

Annual Report+



2013



Goodman PLUS Trust Annual Report 2013

Contents

Letter from the Chairman	1
Corporate governance	2
Summary of terms of redemption and exchange of Goodman PLUS	12
Financial report	14
Independent auditor's report	31
Securities information	32
Definitions	33
Corporate directory	IBC

Letter from the Chairman

10 September 2013

Dear PLUS Holder

On behalf of the Directors of Goodman Funds Management Limited (GFM) in its capacity as responsible entity of the Goodman PLUS Trust (Trust), I am pleased to provide the Annual Report for the Trust.

The Responsible Entity is the Issuer of the Goodman PLUS (PLUS) which are perpetual, preferred units in the Trust. The Trust is a sub-trust of GFM in its capacity as responsible entity of the Goodman Industrial Trust (GIT RE), which together with Goodman Limited (GL) and Goodman Logistics (HK) Limited (GLHK), comprise Goodman Group (Goodman or Group).

During the year, the Group announced a proposal (the Proposal) to amend the terms of the PLUS, with the objective of making the PLUS a more attractive investment opportunity for existing PLUS Holders and potential future investors, in response to the prevailing market conditions.

The Proposal was considered to be in the best interests of PLUS Holders by the Directors of GFM, having considered the conclusions of the Independent Board Committee established to consider the Proposal, and the independent expert (KPMG Corporate Finance).

Pleasingly, the Proposal was approved by a majority of PLUS Holders at a meeting held on 26 September 2012, which has resulted in a number of amendments being made to the PLUS, including among other things, a higher rate of return for PLUS Holders. The PLUS now offer quarterly, floating rate interest payments with a Margin of 3.90% per annum over the three month Bank Bill Swap Rate.

You can find out more information about the changes to the PLUS terms and Goodman at www.goodman.com.

I would like to thank PLUS Holders for their continued support during the year, ensuring that Goodman PLUS remains an attractive investment opportunity and long-term source of capital for Goodman.



Ian Ferrier, AM
Independent Chairman

Corporate governance

Goodman is committed to the highest standards of corporate governance and recognises that an effective corporate governance culture is critical to the long-term performance of the business.

As an Australian Securities Exchange (ASX) listed entity, Goodman is required to meet the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition) or disclose any differences. The corporate governance statement below outlines the ways in which Goodman (including where applicable, the Goodman PLUS Trust in particular), has met the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition) for the 2013 financial year. Any departures are described in the corporate governance statement below.

Goodman is a stapled group comprising Goodman Limited (GL), Goodman Industrial Trust (GIT) and Goodman Logistics (HK) Limited (GLHK). Goodman is listed on the ASX under the ticker code "GMG" and further information about Goodman and its corporate governance is available in its 2013 Annual Report and on its website at www.goodman.com.

Goodman PLUS Trust (Trust) is a special purpose sub-trust of Goodman and the issuer of the Goodman PLUS. The Goodman PLUS are part of Goodman's ongoing capital management strategy and the proceeds received by the Trust have been loaned to another sub-trust of Goodman. The Trust does not have any employees.

The responsible entity of the Trust is Goodman Funds Management Limited (GFM or Responsible Entity), a subsidiary of Goodman. GFM is also the responsible entity of GIT and in that capacity holds the ordinary units in the Trust and has certain powers under the Goodman PLUS Terms. In exercising such powers, GFM can have regard to the interests of the members of GIT.

The Trust is governed by its constitution, applicable laws (including the Australian Corporations Act 2001), the ASX Listing Rules and the compliance plan lodged with the Australian Securities & Investments Commission.

The Boards and RE Board

The term "RE Board" is a reference to the Board of GFM as Responsible Entity of the Trust. GFM as Responsible Entity of the Trust (a registered managed investment scheme) must perform its duties in accordance with the constitution of the Trust and the laws applicable to responsible entities of managed investment schemes, as prescribed by the Australian Corporations Act 2001. These duties require GFM to:

- + act honestly;
- + exercise the degree of care and diligence that a reasonable person would exercise if they were in the responsible entity's position;
- + act in the best interests of members; and
- + treat members of the same class equally.

