's securities but also has regard to other relationships that the securityholder may have with Goodman. The following table sets out the Directors and their status:

Name	Description	Independent	
		Yes	No
Mr David Clarke, AO	Chairman		+
Mr Gregory Goodman	Group Chief Executive Officer		+
Mr Ian Ferrier	Independent Director	+	
Mr Patrick Goodman	Non-Executive Director		+
Ms Diane Grady	Independent Director	+	
Mr John Harkness	Independent Director	+	
Mr James Hodgkinson	Non-Executive Director		+
Ms Anne Keating	Independent Director	+	
Mr Jim Sloman	Independent Director	+	

Mr David Clarke and Mr James Hodgkinson are not considered independent due to the ongoing joint venture between Goodman and Macquarie Group Limited known as Macquarie Goodman Asia. Macquarie Goodman Asia has investments in Hong Kong and Japan. Mr David Clarke is the Chairman of Macquarie Group Limited and Mr James Hodgkinson is an Executive Director and Co-Head of Macquarie Group Limited's Real Estate Capital Division.

Mr Patrick Goodman is not considered to be independent due to his role as Managing Director of Goodman Holdings Group. Goodman Holdings Group has a significant holding in Goodman.

Mr Gregory Goodman is an Executive Director of Goodman.

The Directors consider the other Board members to be independent.

Chairman

Mr David Clarke was appointed as a Non-Executive Director and the Chairman of the Board in October 2000.

David brings extensive experience and in-depth knowledge to the role of Chairman as well as skills and experience in the fields of finance, corporate advisory and accounting. The Board considers that while not an Independent Director, David's experience and skills provide a valuable contribution to his role as Chairman.

The Trust has adopted a number of practices to further strengthen corporate governance in recognition of David's non-independent status. Such measures include the separation of the roles of Chairman and Group Chief Executive Officer, the delegation of some Board functions to committees in which the Chairman does not participate, and having a majority of Independent Directors on the Board.

Corporate governance (cont)

Chairman (cont)

In his role as Chairman, David is responsible for ensuring that the Board functions as an effective and cohesive group as well as working with the Group Chief Executive Officer to determine the strategic direction for the Trust, establishing high standards and oversight of strategic development and leadership. The role also includes formulation of Board meeting agendas and papers and management of Board meetings to ensure the best performance of each participant. The Chairman acts as a representative of, and spokesperson for, the Board.

Group Chief Executive Officer

The Group Chief Executive Officer is Mr Gregory Goodman. The terms, conditions and responsibilities of his role are established in an agreement between Gregory and Goodman. His role as Group Chief Executive Officer is to support and encourage his management team to deliver the strategy developed by the Board and management. His role involves an intimate knowledge of all aspects of the business and communication of the strategy and operational results to the Board management team and other stakeholders.

Company Secretary

The Company Secretary is Mr Carl Bicego. Carl is responsible for advising Directors on corporate governance matters, liaising with regulators, supervising market disclosures and investor interactions, maintenance of the Trust's register and apprising the Board on legal and governance issues. His biographical details appear on page 14 in the Directors' report.

Remuneration and Nomination Committee

The Board has established a Remuneration and Nomination Committee to consider remuneration and nomination issues more effectively and fully and to provide recommendations to the Board for approval. The purpose of the Committee is to:

- (a) identify and recommend individuals to the Board for nomination as members of the Board and its committees;
- (b) ensure performance of members of the Board is reviewed;
- (c) develop and recommend to the Board relevant corporate governance principles;
- (d) ensure an appropriate Board and committee structure is in place so that the Board can perform a proper review function;
- (e) review and make recommendations to the Board in respect of the administration of remuneration programmes;
- (f) review and make recommendations to the Board in respect of the approval and remuneration of senior executives and Non-Executive Directors;
- (g) prepare for approval by the Board any report on executive remuneration that may be required by any ASX Listing Rule, legislation, regulatory body or other regulatory requirements or proposed for inclusion in any annual report; and
- (h) report regularly to the Board on each of the above matters.

The Remuneration and Nomination Committee operates under a formal charter, a copy of which is published on Goodman's website. The Committee is required to assess the necessary and desirable competencies of Board members, develop and review the Board succession plan and recommend the appointment and removal of Directors.

The Committee is chaired by Mr David Clarke and is comprised of a majority of Independent Directors. Although not an Independent Director, David brings significant expertise and understanding of the market to the deliberations of the Committee and Goodman believes that his contribution is invaluable. Further information regarding the attendance of Committee members can be found at page 12 of the Directors' report.

Remuneration

Goodman follows the principles of remuneration that are set out in the ASX Corporate Governance Council Recommendations. These include a policy of rewarding Group employees with a mixture of fixed, performance-linked and equity-based remuneration. However, the Trust does not have employees. In addition, the Directors of the Board are not separately remunerated for their role as directors of the Responsible Entity. Accordingly, no Trust assets are applied to fund the remuneration of Directors.

For more information on the remuneration policies of Goodman, please refer to pages 41 to 52 of the Goodman Annual Report 2008.

Performance review

The Board reviews its performance and that of its committees approximately every two years. The Board considers this is an appropriate timeframe, having regard to the time taken in the review process, the frequency of Board meetings and the level of change in the Board over time. An assessment of the performance of the Board and individual Directors is being conducted this year. The process for conducting this review consists of each Director completing a self-assessment questionnaire, which also elicits comments and key issues the Director wishes to raise at that time. Following the collation of the questionnaire results, the Chairman meets with each Director individually to discuss their Board participation. The questionnaires completed by the Directors cover the following matters:

- (a) Board contribution to developing strategy and policy;
- (b) interaction between the Board and management;
- (c) Board processes to monitor business performance and compliance, control risk and evaluate management;
- (d) Board composition and structure; and
- (e) operation of the Board including the conduct of Board and committee meetings.

The Board also undertakes ongoing assessment of Goodman's various committees.

Senior executives are peer reviewed through a structured process of self-assessment and Group Chief Executive Officer review implemented by Goodman's human resources department.

Corporate governance (cont)

Policies and codes

Attendance at the meetings

A list of attendees at the meetings of the Board, Audit Committee, Remuneration and Nomination Committee, Risk and Compliance Committee and Investment Committee can be found on page 12 of the Directors' report.

Responsible and ethical decision-making

In addition to the responsibilities which apply specifically to Directors, the Board has endorsed a Code of Conduct which applies to Directors and employees of Goodman. The Trust does not have its own employees.

The Code of Conduct outlines the ethical standards and personal conduct expected of all Directors, committee members and Goodman Group employees and makes compliance with these standards a condition of appointment and ongoing employment. The aim of the Code of Conduct is to establish a high standard of conduct and to communicate this to the Directors and employees. Expectations regarding fairness, honesty and the treatment of confidential information are made explicit. The Code also charges all employees with responsibility for reporting unethical or corrupt conduct.

The Code of Conduct is available to Directors upon appointment and all employees upon commencement. The Code of Conduct is supported by a framework of policies that sets out Goodman's approach to meeting its legal obligations and the expectations of stakeholders for ethical and responsible decision-making.

Key policies forming part of the framework include:

Securities trading

The Securities Trading Policy prohibits Directors and Goodman employees from trading in the Trust's securities when in possession of inside information. It also prohibits the communication of that inside information to any other person who is likely to purchase or sell the Trust's securities or who is likely to procure a third party to purchase or sell those securities. The Policy is available to Directors on their appointment and employees on their commencement.

Reminder emails on the Policy are forwarded to all Goodman employees whenever the Trust commences and concludes a trading blackout.

Conflicts of interest

Goodman has put in place arrangements to identify, assess, manage and report on the types of conflicts of interest which it anticipates will affect or arise from its business. These arrangements include mechanisms to:

- (a) identify conflicts of interest;
- (b) manage conflicts of interest by assessing and evaluating actual or potential conflicts and decide upon and implement an appropriate response to those matters; and
- (c) maintain written records that demonstrate how the Trust manages conflicts which occur. Directors, consultants and employees are required to comply with the Conflicts of Interest Policy.

Related parties

The Trust has implemented a Related Party Policy for the disclosure and resolution of any matter that may give rise to actual, potential or perceived conflicts of interest between the interests of a Director and the Trust. The Policy ensures that all transactions involving related parties of the Trust conform to the requirements of the Corporations Act 2001 and ASX Listing Rules.

Gifts

All Directors and Goodman employees are prohibited from accepting payment or any other benefits in money or in kind from third parties as an inducement or reward for any act or in connection with any matter or business transaction undertaken by or on behalf of Goodman. All Directors and employees must exercise extreme care when giving or receiving business-related gifts and are requested to disclose any such gifts. Whether a gift may be accepted or given will depend upon a number of factors including:

- (a) the monetary value of the gift;
- (b) the circumstances surrounding the giving or receiving of the gift; and
- (c) whether the gift could be perceived as being unreasonable, excessive or imposing a right on the giver or an obligation on the recipient.