The Boards of Goodman comprise the Boards of GL and GFM as the responsible entity of GIT, which meet jointly and comprise the same Directors, and the Board of GLHK.

GLHK is a separate legal entity and is managed by a separate board of directors, which partially overlaps with the GL/GFM Board. GLHK is a Hong Kong tax resident and the GLHK Board must be comprised of at least 50% Hong Kong residents.

The Boards of GL and GFM are comprised of 11 Directors, seven of whom are independent, and are chaired by Mr Ian Ferrier, AM. The Board of GLHK is comprised of four Directors, two of whom are independent and is also chaired by Mr Ian Ferrier, AM.

The GL/GFM Board and the GLHK Board must exercise their respective functions diligently and, to the extent permitted by law, in the best interests of Securityholders as a whole. The GLHK Board is governed by Hong Kong law (including the Companies Ordinance) and GLHK is also subject to the ASX Listing Rules and the Australian Corporations Act requirements for registered foreign companies.

The Boards of Goodman are responsible for its operations and governance and have oversight of the Group's business, operations and compliance. The GLHK Board is responsible for the preparation of GLHK stand-alone accounts, the determination of dividends out of GLHK and any other non-delegable acts.

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 Director's background strengthens the Boards and enables them to bring critical judgement and independent assessment to the oversight of Goodman's business. The Boards are responsible for all aspects of the management of Goodman and have ultimate responsibility for its corporate governance practices.

The Boards, through their delegation to the Remuneration and Nomination Committee, actively consider the appropriate size, composition and experience of the Boards to respond to changing circumstances in their membership, the business and its strategy, and the markets in which it operates. The Boards seek to ensure that they have the broad base of skills and experience necessary to set the strategic direction of Goodman, oversee management's implementation of strategy and enhance corporate performance.

In January 2013, the Boards of GL/GFM were further strengthened by the appointment of three senior executives, Anthony Rozic (Deputy Chief Executive Officer), Danny Peeters (Executive Director, Continental Europe and Brazil) and Philip Pearce (Managing Director, Greater China) as Directors of GL and GFM. Mr Pearce was already a director of GLHK.

The roles, responsibilities and operation of the Boards of Goodman and their delegation of authority to management is set out in the Board Charter which was updated in August 2013 and adopted by GL, GFM and GLHK. The charter clearly establishes the role of the Boards in setting Goodman's objectives and their responsibilities in the implementation of such objectives. A copy of the charter is published on Goodman's website at www.goodman.com.

The Boards have the power to do all things necessary to perform their duties and fulfil their purpose including to:

- (i) set strategic direction for the Goodman business;
- (ii) approve strategic alliances;
- (iii) review progress against strategy;
- (iv) approve principles, policies, strategies, processes and control frameworks for the management of Goodman's business; and
- (v) sub-delegate their powers and discretions to Committees of the Boards, executives of Goodman, or management committees with or without the power to delegate further.

The Boards have developed a statement of delegated authority to management. This delegated authority stipulates those matters to be dealt with by the Boards and those matters which are delegated to management. The general statement of delegated authority governs areas such as finance, corporate matters and property transactions.

The composition of the GL/GFM Boards and the GLHK Board as at 30 June 2013 is shown below. Please refer to page 15 in the Directors' report for details of each Director's attendance at Board and committee meetings during the year.