Dealing with public officials

Goodman is committed to conducting all of its business in accordance with all applicable laws and regulations and in a way that will maintain and enhance its reputation in the market. One aspect of this commitment is that the Trust behaves in a professional, honest and responsible manner and avoids any conduct which may be considered to be corrupt or contrary to good corporate ethics. It prohibits any activity that seeks to bribe, corrupt or otherwise improperly influence a public official in any country to act (or omit to act) in a way that differs from that official's proper duties, obligations and standards of conduct.

Copies of these policies are available on Goodman's website.

Committees and oversight

Effective risk management is a fundamental part of the Trust's business strategy and is central to protecting Unitholders' interests. The Board has ultimate responsibility for risk management and compliance of the Trust. The Trust operates within overall guidelines and specific parameters set by the Board.

Corporate governance (cont)

Committees and oversight (cont)

The Board has established a number of committees to assist in the exercise of its functions and the discharge of its duties, such as ensuring that financial reports are true and fair and comply with applicable accounting standards. A summary of the roles of the various committees (in addition to the Remuneration and Nomination Committee set out above) is set out below:

Audit Committee

The Board has established an Audit Committee, which meets at least four times a year, to assist in fulfilling the Board's legal and regulatory requirements in relation to the Trust's financial statements. The Audit Committee operates under a formal charter and its responsibilities include:

- (a) oversight of financial reporting principles and policies, controls and procedures;
- (b) ensuring the integrity of the Trust's financial statements, independent external audit and its compliance with legal and regulatory requirements relating to financial statements;
- (c) audit functions and committees of any entity within the Trust;
- (d) due diligence and prudential supervision procedures required by regulatory bodies; and
- (e) appointment of the Trust's external auditor, including undertaking any required due diligence.

The Committee may consider any matter which falls within the roles and responsibilities delegated to it by the Board, notwithstanding that the particular matter(s) may have been previously referred to and considered by another Board committee. For example, the Audit Committee also has, as part of its charter, a formal role in the oversight of risk management practices within the Trust, with an emphasis on financial risk management. Subject to any resolution of the Board, the Committee has the power delegated by the Board to undertake all things necessary to perform its duties and fulfil its purpose including:

- (a) approving principles, policies, strategies, processes and control frameworks for the management of audit matters; and
- (b) sub-delegating its powers and discretions to senior executives with or without the power to delegate further.

The Audit Committee has unlimited access to the senior executives, external auditors and internal auditors. In particular:

- (a) senior members of management are invited to attend Committee meetings and to present to the Committee on key issues; and
- (b) Committee members regularly meet with management, independently of Committee meetings, to further discuss issues relevant to the work of the Committee.

The Committee reports to the Board on the outcome of its reviews, discussions with the external auditor and its findings on matters which have or are likely to have a material impact on the operating results or financial position of the Trust. The Trust has engaged KPMG to act as its auditor. As the Trust does not have Annual General Meetings, KPMG will not be attending an Annual General Meeting of the Trust. Please refer to "Unitholders" on page 7 for more information.

As at 30 June 2008, the Audit Committee is chaired by Mr Ian Ferrier. Ian is a Chartered Accountant with significant financial expertise. The other members of the Committee are Mr John Harkness and Mr James Hodgkinson. John is also a Chartered Accountant and was a former partner of KPMG, before resigning in June 2000. He was a partner of KPMG while it was engaged to conduct the audit of Goodman's entities, however, he was not involved in those audits. James is a senior executive at Macquarie Group Limited and has significant experience in the listed property trust sector. All three members of the Committee are non-executive and the majority of the members are Independent Directors. Please refer to page 12 in the Directors' report for details of the Committee members' attendance at meetings during the period.

Executive confirmations

The Group Chief Executive Officer and the Group Chief Financial Officer are required to confirm to the Board in writing that the Trust's financial report present a true and fair view, in all material respects, of its financial condition and operational results and are in accordance with relevant accounting standards.

The Group Chief Executive Officer and the Group Chief Financial Officer have also provided the Board with written confirmation that, to the best of their knowledge and belief:

- (a) the statement given to the Board on the integrity of the Trust's financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (b) the Trust's risk management and internal compliance and control system are operating efficiently and effectively in all material aspects.

These statements are based on a wide and broad ranging series of full and half year confirmations from senior executives and department heads in relation to the financial integrity, risk management and internal compliance and control system within each department.

Risk and Compliance Committee

The Board has established a Risk and Compliance Committee to provide oversight and direction to the Trust's system of risk oversight, management and internal controls. The Committee, which meets at least four times a year, is chaired by Mr John Harkness, and is comprised of a majority of Independent Directors. The Committee reports to the Board, generally, in respect of significant projects and transactions, and on an "exceptions" basis.

Corporate governance (cont)

The Committee operates under a formal charter (available on Goodman's website) that assists the Board to fulfil its corporate governance and oversight responsibilities in relation to:

- (a) internal risk management systems;
- (b) incident management;
- (c) business continuity planning and support processes;
- (d) external compliance audit functions;
- (e) internal compliance systems; and
- (f) insurance requirements.

The Board has adopted a Risk Management Policy on the oversight and management of risk for the Trust.

The Policy outlines the risk management framework elements which include roles and responsibilities, governance, risk and control assessment, incident management, change management, business continuity planning, internal audit, compliance and insurance.

The Committee also oversees the work of several internal management committees which have risk responsibilities. These committees facilitate the sharing of information and seek to ensure that a consistent approach to risk management is applied across the Trust.

Consistent with the Trust's approach of transparent reporting to the Board, members of the Committee have unfettered access to management to discuss risk matters.

Senior members of management are invited to attend Committee meetings and present on key issues. Committee members regularly meet with management, independently of Committee meetings, to further discuss issues relevant to the work of the Committee. External experts and third party service providers are also invited to attend the Committee meetings to provide the Committee with further information and understanding of the way in which the Trust manages its risk and compliance obligations.

The Group Risk Manager is responsible for the implementation of the Risk Management Policy globally. He reviews critical business units and profiles their key risks on an annual basis. Action plans for mitigating key risks are reported to the Committee at each meeting.

The Risk and Compliance Manager is responsible for reviewing and monitoring the efficacy of the compliance systems on an ongoing basis and for reporting on the results of these activities to the Risk and Compliance Committee.

Timely and balanced disclosure

The Trust is committed to providing timely, balanced and readily available disclosure of material information to Unitholders, the investment community generally, other stakeholders and regulators. It believes that ethical and responsible decision-making is critical to the success of its business. The Trust also believes that the transparency of these processes promotes market and Unitholder confidence in its integrity and sustainability.

The Trust's Continuous Disclosure Policy outlines the procedures followed internally to ensure timely and full disclosure of material through the ASX.

Information on continuous disclosure is made available to all Goodman employees on commencement of employment.

Any enquiries regarding the continuous disclosure requirements are directed to the Group Chief Executive Officer and Company Secretary in the first instance. ASX announcements are co-ordinated by the Legal and Investor Relations departments. The Trust also relies on the input and sign-off of key Goodman employees in each department to which the ASX announcement relates. Goodman's website contains ASX and media releases, newsletters and annual reports.

Unitholders

The Trust has implemented a number of processes in order to facilitate the effective and efficient exercise of the rights of all Unitholders. The Trust communicates information to Unitholders through a range of media, including annual reports, half yearly results, quarterly updates, general communications and ASX announcements. Key financial information and stock performance are also available on Goodman's website. Unitholders can raise questions by contacting Goodman by telephone, facsimile, email or post. Contact details are provided on Goodman's website and in the corporate directory at the back of this Annual Report.

There is no Corporations Act requirement for the Trust to hold an Annual General Meeting. However, meetings of the Trust's members may be called in the following circumstances:

- (a) the Responsible Entity may call a meeting;
- (b) Unitholders may requisition the Responsible Entity to call a meeting;
- (c) Unitholders themselves may call and conduct a meeting of members; and
- (d) if it is impractical to call a meeting in any other way, a court may call such a meeting.

Unitholders are able to participate in the Trust's affairs through the Remarketing Process. A summary of the exchange and repurchase rights applicable to the Goodman PLUS can be found on pages 8 and 9.

Complaints handling

Goodman has both internal and external complaints handling procedures. The Investor Relations department responds to Unitholder enquiries and complaints and provides a thorough and transparent communications service to Unitholders. GFM is also a member of the Financial Ombudsman Service, an external industry complaints handling service.