GL/GFM Board

Mr Ian Ferrier, AM	Independent Chairman
Mr Gregory Goodman	Group Chief Executive Officer (Executive Director)
Mr Philip Fan	Independent Director
Mr John Harkness	Independent Director
Ms Anne Keating	Independent Director
Ms Rebecca McGrath	Independent Director
Mr Phillip Pryke	Independent Director
Mr Jim Sloman, OAM	Independent Director
Mr Philip Pearce	Executive Director
Mr Danny Peeters	Executive Director
Mr Anthony Rozic	Executive Director

GLHK Board

Mr Ian Ferrier, AM	Independent Chairman
Mr Gregory Goodman	Group Chief Executive Officer (Executive Director)
Mr Philip Fan	Independent Director
Mr Philip Pearce	Executive Director

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, and disclosure of interests. Please refer to pages 17 to 19 in the Directors' report for the skills and experience of each Director.

In respect of tenure, all Directors of the GL/GFM Board and GLHK Board other than the Group Chief Executive Officer (CEO) are subject to re-election by rotation at least every three years and new Directors appointed to the Boards are required to seek election at the first Annual General Meeting (AGM) of Goodman's Securityholders following their appointment. However, a holding of Goodman PLUS does not provide a voting right in respect of the matters to be considered at the Goodman AGM (including the election of Directors).

All new Directors undertake an induction process which includes meeting key executives and the provision of an information pack regarding the operations of Goodman, including key company policies and guidelines, constitutions and compliance plans.

Goodman stipulates the standards of ethical behaviour expected of Directors, key executives and employees in its Code of Conduct and requires the observance of those standards. The Code of Conduct and accompanying core policies on conflicts of interest, continuous disclosure, dealing with public officials, gifts, employee reporting and protection, related party dealings, securities trading and sustainability are available on Goodman's website at www.goodman.com.

Goodman requires Non-Executive Directors to accumulate and hold Goodman securities with a value equivalent to twice their annual base fees and applies 25% of Directors' net base fees to the acquisition of Goodman securities until that value of securities is held.

For the purpose 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 professional 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 are provided with tours of Goodman's properties, both within Australia and overseas.

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

Corporate governance

Continued

Independent decision-making

The Boards recognise the importance of independent decision-making by Directors and have established policies which require the independence of Directors to be assessed annually and that the 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 Boards.

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

Criteria for assessing independence

The Boards have assessed individual Directors for independence using the definition of independence provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Independence is assessed annually and was last confirmed in June 2013.

The Boards considers that a material professional adviser or material consultant is one that derives more than 5% of their revenue from Goodman. The Boards also consider that a substantial Securityholder, for the purpose of assessing independence, holds more than 5% of Goodman's securities but also has regard to other relationships that the Securityholder may have with Goodman.

The table on page 15 sets out the Directors and their status.

The Directors consider Mr Ian Ferrier, Mr Philip Fan, Mr John Harkness, Ms Anne Keating, Ms Rebecca McGrath, Mr Phillip Pryke and Mr Jim Sloman to be independent.

Mr Gregory Goodman, Mr Anthony Rozic, Mr Danny Peeters, and Mr Philip Pearce are Executive Directors of Goodman.

Performance review

The Boards review their performance and that of their committees approximately every two years. The Boards consider 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 Boards over time. An assessment of the performance of the GL/GFM Board, committees and individual Directors was conducted at the end of 2012. 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. In relation to the 2012 performance review, the questionnaires completed by the Directors covered the following matters:

- + Board contribution to developing strategy and policy;
- + interaction between the Boards and management;
- + Board processes to monitor business performance and compliance, control risk and evaluate management;

- + Boards composition and structure; and
- + operation of the Boards including the conduct of Board and committee meetings.

The performance of senior executives is reviewed annually through a structured process of self-assessment and review against previously established goals and objectives by the Group CEO. This process is co-ordinated by Goodman's Human Resources department and applied globally throughout Goodman.

Chairman

Mr Ian Ferrier was appointed as Acting Chairman on 28 November 2008 and Chairman on 28 July 2009.

Ian is an Independent Director with in excess of 40 years of experience in corporate recovery and turnaround practice.

In his role as Chairman, Ian is responsible for ensuring that the Boards function as an effective and cohesive group, working with the Group CEO to determine the strategic direction for Goodman, establishing high standards of corporate governance 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 Boards.