Summary of terms of redemption and exchange of Goodman PLUS

Remarketing is a process that may result in the Responsible Entity establishing a new Margin, a new Market Rate and adjusting certain other terms of the Goodman PLUS.

The Remarketing Process is initiated by the Responsible Entity on and from each Remarketing Date. Unitholders may participate in this process by responding to a Remarketing Process Invitation.

The First Remarketing Date is 21 March 2013. Subsequent Remarketing Dates may be set as part of a Remarketing Process but will be at least 12 months apart. If a subsequent Remarketing Date is not set through a Remarketing Process, the subsequent Remarketing Date will be the date that is five years after the previous Remarketing Date.

If Remarketing is not undertaken, Goodman may either:

- (a) choose to Repurchase or Exchange the Goodman PLUS; or
- (b) begin paying Distribution Amounts at the Margin applying prior to the Remarketing Date plus the Step-Up Margin of 1.00%.

Unitholders may respond to a Remarketing Process Invitation by submitting one of the following notices:

- (a) a "Step-Up Notice" – Unitholders send this notice if they do not wish to continue holding their Goodman PLUS unless the Market Rate does not change and the Remarketing Margin is equal to or more than the current Margin plus a step-up of 1.00%;
- (b) a "Bid Notice" – Unitholders send this notice if they do not wish to continue holding their Goodman PLUS unless the Remarketing Margin is equal to or more than the margin which they bid, which margin must be within the range proposed by the Responsible Entity; or
- (c) a "Hold Notice" – Unitholders send this notice if they wish to continue holding their Goodman PLUS at whatever Margin applies with effect from the Remarketing Date.

A Unitholder who does not respond within the time required is deemed to have given a Hold Notice. A Unitholder who gives a Bid Notice that is conditional but that condition is not satisfied is taken to provide a Deemed Step-up Notice. A conditional Bid Notice is a Bid Notice conditional on a Unitholder not holding more than a specific number of Goodman PLUS following a Successful Remarketing Process.

Once undertaken, a Remarketing Process will either be "successful" or "unsuccessful". Irrespective of the outcome of a Remarketing Process, the Responsible Entity may elect to Repurchase or Exchange Goodman PLUS on the relevant Remarketing Date.

If there is a Successful Remarketing Process, the Responsible Entity may elect to either:

- (a) set the Remarketing Margin; or
- (b) Repurchase or Exchange some or all Goodman PLUS.

If the Responsible Entity elects to set the Remarketing Margin, the other terms of the Goodman PLUS are adjusted in accordance with the Remarketing Process Invitation and the Responsible Entity must Repurchase or Exchange the Goodman PLUS of the Unitholders who provided a Step-up Notice (including any Deemed Step-up Notices) or a Bid Notice with a margin higher than the Remarketing Margin. If the Responsible Entity does not set a Remarketing Margin after delivering a Remarketing Process Invitation, it may Repurchase or Exchange the Goodman PLUS. If the Responsible Entity does not elect to Repurchase or Exchange the Goodman PLUS, it must apply a Step-up Margin of 1.00% in the calculation of the Distribution Amounts.

If the Remarketing Process is an Unsuccessful Remarketing Process, the Responsible Entity may Repurchase or Exchange the Goodman PLUS. If the Responsible Entity does not Repurchase or Exchange the Goodman PLUS, it must apply a Step-up Margin of 1.00% in the calculation of the Distribution Amounts.

If there is no Remarketing Process, the Responsible Entity may Repurchase or Exchange some or all of the Goodman PLUS on an equal basis, treating Unitholders equally. A Step-up Margin of 1.00% will apply to any Goodman PLUS which are not Repurchased or Exchanged by the Responsible Entity. The Step-up Margin of 1.00% only applies once.

Exchange and Repurchase rights of the Goodman PLUS

Repurchase and Exchange by the Unitholder

A Unitholder has the right to request the Repurchase of its Goodman PLUS for cash if:

- (a) a Winding-Up Event occurs in relation to Goodman or the Goodman PLUS Trust (other than a winding-up of the Goodman PLUS Trust initiated by the Unitholders);
- (b) a De-Stapling Event occurs with Goodman's approval or consent;
- (c) an unauthorised amendment to the Goodman PLUS Terms, the Guarantee or the Implementation Deed is made; or
- (d) the Responsible Entity fails to Repurchase or Exchange the Goodman PLUS of Exiting Unitholders following a Successful Remarketing Process.

A Unitholder has the right to request the Exchange of their Goodman PLUS into Stapled Securities in certain circumstances including if:

- (a) any of the circumstances listed above occur;
- (b) Goodman breaches the Distribution Restriction;
- (c) a Change of Control Event is recommended by a majority of the directors of Goodman; or
- (d) the Unitholders do not receive payment of the net proceeds from the sale of PIK Securities (or, at the election of the Unitholder, the Unitholders do not receive PIK Securities), or a combination of both, equal in value to the Optional Distribution Payment.

In all cases, the Responsible Entity may subsequently determine whether to Repurchase or Exchange the Goodman PLUS of that Unitholder.

Summary of terms of redemption and exchange of Goodman PLUS (cont)

Repurchase and Exchange by the Responsible Entity

The Responsible Entity may, at its discretion, initiate the Repurchase or Exchange of Goodman PLUS in any of the following circumstances:

- (a) between six months and 50 Business Days prior to any Remarketing Date (including the First Remarketing Date of 21 March 2013); or
- (b) no later than 25 Business Days before a Remarketing Date if a Remarketing Process has been conducted; or
- (c) within 20 Business Days after the occurrence of a Change of Control Event; or
- (d) within 20 Business Days after a De-Stapling Event occurs in respect of Goodman or a Winding-Up Event occurs in respect of Goodman or, for so long as the Goodman PLUS Trust is part of the Group, the Goodman PLUS Trust; or
- (e) at any time after the Responsible Entity ceases to be part of the Group without the consent of Goodman RE; or
- (f) at any time within three months of the board of directors of Goodman passing a resolution which constitutes a Regulatory Event; or
- (g) at any time while the aggregate Face Value of all Goodman PLUS on issue is less than \$100 million; or
- (h) at any time upon the receipt of a valid notice from a Unitholder that the Unitholder wishes to Repurchase or Exchange; or
- (i) following a Successful Remarketing Process (in respect of all Goodman PLUS held by Exiting Unitholders).

The Responsible Entity exercises its right to elect for Repurchase or Exchange of Goodman PLUS by issuing an Issuer Realisation Notice (or, if the Responsible Entity has already received a Holder Realisation Notice, a Holder Realisation Date Notice). The Issuer Realisation Notice must specify:

- (a) the relevant Realisation Date;
- (b) the number of Goodman PLUS of the Unitholder to be Repurchased or Exchanged;
- (c) the basis for the Repurchase or Exchange; and
- (d) whether the Unitholder's Goodman PLUS will be Repurchased or Exchanged or a combination of those methods will be applied.

Amount paid to Unitholders following a Repurchase

On Repurchase, Unitholders receive an amount equal to the Realisation Amount for each Goodman PLUS.

The Realisation Amount is calculated as follows:

$$\text{Realisation Amount} = \text{FV} + \text{UD} + \text{P}$$

where:

FV is the Face Value of the relevant Goodman PLUS;

UD is the amount (if any) of unpaid scheduled Distribution Amounts for the 12 months preceding the Realisation Date; and

P is an amount of \$5.00 but only where the Realisation Amount is calculated following a Change of Control Event.

Number of Stapled Securities to be issued on Exchange of a Goodman PLUS

The number of Stapled Securities to be received by a Unitholder of each Goodman PLUS on Exchange is calculated as:

$$\frac{\text{Realisation Amount per Goodman PLUS}}{\text{VWAP} \times 99\%}$$

where:

VWAP is the average daily volume weighted average sale price per Stapled Security sold on the ASX (VWAP) during the 20 Business Days immediately before the Realisation Date.

On Repurchase or Exchange, the Realisation Amount includes an amount for any Unpaid Distribution Amounts equal to the Optional Distribution Payment as at the Realisation Date.

Any unpaid amount above the Optional Distribution Payment will not be paid.

How a Repurchase takes place

If a Repurchase is to take place, then:

- (a) on the Realisation Date, the relevant Goodman PLUS are automatically transferred to the Transferee; and
- (b) the Transferee must pay to the Unitholders on the relevant Record Date, in respect of each Goodman PLUS transferred, the Realisation Amount (less certain deductions) on the applicable Realisation Date.