Group Chief Executive Officer

The Group CEO is Mr Gregory Goodman. The terms, conditions and responsibilities of his role are established in an agreement with Goodman. Gregory's role as Group CEO is to support and encourage his management team to deliver the strategy developed by the Boards and management. His role involves an intimate knowledge of all aspects of the business and communication of the strategy and operational results to the Boards, 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, maintaining Goodman's register and apprising the Boards on legal and governance issues. His biographical details appear on page 19 in the Directors' report.

Remuneration

Goodman follows the principles of remuneration that are set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. These include a policy of rewarding employees with a mixture of fixed, performance-linked and equity based remuneration. Further information in relation to the remuneration policies is set out in the remuneration report in the Directors' report in Goodman's 2013 Annual Report.

The salary and/or fees of each Director and other key management personnel are disclosed in the Directors' report in Goodman's 2013 Annual Report.

Committees and oversight

Effective oversight and risk management are a fundamental part of the Trust's business strategy and are central to protecting Unitholders' interests. The Boards have the ultimate responsibility for risk management and compliance of Goodman and the Trust. Goodman and the Trust operate within overall guidelines and specific parameters set by the Boards.

The Boards have established a number of committees to assist in the exercise of their functions and the discharge of their duties, such as ensuring that financial reports are true and fair and comply with applicable accounting standards. Each committee can sub-delegate its powers and discretions, including to executives of Goodman, with or without the power to delegate further.

The Board of GLHK has reserved the right to make decisions in respect of any matters delegated to and considered by the committees (including the Audit Committee, the Remuneration and Nomination Committee and the Risk and Compliance Committee) and the committees will only make recommendations to the Board of GLHK.

A summary of the roles of the various committees is set out below.

Audit Committee

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

- + overseeing financial reporting principles and policies, controls and procedures;
- + ensuring the integrity of Goodman's (including the Trust's) financial statements, independent external audit and the Group's compliance with legal and regulatory requirements relating to financial statements; and
- + establishing procedures for selecting, appointing, and if necessary, removing Goodman's (including the Trust's) external auditor.

The Committee has the power delegated by the Boards to undertake all things necessary to perform its duties and fulfil its purpose including:

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

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

- + senior members of management are invited to attend Committee meetings and to present to the Committee on key issues;
- + Committee members regularly meet with management, independently of Committee meetings, to further discuss issues relevant to the work of the Committee; and
- + the Committee meets with the external auditor, without management being present.

The Committee reports to the Boards 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 Goodman and the Trust.

The Trust has engaged KPMG to act as its external auditor. As part of the terms of engagement, KPMG is required to review or audit as relevant, the half yearly and annual financial report prior to approval by the RE Board, and discuss its findings with the Committee, including the adequacy of financial and accounting controls.

Each reporting period, the external auditor provides an independence declaration in relation to the review or audit. The Committee is also responsible for assessing whether non-audit services provided by the external auditor are consistent with the external auditor's independence and compatible with the general standard of independence of auditors imposed by the Australian Corporations Act 2001.

The Audit Committee is comprised solely of the Independent Directors, being Mr John Harkness (Chairman), Mr Ian Ferrier, Mr Phillip Pryke and Mr Philip Fan (from 10 August 2012).

John is a Chartered Accountant and was a former partner of KPMG before retiring 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. Ian is also a Chartered Accountant with significant financial expertise and was previously the Chairman of the Audit Committee. The other members bring extensive business experience to the Committee.

Please refer to page 15 in the Directors' report for details of the Committee members' attendance at meetings during the year.

Goodman's Audit Committee Charter is available on its website at www.goodman.com.