How an Exchange takes place

If Goodman PLUS are Exchanged, on the Realisation Date:

- (a) the Responsible Entity will have an obligation to pay an amount to redeem the Goodman PLUS;
- (b) the obligation will be discharged by the Responsible Entity applying that amount to the subscription of a number of Stapled Securities; and
- (c) Goodman must allot to the Unitholder this number of Stapled Securities, except that if a Unitholder has an address outside Australia the Responsible Entity will appoint a nominee to sell the Stapled Securities that would otherwise be issued to the Unitholder and the proceeds will be paid to the Unitholder.

Restrictions on Repurchase and Exchange

Under the terms of the Replacement Capital Deeds, Goodman has given covenants to certain senior creditors (not the Unitholders) that may restrict the manner in which it may fund a Repurchase or influence its willingness to Exchange.

Financial report

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Directors' report

The directors (Directors) of Goodman Funds Management Limited (GFM), the responsible entity for Goodman PLUS Trust (Trust), present their Directors' report together with the Financial Report of the Trust for the period from 31 October 2007, being the date the Trust was created, to 30 June 2008 and the independent auditor's report thereon.

Directors

The Directors at any time during, or since the end of, the period were:

Director	Appointment date¹
Mr David S Clarke, AO (Chairman)	26 Oct 2000
Mr Gregory Goodman (Group Chief Executive Officer)	17 Jan 1995
Mr Ian Ferrier, AM (Independent Director)	23 Feb 2005
Mr Patrick Goodman (Non-Executive Director)	23 Feb 2005
Ms Diane Grady (Independent Director)	30 Sep 2007
Mr John Harkness (Independent Director)	1 Sep 2004
Mr James Hodgkinson (Non-Executive Director)	21 Feb 2003
Ms Anne Keating (Independent Director)	6 Feb 2004
Mr Jim Sloman, OAM (Independent Director)	1 Feb 2006
Dr David Teplitzky (Independent Deputy Chairman)	23 Feb 2005 (Retired 22 Nov 2007)
Mr Stephen Girdis (Alternate Director for Messrs David S Clarke, AO and James Hodgkinson)	14 Jun 2005 (Resigned 14 Nov 2007)

1. Represents the dates Directors were appointed to the board of GFM.

Details of the Directors' qualifications and experience are set out on pages 13 and 14 of this Director's report.

None of the Directors has, or has had, any interests in either the Ordinary Unit or Goodman PLUS.

Company Secretary

The Company Secretary of GFM at any time during, or since the end of, the period was:

Company Secretary	Appointment date
Mr Carl Bicego	24 Oct 2006

Details of the Company Secretary's qualifications and experience are set out on page 14 of this Directors' report.

Directors' report (cont)

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors during the period from 31 October 2007 to 30 June 2008 were:

Director	Board meetings		Audit Committee meetings		Remuneration and Nomination Committee meetings		Risk and Compliance Committee meetings		Investment Committee meetings	
	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended
Mr David Clarke, AO	10	10			3	3			1	1
Mr Gregory Goodman	10	10			3	3			2	2
Mr Ian Ferrier	10	9	3	3	3	3			2	2
Mr Patrick Goodman	10	10					3	3		
Ms Diane Grady ²	10	7			3	3				
Mr John Harkness	10	9	3	3			3	3		
Mr James Hodgkinson	10	9	3	3						
Ms Anne Keating	10	10			3	3				
Mr Jim Sloman	10	9					3	3	2	2
Dr David Teplitzky ³	3	3	1	1	1	1				
Mr Stephen Girdis (Alternate) ⁴										

1. Reflects the number of meetings individuals were entitled to attend.

2. Appointed 30 September 2007.

3. Retired 22 November 2007.

4. Resigned 14 November 2007.

Directors absented themselves from meetings where they had a personal interest in matters being discussed.

Principal activities

The principal activities of the Trust during the period were to issue either the Ordinary Unit or Goodman PLUS and invest in and lend to any member of Goodman Group. There were no significant changes in the nature of the activities during the period.

Distributions

The total distribution declared to the sole Ordinary Unitholder was \$48,000. The distribution declared to Goodman PLUS unitholders totalled 478.2 cents per unit. Further details of distributions paid or declared in the period are set out in note 5 to the financial statements.

Review of operations

The performance of the Trust as represented by the results from its operations during the period was as follows:

	2008 \$000
Revenue	16,208
Profit for the period	16,208

State of affairs

The Trust was created on 31 October 2007 and registered as a managed investment scheme on 14 November 2007. On 21 December 2007, the Trust issued 3,269,665 Goodman PLUS with an issue price of \$100 each and lent the proceeds to a sub-trust of Goodman Industrial Trust. The borrowed funds were used for the Goodman Group's general business purposes and to repay debt. This is consistent with the objects of the Trust at the time of admission of the Goodman PLUS on the ASX.

Strategy and outlook

The Trust will continue to loan the proceeds from the issue of the Goodman PLUS to a subtrust of Goodman Industrial Trust, receive interest and pay distributions to Goodman PLUS unitholders on the due dates.

Likely developments

There are no anticipated changes in the operation of the Trust.

Interests of the Responsible Entity

GFM, as responsibly entity for Goodman Industrial Trust, holds one Ordinary Unit.

Directors' report (cont)

Fees paid to the Responsible Entity

The management fee payable by the Trust to GFM has been waived.

Indemnification and insurance of officers and auditors

GFM has insured current and former Directors and officers in respect of Directors' and officers' liability and legal expenses. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of those contracts. The auditors of the Trust are not indemnified in any way by this insurance cover.

Lead auditor's independence declaration under section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 16 and forms part of the Directors' Report for the period from 31 October 2007 to 30 June 2008.

Qualifications, experience and special responsibilities of Directors and Company Secretary

Board of Directors

The Trust was created on 31 October 2007 and was registered as a managed investment scheme on 14 November 2007. GFM is the responsible entity for the Trust.

Mr David S Clarke, AO – Chairman Appointed 26 October 2000

David has been Chairman of Macquarie Group Limited (the successor parent entity of Macquarie Bank Limited) since 1 April 2007. He was previously Executive Chairman of Macquarie Bank from its formation in 1985 until 31 March 2007. From 1971 to 1977, he was Joint Managing Director of Hill Samuel Australia Limited (predecessor to Macquarie Bank), from 1977 to 1984 Managing Director and from 1984 Executive Chairman. David is also Chairman of Australian Vintage Ltd (formerly McGuigan Simeon Wines Limited, since 27 November 1991), Poole's Rock Wines Pty Limited (since 1 May 1970), the Wine Committee of the Royal Agricultural Society of NSW, the Opera Australia Capital Fund, the Sydney University Football Club Foundation and the George Gregan Foundation. He is a member of the Investment Advisory Committee of the Australian Olympic Foundation, a member of the Harvard Business School Asia Advisory Board, a member of the Seoul International Business Advisory Council and a member of the Bloomberg Asia Pacific Advisory Committee. David is also a member of Council of the Royal Agricultural Society of NSW and an honorary life member of the Financial Markets Foundation for Children. He is a member of the Corporate Governance Committee of the Australian Institute of Company Directors and Vice President of the Sydney University Cricket Club. David was previously Chairman of Macquarie ProLogis Management Limited (from 26 June 2002 until 31 March 2007), Macquarie Office Management Limited (from 30 June 1987 until 31 March 2007) and Macquarie CountryWide Management Limited (from 22 June 1995 until 31 March 2007), the management companies of Macquarie ProLogis Trust, Macquarie Office Trust and Macquarie CountryWide Trust respectively. Additionally, he was Chairman of the Sydney and Territorial Advisory Board of the Salvation Army (from 1999 until 2006) and the Australian Rugby Union (from 1998 until 2001) and a member of the International Rugby Board (from 1998 until 2001).

Mr Gregory Goodman – Group Chief Executive Officer Appointed 17 January 1995

Gregory is responsible for Goodman Group's overall operations and the implementation of its strategic plan. He has 26 years of experience in the property industry with significant expertise in the industrial property arena. Gregory was a co-founder of Goodman Group, playing an integral role in establishing its specialist global position in the property market through various corporate transactions, including takeovers, mergers and acquisitions. He is a director of Goodman (NZ) Limited, J-REP Co., Ltd and the management companies of Goodman Group's unlisted funds.

Mr Ian Ferrier, AM – Independent Director Appointed 23 February 2005

Ian is a co-founder of Ferrier Hodgson. He is a Fellow of the Institute of Chartered Accountants in Australia and has 43 years of experience in company corporate recovery and turnaround practice. Ian is also a director of a number of private and public companies. He is currently Chairman of InvoCare Limited (since 8 March 2001), Australian Oil Limited (since 2 May 2005) and EnergyOne Limited (since 15 January 2007) and a director of Australian Vintage Ltd (formerly McGuigan Simeon Wines Limited, since 20 November 1991) and Reckon Limited (since 17 August 2004). His experience is essentially concerned with understanding the financial and other issues confronting companies which require turnaround management, analysing those issues and implementing policies and strategies which lead to a successful rehabilitation. Ian has significant experience in property and development, tourism, manufacturing, retail, hospitality and hotels, infrastructure and aviation and service industries.

Mr Patrick Goodman – Non-Executive Director Appointed 23 February 2005

Patrick is the Managing Director of Goodman Holdings Group, which is a major investor in Goodman Group. The diversified interests of Goodman Holdings Group initially focused on direct and indirect property development and have expanded to include the management of a diverse portfolio across sectors covering aviation, food, rural, private and listed equity, infrastructure and financial services globally. Patrick is also a director of companies involved in information technology, property investment and management both in Australasia and the United States. During his 28 year career, he has had considerable public and private company experience both domestically and internationally.

Directors' report (cont)

Qualifications, experience and special responsibilities of Directors and Company Secretary (cont)

Board of Directors (cont)

Ms Diane Grady – Independent Director

Appointed 30 September 2007

Diane was appointed as an Independent Director on 30 September 2007. She has been a full-time non-executive director on various companies since 1994 and is currently a director of Woolworths Limited and BlueScope Steel Limited. Diane is also a senior adviser to McKinsey & Company and a member of the ASIC Business Consultative Panel. Prior to becoming an independent director, she was a partner with McKinsey & Company where she spent 15 years consulting to clients in a broad range of industries on strategic and organisational issues.

Mr John Harkness – Independent Director

Appointed 1 September 2004

John is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors. He was a partner of KPMG for 24 years and National Executive Officer for five years. Since retiring from KPMG in June 2000, John has held a number of non-executive director roles. He is currently Chairman of ICA Property Development Funds and Sydney Foundation for Medical Research. John is a director of Macquarie CountryWide Management Limited (since 18 August 2003), the management company of Macquarie CountryWide Trust, and Crane Group Limited (since 1 September 2000). He was formerly the Chairman of Lipa Pharmaceuticals Limited (from 17 June 2004 to 6 November 2007). John is President of Northern Suburbs Rugby Football Club Limited and a member of the Territorial Headquarters and Sydney Advisory Board of the Salvation Army.

Mr James Hodgkinson – Non-Executive Director

Appointed 21 February 2003

James is an executive director (non-voting) of Macquarie Group Limited and Co-Head of Macquarie Group's Real Estate Capital (REC) Division. His responsibilities include Macquarie Group's interest in the MGA Joint Venture. James was also Chief Executive Officer of Macquarie Industrial Trust for six years prior to that trust's merger with Goodman Industrial Trust. He is a director of J-REP Co., Ltd, Goodman (NZ) Limited, the manager of the New Zealand Exchange listed Goodman Property Trust, and the manager of Macquarie Goodman Hong Kong Logistics Fund. James has previously been an alternate director of Macquarie ProLogis Management Limited (from 24 May 2002 to 9 June 2006) the management company of Macquarie ProLogis Trust. With over 20 years of experience in property funds management, investment banking and chartered accounting, he oversees REC's businesses and real estate investment trust development in Asia and core real estate investments for Macquarie Group. Since taking a senior position across REC's businesses in 2000, James has jointly led growth in assets under management from \$3 billion to over \$32 billion as at 31 March 2008. During this time, he has played an instrumental role in the establishment of a number of REC's fund management platforms around the world. James has a Bachelor of Economics, is a Certified Practising Accountant and is a Fellow of the Australian Property Institute.

Ms Anne Keating – Independent Director

Appointed 6 February 2004

Anne is a non-executive director with board positions in a range of industries. She is on the boards of Macquarie Leisure Management Limited (since 30 March 1998) and Macquarie Leisure Operations Limited (since 28 April 2003), being the management companies of Macquarie Leisure Trust Group, and STW Communications Group Limited (since 17 May 1995). Anne was previously on the board of Spencer Street Station Redevelopment Holdings Limited (from 31 December 2003 to 14 May 2008) and prior to that was a director of Insurance Australia Group Limited for seven years. She is also a member of the Advisory Council of ABN AMRO Australia and New Zealand, a Governor of the Cerebral Palsy Foundation and a trustee for the Centennial Park and Moore Park Trust. Her last executive position was as General Manager, Australia for United Airlines for nine years until 2001.

Mr Jim Sloman, OAM – Independent Director

Appointed 1 February 2006

Jim has over 30 years of experience in the building and construction industries in Australia and overseas, including experience with Sir Robert McAlpine & Sons in London and Lend Lease Corporation in Australia and as Deputy Chief Executive and Chief Operating Officer of the Sydney Organising Committee for the Olympic Games (SOCOG) from 1997 to 2001. He is currently the Chief Executive Officer and a director of MI Associates Pty Limited, a company established by him and comprising some of the leading members of the former SOCOG senior management team. MI Associates is working as an adviser to the organisers of the London Olympic Games following its work on London's winning bid for the 2012 Olympic Games. With his range of experience, Jim brings significant expertise to Goodman Group.

Company Secretary

Mr Carl Bicego – Company Secretary

Carl is the Company Secretary of Goodman Group and its Australian subsidiaries as well as Legal Counsel – Head of Corporate in Australia. He has over 10 years of legal experience in corporate law and joined Goodman from law firm Allens Arthur Robinson in 2006. Carl holds a Masters of Laws and Bachelor of Economics/Bachelor of Laws (Hons). He is an affiliate of Chartered Secretaries Australia.

Directors' report (cont)

Environmental regulations

The Trust has policies and procedures in place that are designated to ensure that significant environmental regulations under Australian law are identified and appropriately addressed. The Directors have determined that there has not been any material breach of those obligations during the period.

Declaration by Group Chief Executive Officer and Group Chief Financial Officer

The Group Chief Executive Officer and Group Chief Financial Officer declared in writing to the Board of GFM that, in their opinion, the financial records of the Trust for the period have been properly maintained and the Financial Report of the Trust for the period ended 30 June 2008 complies with accounting standards and presents a true and fair view of the Trust's financial condition and operational results.

Events subsequent to balance date

In the opinion of the Directors of GFM, there were no events subsequent to balance date and up to the date of this report which would require adjustment or disclosure in the Financial Report.

Rounding

The Trust is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/100 dated 10 July 1998 (as amended) and in accordance with that Class Order, amounts in the Financial Report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.



Gregory Goodman
Director

Sydney, 21 August 2008

Lead auditor's independence declaration

Lead auditor's independence declaration under section 307C of the Corporations Act 2001

To: The Directors of Goodman Funds Management Limited as responsible entity for Goodman PLUS Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period from 31 October 2007 to 30 June 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



John Teer
Partner

Sydney, 21 August 2008

Income statement

for the period from 31 October 2007 to 30 June 2008

	Note	2008 \$000
Interest income	3	16,208
Profit for the period		16,208
Profit attributable to:		
Ordinary Unitholder		48
Goodman PLUS unitholders		16,160
		16,208
Earnings per Ordinary Unit:		
	4	cpu
Basic		4,809,100.0
Diluted		4,809,100.0
Earnings per Goodman PLUS:		
	4	
Basic		494.2
Diluted		494.2

The income statement is to be read in conjunction with the accompanying notes.

Balance sheet

as at 30 June 2008

	Note	2008 \$000
Assets		
Cash		48
Loan to related entity	6	327,490
Total assets		327,538
Liabilities		
Other payables	7	48
Total liabilities		48
Net assets		327,490
Equity		
Units on issue	8	326,967
Retained earnings	9	523
Total equity		327,490

The balance sheet is to be read in conjunction with the accompanying notes.

Statement of recognised income and expense

for the period from 31 October 2007 to 30 June 2008

	2008 \$000
Profit for the period	16,208
Total recognised income and expense for the period	16,208
Attributable to:	
Ordinary Unitholder	48
Goodman PLUS unitholders	16,160
Total recognised income and expense for the period	16,208

The statement of recognised income and expense is to be read in conjunction with the accompanying notes.

Cash flow statement

for the period from 31 October 2007 to 30 June 2008

	Note	2008 \$000
Cash flows from operating activities		
Interest income received		15,685
Net cash provided by operating activities		15,685
Cash flows from investing activities		
Loan to related entity		(326,967)
Net cash used in investing activities		(326,967)
Cash flows from financing activities		
Proceeds from the issue of the Ordinary Unit	8	–
Proceeds from the issue of Goodman PLUS	8	326,967
Distributions paid		(15,637)
Net cash provided by financing activities		311,330
Net increase in cash		48
Cash at the beginning of the period		–
Cash at the end of the period		48

The cash flow statement is to be read in conjunction with the accompanying notes.