Corporate governance

Continued

Executive confirmations

In addition to the work of the Audit Committee, the Group CEO and the Group Chief Financial Officer (CFO) provided confirmation to the RE Board in writing that the Trust's financial reports 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 CEO and the Group CFO also provided written confirmation that, to the best of their knowledge and belief:

- + the statement given to the Boards on the integrity of Goodman's and 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 Boards; and
- + Goodman's and the Trust's risk management and internal compliance and control systems are operating efficiently and effectively in all material aspects.

These statements are based on a Group-wide and broad ranging series of half and full 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 Boards have required that management design and implement a risk management and internal control system to manage Goodman's (including the Trust's) material business risks. The Boards have established a Risk and Compliance Committee to provide oversight and direction to Goodman's (including the Trust's) system of risk oversight, management and internal controls.

The Committee is comprised solely of the Independent Directors, being Mr John Harkness (Chairman), Ms Anne Keating, Mr Jim Sloman, Mr Philip Fan (from 10 August 2012) and Ms Rebecca McGrath (from 10 August 2012), and meets at least four times a year. Further information regarding the attendance of committee members can be found on page 15 in the Directors' report.

The Committee operates under a formal charter (available on Goodman's website at www.goodman.com) and reports to the Boards regarding the effectiveness of its risk management framework in relation to:

- + internal risk management systems;
- + internal audit framework;
- + internal compliance systems and external compliance audit functions (including the Committee acting as the Compliance Committee for each registered managed investment scheme of which GFM is the responsible entity);
- + sustainability programme;
- + Work Health and Safety (WH&S); and
- + insurance requirements.

The internal audit function involves a rolling programme of reviews and control testing of Goodman's business processes.

The internal audit programme is closely aligned to the risk management framework. The internal audit function is wholly independent of the external audit function. The findings of internal audit are reported to the Risk and Compliance Committee and where relevant, the Audit Committee, and management responds to the recommendations.

Goodman's risk management system has been developed in accordance with international and Australian/New Zealand standards on risk management and has been underpinned by a Risk Management Policy that sets out the oversight and management of risk for Goodman. Goodman's Risk Management Policy is available on its website at www.goodman.com.

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 Goodman.

Consistent with Goodman's approach of transparent reporting to the Boards, 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. External experts and third party service providers are also invited to attend Committee meetings to provide the Committee with further information and understanding of the way in which Goodman manages its risk and compliance obligations.

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

Management has reported to the Boards and the Boards have formed the view that Goodman manages its risks effectively.

Remuneration and Nomination Committee

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

- + identify and recommend individuals to the Boards for nomination as members of the Boards and its committees;
- + ensure performance of members of the Boards is reviewed;
- + develop and recommend to the Boards relevant corporate governance principles;
- + ensure an appropriate Board and committee structure is in place so that the Boards can perform a proper review function;

- + review and monitor the implementation of Goodman's Diversity Policy and goals;
- + review and make recommendations to the Boards in respect of the administration of Goodman's remuneration programmes (including the engagement of any remuneration consultants);
- + review and make recommendations to the Boards in respect of the approval and remuneration of senior executives and Non-Executive Directors;
- + prepare for approval by the Boards the remuneration report; and
- + report regularly to the Boards on each of the above matters.

The Committee is responsible for engaging remuneration consultants for the provision of remuneration recommendations for key management personnel.

The Remuneration and Nomination Committee operates under a formal charter, a copy of which is published on Goodman's website at www.goodman.com.

The Committee is comprised solely of the Independent Directors, being Mr Phillip Pryke (Chairman), Mr Ian Ferrier, Ms Anne Keating, Mr Jim Sloman (from 10 August 2012) and Ms Rebecca McGrath (from 10 August 2012). Further information regarding the attendance of Committee members can be found on page 15 in the Directors' report.

The Trust does not have its own employees and is not responsible for the remuneration of any employees of Goodman.

Engagement with Stakeholders

Timely and balanced disclosure

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

Goodman's Continuous Disclosure Policy outlines the procedures followed internally to ensure timely and full disclosure of material through the ASX. Under this Policy, Investor Relations is responsible for the co-ordination of all ASX announcements by Goodman and the Trust; however, it relies on the input and sign-off of key staff in each division to which the ASX announcement relates.