Notes to the financial statements

for the period from 31 October 2007 to 30 June 2008

1. Statement of significant accounting policies

The Trust is established in Australia. The parent entity of the Trust is GIT.

Statement of compliance

The Financial Report is a general purpose Financial Report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRS) form the basis of accounting standards adopted by the AASB, being Australian equivalents to IFRS. The Financial Report also complies with IFRS.

The Financial Report is presented in Australian dollars and was authorised for issue by the directors (Directors) of the Responsible Entity, on 21 August 2008.

The significant accounting policies which have been adopted in the preparation of the Financial Report are set out below:

(a) Basis of preparation of the Financial Report

The Financial Report is prepared on the historical cost basis.

(b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns, which are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

(c) Financial assets

The Trust classifies its financial assets as loans and receivables. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- (i) those that the Trust intends to sell immediately or in the short term, which are classified as held for trading, and those that the Trust upon initial recognition designates as at fair value through profit or loss;
- (ii) those that the Trust upon initial recognition designates as available for sale; or
- (iii) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(e) Interest income and expense

Interest income and expense for all interest bearing financial instruments are recognised within interest income and interest expense in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(f) Impairment of financial assets

Assets carried at amortised cost

The Trust assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Notes to the financial statements (cont)

for the period from 31 October 2007 to 30 June 2008

1. Statement of significant accounting policies (cont)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Trust may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the provision. The amount of the reversal is recognised in the income statement.

Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated.

(g) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks.

(h) Issued capital

Ordinary Unit and Goodman PLUS

Both the Ordinary Unit and Goodman PLUS are classified as equity.

Unit issue costs

Incremental costs directly attributable to the issue of Goodman PLUS have been paid by GIT.

Distributions

Distributions are recognised as a reduction in equity in the period in which they are declared.

(i) Income tax

Under current Australian income tax legislation, the Trust is not liable for income tax provided that each year the taxable income is fully distributed to unitholders.

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivable or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(k) Australian Accounting Standards issued but not yet effective

As at the date of this Financial Report, the following new and revised accounting standards on issue with mandatory application dates after the end of the current reporting period are available for early adoption at 30 June 2008:

- + AASB 8 Operating Segments; and
- + Revised AASB 101 Presentation of Financial Statements.

The Trust has not early adopted any accounting standards. The Trust has not yet determined the potential effect of these new and revised standards although both AASB 8 and revised AASB 101 will only impact disclosures in relation to the Trust's financial statements.

(l) Rounding

In accordance with Australian Securities & Investments Commission Class Order 98/100 (as amended), the amounts shown in the Financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

Notes to the financial statements (cont)

for the period from 31 October 2007 to 30 June 2008

2. Segment analysis

The Trust operates in a single business segment, investing (through the provision of an interest bearing loan) in Goodman, and operates wholly in Australia.

3. Interest income

	2008 \$000
Interest income from:	
Loan to related entity	16,160
Cash at bank	48
	16,208

4. Earnings per unit

	2008 cpu
Attributable to Ordinary Unitholder	
Basic and diluted earnings per Ordinary Unit	4,809,100.0
Attributable to Goodman PLUS unitholders	
Basic and diluted earnings per Goodman PLUS	494.2

(a) Profit after tax used in calculating earnings per unit

	2008 \$000
Profit after income tax used in calculating earnings per unit	
Attributable to the Ordinary Unit	48
Attributable to Goodman PLUS	16,160

(b) Weighted average number of units used in calculating earnings per unit

	2008 Number of units
Weighted average number of units used in calculating basic and diluted earnings per unit	
Ordinary Unit	1
Goodman PLUS	3,269,665

5. Distributions

The distributions payable to the Ordinary Unitholder are \$48,000. Distributions paid to Goodman PLUS unitholders are set out below:

	Distribution cpu	Total amount \$000	Date of payment
Distributions for the quarter ended:			
– 21 Mar 2008	240.044	7,849	25 Mar 2008
– 21 Jun 2008	238.191	7,788	23 Jun 2008
	478.235	15,637	

Notes to the financial statements (cont)

for the period from 31 October 2007 to 30 June 2008

6. Loan to related entity

	2008 \$000
Loan to related entity¹	327,490

1. Includes accrued interest of \$523,000.

The loan to a related entity is made to Goodman Finance Australia Trust, a controlled entity of Goodman, and is receivable on demand. Interest accrues on the loan at the distribution rate on the Goodman PLUS (refer to note 8) and is payable quarterly on 21 March, 21 June, 21 September and 21 December. On satisfying certain conditions, the related entity is able to elect for a financial year not to repay the interest quarterly. In these circumstances, the interest is added to the principal loan and accrues interest at the distribution rate referred to above. This capitalised interest portion and any interest calculated on this capitalised interest portion are payable at the option of the related entity in the period of 10 years from when the capitalised interest portion was originally due.

7. Other payables

	2008 \$000
Distributions payable	48

8. Issued capital

	Ordinary Unit		Goodman PLUS	
	Number	\$000	Number	\$000
At the beginning of the period	–	–	–	–
Issue of Ordinary Unit on establishment	1	–	–	–
Issue of Goodman PLUS	–	–	3,269,665	326,967
At the end of the period	1	–	3,269,665	326,967

Terms and conditions

Ordinary Unit

The holder of the Ordinary Unit is entitled to receive distributions as declared from time to time and is entitled to one vote per unit at a unitholders' meeting. In the event of the winding up of the Trust, the Ordinary Unitholder ranks after all other unitholders and creditors and is fully entitled to any proceeds of liquidation.

Goodman PLUS

On 21 December 2007, the Trust issued 3,269,665 Goodman PLUS at an issue price of \$100 each. Goodman PLUS are preferred, perpetual securities in the Trust which are listed on the Australian Securities Exchange. Goodman PLUS may be exchanged or repurchased in certain circumstances.

Distributions are payable quarterly on 21 March, 21 June, 21 September and 21 December, but at the discretion of the Responsible Entity.

In the period to 21 December 2008, the distribution rate will be the greater of 8.5% and the average mid rate for a term of 90 days as displayed on the Reuters BBSW page on the first Business Day of the relevant distribution period (Bill Rate) plus a Margin of 190 basis points. Subsequent to 21 December 2008, the distribution rate will be the Bill Rate plus a Margin of 190 basis points.

In the event of the winding up of the Trust, the Responsible Entity is to first issue assets to the Unitholders, up to an amount equal to the face value and an amount equal to the unpaid amount of the scheduled distributions for the period of three months immediately preceding the date on which the Trust commenced to be wound up. The Responsible Entity will then distribute the remaining assets to the Ordinary Unitholder pro rata in accordance with the number of units held by them.

9. Retained earnings

	2008 \$000
At the beginning of the period	–
Profit for the period	16,208
Distributions paid and payable	(15,685)
At the end of the period	523

Notes to the financial statements (cont)

for the period from 31 October 2007 to 30 June 2008

10. Related party disclosures

Key management personnel disclosures

The Trust does not employ personnel in its own right. However, it is required to have an incorporated responsible entity, GFM, to manage the activities for the Trust and this is considered to be the key management personnel.

Fees payable to GFM

The management fee payable by the Trust to GFM has been waived.

Interests of GFM and its related parties in the Trust

GFM, as responsible entity for Goodman Industrial Trust, owns the Ordinary Unit issued by the Trust. GFM does not own any Goodman PLUS.

Transactions with Goodman

The Trust has made a loan to Goodman Finance Australia Trust, a fellow controlled entity of Goodman. Further details are set out in note 6.

Issue costs relating to Goodman PLUS have been paid by GIT.

The audit fee for the period of \$10,000 has been paid by a related entity of Goodman.

11. Financial risk management

The Trust's capital management policy, interest rate risk and liquidity risk are monitored by Goodman's treasury department.

The Trust's activities involve ensuring that the Trust has sufficient funds to meet any distributions payable in respect of the Ordinary Unit or Goodman PLUS. This is achieved by matching the interest rates and payment dates on any loans to Goodman with the distribution rates on the units.

If interest rates during the period on the loan to a related entity had been 0.1% per annum higher/lower, post tax profit for the period would have been \$200,000 lower/higher.

Given the Trust's loan to a controlled entity of Goodman, it has a significant concentration of credit risk in Goodman. Goodman has a Baa1 credit rating with Moody's and BBB+ with Standard & Poor's and therefore the Directors are confident it can control and sustain minimal exposure to credit risk. The only asset of the Trust is a loan to an Australian controlled entity of Goodman. The Trust's receivable is not overdue and there is no impairment provision at 30 June 2008. The Trust does not have any collateral in respect of its loan to a related entity.

The Trust has no foreign exchange risk and has not used derivative financial instruments in the period.

The fair values of all the Trust's financial assets and liabilities are their carrying amounts.

12. Events subsequent to the balance date

In the opinion of the Directors, there were no events subsequent to balance date, and up to the date of signature of this report, which would require adjustment or disclosure in the Financial Report.

Directors' declaration

In the opinion of the Directors of Goodman Funds Management Limited, the responsible entity for Goodman PLUS Trust:

- (a) the financial statements and notes set out on pages 17 to 25 are in accordance with the Corporations Act 2001, including:
 - + giving a true and fair view of the financial position of the Trust as at 30 June 2008 and of its performance for the year ended on that date; and
 - + complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the Financial Report also complies with International Financial Reporting Standards as disclosed in note 1; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The Directors of the Responsible Entity have been given the declarations required by section 295A of the Corporations Act 2001 from the Group Chief Executive Officer and Group Chief Financial Officer for the year ended 30 June 2008.

This declaration is made in accordance with a resolution of the Directors.



Gregory Goodman
Director

Sydney, 21 August 2008

Independent auditor's report

to the unitholders of Goodman PLUS Trust

Report on the Financial Report

We have audited the accompanying Financial Report of the Trust, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the period ended on that date, a description of significant accounting policies and other explanatory notes 1 to 12 and the Directors' declaration of the Trust.

Directors' responsibility for the Financial Report

The Directors of the Responsible Entity, Goodman Funds Management Limited, are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the Financial Report of the Trust, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

We performed the procedures to assess whether in all material respects the Financial Report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Trust's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- (a) the Financial Report of Goodman PLUS Trust is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2008 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the Financial Report of the Trust also complies with International Financial Reporting Standards as disclosed in note 1.

KPMG

John Teer
Partner

Sydney, 21 August 2008

Securities information

Top 20 Unitholders as at 29 August 2008	Number of Goodman PLUS	Percentage of total issued Goodman PLUS
ANZ Nominees Limited	602,676	18.43
HSBC Custody Nominees	282,469	8.64
Questor Financial Services Limited	242,125	7.41
Calyon Australia Limited	200,000	6.12
JPMorgan Nominees Australia Limited	183,380	5.61
RBC Dexia Investor Services Australia Nominees Pty Limited	100,006	3.06
Goldman Sachs JBWere Capital Markets Ltd	100,000	3.06
National Nominees Limited	87,555	2.68
RBC Dexia Investor Services Australia Nominees Pty Limited	79,133	2.42
Bond Street Custodians Limited	62,969	1.93
Australian Investment Securities Co Pty Ltd	50,000	1.53
Questor Financial Services Limited	32,026	0.98
Citicorp Nominees Pty Limited	25,618	0.78
Equity Trustees Limited	25,000	0.76
RBC Dexia Investor Services Australia Nominees Pty Limited	22,390	0.68
Cogent Nominees Pty Limited	22,322	0.68
CS Fourth Nominees Pty Ltd	20,296	0.62
Industry Funds Management Nominees Ltd	20,000	0.61
Kingsby Pty Ltd	19,060	0.58
Australian Executor Trustees Limited	18,675	0.57
Goodman PLUS held by top 20 Unitholders	2,195,700	67.15
Balance of Goodman PLUS held	1,073,965	32.85
Total issued Goodman PLUS	3,269,665	100.00

Range of Goodman PLUS	Number of Unitholders	Number of Goodman PLUS	Percentage of total issued Goodman PLUS
1 – 1,000	1,934	585,046	17.89
1,001 – 5,000	147	359,386	10.99
5,001 – 10,000	15	119,085	3.64
10,001 – 100,000	20	612,492	18.73
100,001 – over	6	1,593,656	48.74
Rounding			0.01
Total	2,122	3,269,665	100.00

There was one Unitholder with less than a marketable parcel in relation to six Goodman PLUS as at 29 August 2008.

There were no substantial Unitholders as at 29 August 2008.

On a show of hands, every person present who is a Unitholder shall have one vote and on a poll, every person present who is an eligible Unitholder shall have one vote for each dollar value of Goodman PLUS Trust units that the eligible Unitholder holds or represents (as the case may be).

On a show of hands, every person present who is an Ordinary Unitholder shall have one vote and on a poll, every person present who is an eligible Ordinary Unitholder shall have one vote for each Ordinary Unit and one vote for each dollar value of Goodman PLUS Trust units that the eligible Ordinary Unitholder holds or represents (as the case may be).

Definitions

AASB means Australian Accounting Standards Board.

AIFRS means Australian equivalents to International Financial Reporting Standards.

ASIC means Australian Securities & Investments Commission.

ASX means Australian Securities Exchange, or ASX Limited (ABN 98 008 624 691) or the financial market which it operates as the case requires.

ASX Listing Rules means the listing rules of the ASX with any modification or waiver in their application to the Goodman PLUS Trust, GIT or GIL which the ASX has granted or may grant from time to time.

Australian Accounting Standards means:

- (a) the accounting standards as defined in section 9 of the Corporations Act;
- (b) the requirements of the Corporations Act for the preparation and content of accounts; and
- (c) generally accepted accounting principles and practices consistently applied in Australia, including any domestically accepted international accounting standards, except principles and practices that are inconsistent with those referred to in paragraph (a) or (b) of this definition.

Bid Notice has the meaning as described at clause 4.5 (“Holder response to Remarketing Process”) of the Terms.

Bill Rate means the rate (expressed as a percentage per annum), equal to the average mid-rate for bills for a term of 90 days as displayed on the Reuters BBSW page (or any page which replaces that page) on the first Business Day of the relevant Distribution Period or if there is a manifest error in the calculation of that average rate or that average rate is not displayed by 10:30 am (Sydney time) on that date, the rate calculated by the Issuer having regard to the extent possible to:

- (a) the rates otherwise bid and offered for bills of (or of approximately) 90 days or for funds of that tenor displayed on the Reuters BBSW page (or any page which replaces that page) at that time on that date; and
- (b) if bid and offer rates for bills of (or of approximately) 90 days are not otherwise available, the rates otherwise bid and offered for funds of (or of approximately) that tenor at or around that time on that date.

Business Day has the meaning given in the ASX Listing Rules.

Bookbuild Margin means the initial margin determined in accordance with the bookbuild process as described in the Offer Document, being 1.90%.

Change of Control Event means:

- (a) a takeover bid under Chapter 6 of the Corporations Act to acquire all or some of the Stapled Securities and the offer under such takeover bid is, or becomes, unconditional and the bidder has acquired at any time during the offer period a relevant interest in more than 50% of the Stapled Securities on issue; or
- (b) a meeting of the members of a Goodman Stapled Entity is called to consider a formal or informal scheme of arrangement which, if approved and implemented, will result in a person having a relevant interest in more than 50% of the Stapled Securities that will be on issue after the scheme is implemented, and either:
 - (i) the relevant Goodman Entity releases to the market an opinion from an independent expert that the proposed scheme is fair and reasonable; or
 - (ii) the scheme is approved by Stapled Security holders and all other classes of members or creditors where approval is required for the scheme to take effect,

but does not include a New Trust Scheme.

Notwithstanding the foregoing, if after a Change of Control Event relating to a scheme occurs, the scheme is not approved by Stapled Security holders and all such other classes of members or creditors, the Change of Control Event shall be deemed never to have occurred and in order to ensure that action is not taken prematurely in relation to clause 5.5(b) (“Realisation Dates for Repurchase or Exchange following Issuer Realisation Notice or Holder Realisation Notice”) of the Terms, the time period of 25 Business Days referred to in clause 5.5(b) (“Realisation Date for Repurchase or Exchange following Issuer Realisation Notice or Holder Realisation Notice”) of the Terms shall be extended if necessary so that it expires on the date of such approval and any notices given as a result of such event will be revoked.

Constitution means the deed entitled “Trust Deed of the Goodman PLUS Trust” dated on or about 31 October 2007 as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

CPU means cents per unit.

Deemed Hold Notice has the meaning given to that term in clause 4.5(b) (“Holder Response to Remarketing Process”) of the Terms.

Deemed Step-Up Notice has the meaning given to that term in clause 4.5(d) (“Holder Response to Remarketing Process”) of the Terms.

Distribution Restriction means the restriction on Goodman paying dividends set out in clause 2 of the Goodman PLUS Terms.

Exchange means Goodman PLUS are exchanged for Stapled Securities as described in clause 6 (“Exchange”) of the Terms and “Exchangeable” and “Exchanged” have corresponding meanings.