The Group CEO and the Company Secretary (Communications Officer) review all filings prior to lodgement with ASIC or the ASX and are responsible for ensuring timely lodgement of all documentation.

The Boards' policy is to review announcements on key transactions. In addition, the Boards will approve periodic or other mandatory disclosures of announcements concerning:

- + half yearly and full year financial statements and results;
- + annual reports;
- + investor or market updates (especially when including new price sensitive information);
- + Extraordinary or Annual General Meetings;
- + disclosure documents concerning the issue of securities;
- + transactions that will require Securityholder approval (such as related party transactions, and matters requiring Board recommendations); and
- + corporate transactions such as takeovers or schemes.

All announcements are reported to the Boards and a record is made of where the announcement has been reviewed by the Boards as part of Board papers or otherwise.

The Communications Officer has responsibility for all communications with the ASX. The Communications Officer authorises all market communications and is kept informed of issues discussed during meetings with investors/analysts. The Communications Officer reviews other market communications such as press releases and other corporate publications to ensure a consistent approach is adopted in relation to disclosure. Following receipt of confirmation of lodgement and the release of announcements, relevant information is then published on Goodman's website at www.goodman.com.

Goodman's senior executives, including the Communications Officer, regularly meet to consider operational matters and regulatory compliance including the consideration of identified potential transactions that may require disclosure. In particular, this includes significant corporate or property transactions, and refinancing at the Group level or within Goodman's managed funds.

The Continuous Disclosure Policy also sets out when trading halts are to be used, how to respond to market speculation and guidelines regarding how communications are to be made through differing forms of media.

Information on continuous disclosure is made available to all employees on commencement of employment. Goodman's Continuous Disclosure Policy is available on its website at www.goodman.com.

Communication with Goodman PLUS Holders

Goodman has implemented a number of processes in order to facilitate the effective and efficient exercise of the rights of all Goodman PLUS Holders and Goodman Securityholders. Goodman communicates information to Goodman PLUS Holders and Goodman Securityholders through a range of media, including annual reports, half year results, quarterly updates, general communications and ASX announcements. Goodman's results presentations are webcast and available for downloading on the website. Key financial information and stock performance are also available on Goodman's website.

Corporate governance

Continued

Goodman PLUS Holders can raise questions by contacting Goodman by telephone, facsimile, email or post. Contact details are provided on the website and at the back of this Annual Report.

Goodman's policy and procedures in relation to investor communications are incorporated into its Continuous Disclosure Policy.

Complaints handling

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

Policies and codes

Responsible and ethical decision-making

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

The Code of Conduct requires Directors and employees to, among other things:

- + keep abreast of Goodman's policies and procedures, and where necessary sign acknowledgements that they have read these policies;
- + maintain appropriate standards of workplace behaviour;
- + comply with the Group's Diversity Policy;
- + co-operate fully with any investigations relating to Goodman's policies;
- + comply with the Group's Securities Trading Policy;
- + notify the Group General Counsel in writing if they are required by any regulatory body to provide information, answer charges or face proceedings in respect of any matter arising during their tenure with Goodman;
- + keep any and all Goodman information confidential except as necessary for marketing Goodman products and services;
- + notify the Group Head of Risk, Group General Counsel, Group General Manager, Human Resources and/or local country head if they have reason to suspect fraud, corrupt, criminal or unethical conduct by any Director or employee of Goodman; and
- + not make or accept payment or any other benefit in money or kind as an inducement or reward for any act or in connection with any matter or business transaction undertaken by or on behalf of Goodman.

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 of Conduct also charges all employees with responsibility for reporting unethical or corrupt conduct.

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

Securities trading

The Securities Trading Policy, which is made available to Directors on their appointment and employees on their commencement, prohibits Directors and employees from trading in Goodman securities (including Goodman PLUS) 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 Goodman securities or who is likely to procure a third party to purchase or sell those securities.

Under the Securities Trading Policy, the only appropriate time for a Director or employee to acquire or sell Goodman securities is when he or she is not in possession of price sensitive information that is not generally available to the market. To avoid any adverse inference being drawn of unfair dealing, Directors and employees are not to deal in Goodman securities during the two week period before the end of a half year of annual financial period through to the release of Goodman's half yearly or yearly results. A trading blackout is notified to Directors and employees during those times and may also be notified by the Company Secretary or Group CEO at other times when considered appropriate.

Approval is not given during a trading blackout unless the Group CEO or Chairman is satisfied of circumstances amounting to hardship and that the person is not in possession of price sensitive information which is not generally available to the market.

Directors and employees are not allowed to engage in short-term trading of Goodman securities under the Securities Trading Policy nor are Directors or senior executives allowed to enter into derivative contracts that hedge their exposure to movements in the price of Goodman securities that have not vested.

The Securities Trading Policy applies to decisions to sell Goodman securities by a mortgagee, chargee or margin lender under a margin loan or other financing arrangements. Directors or employees may apply, on the basis of hardship, for consent to trade from the Chairman or Group CEO notwithstanding that a trading blackout might otherwise apply.

Any trade in breach of the Securities Trading Policy must be immediately disclosed to the Company Secretary for reporting to, and consideration by, the Boards.

Conflicts of interest

Goodman has a Conflicts of Interest Policy in accordance with its commitment to conducting its business ethically and with integrity.

Directors, employees and consultants are required to comply with the Conflicts of Interest Policy. The purpose of this Policy is to outline the procedures in place to control and avoid conflicts of interest by identifying, assessing, managing and reporting on the types of conflicts of interest which Goodman anticipates will affect or arise from its business. The Policy covers the mechanisms to:

- + identify conflicts of interest;
- + manage conflicts of interest by assessing and evaluating actual or potential conflicts, and decide upon and implement an appropriate response to those matters; and
- + maintain written records that demonstrate how Goodman manages conflicts which occur.

Related parties

Goodman has implemented a Related Parties 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 Goodman. The Policy ensures that all transactions involving related parties of Goodman conform to the requirements of the Australian Corporations Act 2001 and ASX Listing Rules.

Gifts

Goodman has a Gifts Policy setting out its commitment to reasonable and proportionate gift giving and receiving by Directors and employees. Management recognises that the giving and receiving of business related gifts and corporate entertainment are an important part of building business relationships with potential and existing customers. However, Directors and employees must exercise caution to ensure only bona fide gifts are given and received which will not influence, or appear to influence, Goodman's or third party judgements.

The Gifts Policy outlines the general prohibitions and guiding principles that Directors and employees should consider when giving and receiving gifts, and also details the mechanisms for approving, recording and reporting of gifts.

Dealing with public officials

Goodman's Dealing with Public Officials Policy sets out its commitment to conducting its business in accordance with applicable laws and regulations and in a way which will maintain and enhance its reputation in the market. One aspect of this commitment is that Goodman always 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. Goodman strictly prohibits any activity that seeks to bribe, corrupt or otherwise improperly influence a public official or third party in any country or to act (or omit to act) in a way that differs from that official's proper duties, obligations and standards of conduct.

The Dealing with Public Officials Policy outlines the general prohibitions against bribery and corruption of public officials (both in Australia and overseas), the procedures around dealing with public officials, and the detection and reporting of bribery and corruption.

Employee reporting and protection

Goodman is committed to conducting business in a culture of integrity, compliance and ethical behaviour. Goodman also considers that it has a responsibility to its employees, Securityholders and customers to safeguard against any attempts of fraud, bribery and corruption. In light of this, and its belief in the importance of having a mechanism for the reporting of wrongdoing and protecting those who report wrongdoing, Goodman has an Employee Reporting and Protection Policy. This Policy encourages employees, management and contractors to report instances of improper behaviour by outlining the way Goodman will protect those who raise concerns about unacceptable behaviour.