Definitions (cont)

Exiting Unitholder means, for a Remarketing Date, a Unitholder as at the Remarketing Cut-Off Date who has given either:

- (a) a Step-Up Notice (including a Deemed Step-Up Notice); or
- (b) a Bid Notice which specifies a margin which is higher than the Remarketing Margin which applies from (and including) the Remarketing Date.

Face Value has the meaning given to it in clause 1.2(c) (“General”) of the Terms.

First Remarketing Date means 21 March 2013.

GFM means Goodman Funds Management Limited (ABN 48 067 796 641; AFSL Number 223621).

GIL means Goodman International Limited (ABN 69 000 123 071) and its controlled entities, where the context requires.

GIT means Goodman Industrial Trust (ARSN 091 213 839) and its controlled entities or GFM as responsible entity for GIT, where the context requires.

Goodman Entities means GIL and Goodman RE.

Goodman Group, Group or Goodman means GIT and GIL and any entity (including without limitation a trust) which GIT or GIL must consolidate in their accounts in accordance with Australian Accounting Standards.

Goodman PLUS has the meaning as described at clause 1.1 (“Terms”) of the Terms.

Goodman PLUS Trust or Trust means the trust named “Goodman PLUS Trust” as established under the Constitution or the Responsible Entity, as the context requires.

Goodman RE means the responsible entity for GIT from time to time, the current responsible entity being GFM (ABN 48 067 796 641; AFSL Number 223621) in its capacity as responsible entity for GIT and not any other trust.

Goodman Stapled Entities means GIT and GIL, the Units and Shares in each (respectively) being stapled together such that they must be dealt with together.

Guarantee means the subordinated guarantee provided by each of the Goodman Entities (on a joint and several basis) to Unitholders contained in the Guarantee Deed.

Guarantee Deed means the deed of that name entered into by the Goodman Entities for the benefit of the Unitholders dated 19 December 2007.

Margin (expressed as a percentage) means for each Distribution Period:

- (a) from (and including) the Issue Date to (and including) the first Remarketing Date, the Bookbuild Margin;
- (b) from (but excluding) the first Remarketing Date if a Successful Remarketing Process has not occurred until (and including) the next Remarketing Date, the Bookbuild Margin plus the Step-Up Margin;
- (c) if there was a Successful Remarketing Process at the most recent Remarketing Date, then from (but excluding) that Remarketing Date to (and including) the next Remarketing Date, the Remarketing Margin; and
- (d) if there was not a Successful Remarketing Process at the most recent Remarketing Date, the Remarketing Margin applying immediately after the most recent Remarketing Date where a Successful Remarketing Process has occurred plus the Step-Up Margin.

Market Rate means:

- (a) for a Distribution Period commencing prior to the first Remarketing Date, the Bill Rate; and
- (b) for a Distribution Period commencing on or after a Remarketing Date:
 - (i) where there has been a Successful Remarketing Process, the Remarketing Market Rate; or
 - (ii) otherwise, the Bill Rate.

New Trust Scheme means a scheme for reorganising the affairs of the relevant Goodman Entities under which (among other things) approved by the boards of directors of the Goodman Entities):

- (a) the holders of Stapled Securities:
 - (i) stop being the owner of those Stapled Securities and acquire interests in a new unit trust (“interposed trust”) and nothing else (“new trust case”); or
 - (ii) retain their interests in the Units (also “interposed trust”), stop being the owner of the Shares and receive nothing other than units in the interposed trust, or an increase in value of their Units in the interposed trust, or both (“existing trust case”); and
- (b) under the scheme, the interposed trust becomes the holder of:
 - (i) for a new trust case, all of the Stapled Securities; or
 - (ii) for an existing trust case, all of the Shares.

Hold Notice has the meaning as described at clause 4.5 (“Holder Response to Remarketing Process”) of the Terms.

Register means the register of Unitholders maintained by or on behalf of the Responsible Entity in accordance with the Constitution.

Optional Distribution Payment has the meaning given in clause 2.8 (“Optional Distribution Payment”) of the Terms.

Definitions (cont)

Ordinary Unit means an ordinary unit in the Goodman PLUS Trust.

Ordinary Unitholder means a person registered as the holder of an Ordinary Unit.

PIK Securities means in the discretion of the Responsible Entity (having obtained all relevant consents or approvals enabling the issue and sale of the securities) the issue of:

- (a) Goodman PLUS;
- (b) Stapled Securities; or
- (c) any other security:
 - (i) issued by a person other than the Responsible Entity; and
 - (ii) approved in writing to the Responsible Entity by Standard & Poor's (Australia) Pty Limited and Moody's Investor Services Pty Limited as a PIK Security,

which if issued or transferred to Unitholders in Australia may be sold on the ASX by those Unitholders without any restriction imposed by sections 707 or 1012C of the Corporations Act.

Realisation Amount for each Goodman PLUS, means the amount calculated in accordance with the following formula:

$$F + UD + P$$

where:

F is the Face Value for the Goodman PLUS;

UD is the Unpaid Distribution Amount for the Goodman PLUS;

and

P is an amount of \$5.00, but only where the Realisation Amount is calculated on account of a Change of Control Event.

Remarketing Margin means the margin determined by the Responsible Entity through the Successful Remarketing Process.

Remarketing Market Rate means the Market Rate set after and as a result of a Successful Remarketing Process.

Remarketing Cut-Off Date means the date by which Unitholders are entitled to respond to a Remarketing Process Invitation in accordance with clause 4.5 ("Holder Response to Remarketing Process") of the Terms.

Remarketing Date means:

- (a) in the case of the first Remarketing Date, 21 March 2013; and
- (b) for each subsequent Remarketing Date:
 - (i) a date which is:
 - + at least 12 months after the previous Remarketing Date; and
 - + set through a Remarketing Process; or
 - (ii) if a date is not set through a Remarketing Process, the date that is five years after the previous Remarketing Date.

Remarketing Process means the remarketing process that may be undertaken by the Responsible Entity prior to the Remarketing Date to determine the Remarketing Margin, the Remarketing Market Rate and certain other terms and conditions relating to the Goodman PLUS.

Remarketing Process Invitation means a notice in writing from the Responsible Entity which satisfies the requirements of clause 4.3 ("Content of Remarketing Process Invitation") of the Terms.

Repurchase means the Responsible Entity procuring the purchase of the Goodman PLUS by a Transferee and the payment by the Transferee of the Realisation Amount in accordance with the Repurchase Process. Repurchased has the corresponding meaning.

Responsible Entity means Goodman Funds Management Limited (ABN 48 067 796 641; AFSL Number 223621) in its capacity as responsible entity for the Goodman PLUS Trust.

Share means a fully paid share in GIL.

Stapled Securities means the stapled securities comprising a Unit, unit or units stapled to a Share, share or shares, so that they may not be transferred separately.

Successful Remarketing Process means a Remarketing Process in relation to which the Responsible Entity receives from Unitholders on the Register on the Remarketing Cut-Off Date:

- (a) Hold Notices (excluding any Deemed Hold Notices); or
- (b) Bid Notices (excluding any Deemed Step-Up Notices) specifying a margin equal to or less than the margin specified by the Unitholder within the range of margins set out in the Remarketing Process Invitation, and cumulatively those notices were given in respect of at least 25% of Goodman PLUS on issue at the time that the Remarketing Process Invitation was issued.

Terms means the terms of issue of the Goodman PLUS set out in schedule 2 of the Constitution.

Transferee means the person (who need not be a member of Goodman Group) nominated by Goodman RE to be the transferee for the purposes of clause 5.9 ("Repurchase Process") or clause 6 ("Exchange") of the Terms.

Unit means a fully paid ordinary unit in GIT.

Unitholder or **Goodman PLUS unitholder** means a holder of Goodman PLUS on the Register.

Corporate directory

Goodman PLUS Trust

ARSN 128 290 808

Responsible Entity

Goodman Funds Management Limited
ABN 48 067 796 641; AFSL Number 223621

Registered office

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Australia

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Facsimile +61 2 9230 7444

Email info-au@goodman.com

Website www.goodman.com

Directors

Mr David S Clarke, AO	(Chairman)
Mr Gregory Goodman	(Group Chief Executive Officer)
Mr Ian Ferrier, AM	(Independent Director)
Mr Patrick Goodman	(Non-Executive Director)
Ms Diane Grady	(Independent Director)
Mr John Harkness	(Independent Director)
Mr James Hodgkinson	(Non-Executive Director)
Ms Anne Keating	(Independent Director)
Mr Jim Sloman, OAM	(Independent Director)

Company Secretary

Mr Carl Bicego

Security registrar

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ASX code

GMP