Work Health and Safety (WH&S)

Goodman recognises its obligations under the WH&S legislation and is committed to the implementation and proper management of appropriate risk management procedures to protect the safety of its employees, contractors, customers and visitors. Goodman's commitment to WH&S extends to all facets of its business with the overall responsibility for WH&S resting at the highest level of management and the Boards. However, every employee is also required to comply with the WH&S and to perform all duties in a safe and responsible manner.

Goodman has developed and implemented a WH&S management programme and an online Contractor Induction system.

Diversity

Goodman's Diversity Policy aims to provide a work environment that values diversity and inclusion in all locations around the world. This is consistent with two of Goodman's corporate values (Goodman Values), which are Open+Fair and Team+Respect.

The Policy provides that Goodman will:

- + ensure all workplaces are free of harassment and unlawful discrimination;
- + recruit, appoint and promote on the basis of merit;
- + provide equal access for all employees for personal development, management skills development and career path opportunities;
- + recognise cultural differences that exist around the world;
- + be aware of and accommodate the needs of individuals with family and carer responsibilities, through flexible and contemporary work practices;
- + be aware of customers' diversity and their expectations;
- + create an inclusive work environment, where ideas and opinions are shared for the overall benefit of the Group;
- + contribute to the community through a range of philanthropic channels;
- + create and implement programmes that aim to increase career advancement opportunities for female employees across the business globally; and

Corporate governance

Continued

- + support and achieve the above objectives by inclusion of these within key performance indicators for senior management and ensure Board review of progress.

Gender diversity strategy objectives

The Group's strategy is to enable all employees to reach their potential and many of its initiatives are targeted at employees below the executive levels. In particular, it is the objective of the Group's gender diversity strategy to increase the representation of female employees at senior levels.

The Group has reviewed the way it measures this representation, having regard also to changes in the organisational structure and presence in new markets, and has focused on the scope and content of roles in addition to the proximity to the CEO in reporting.

In reporting on the representation of female employees at the senior executive level, the Group also considers it appropriate to consider those female employees at the executive level. This group is a pool from which Goodman's senior executives would be selected in the absence of external appointments and is also indicative of the progress that is being made to increase gender diversity at the senior executive level. For the purposes of the Group's diversity strategy the following definitions are applied:

Level	Role characteristics	Target
Senior executive	Roles with highest complexity, leading a function, business unit or region across multiple geographies. High discretion and autonomy. Will manage a team of individuals with specific and distinct objectives. High commercial impact.	25–35%
Executive	Sub-regional business role or functional specialist with high complexity, risk profile and/or commercial outcomes. May have team management responsibility.	35–45%

The revised targets do not represent a departure in commitment from increased gender diversity from the proximity based measures that were previously used. The revised targets reflect the Group's aspiration to increase female employee representation within the specific career levels where possible. The Group's policy is to seek to meet these targets by 30 June 2015, though progress will depend on the general level of change at the senior executive and executive levels, the Group's growth and opportunities, and the skills and suitability of individuals to fill those opportunities, amongst other factors.

Policy implementation and initiatives

The Group strives to ensure that career advancement occurs at all levels, however considers that specific initiatives for female employees are required. This career advancement requirement is a consistent policy objective along with reducing the internal and external barriers to female workplace inclusion and participation.

The Group has also implemented several initiatives to advance the Group towards its objective.

These initiatives are:

- + Training based – through general and specific career coaching for groups and individuals to assist individuals to drive their own career development activities;
- + Mentoring based – providing specialised career advice and workplace mentoring for those employees identified as being high potential; and
- + Policy enhancements – review of specific policy items that could assist female employees to return to work after a period of maternity leave and to better balance the requirements of work and family on an ongoing basis or to reduce unlawful discrimination.

Further information on the range of activities that have been undertaken to support the Group in meeting its diversity objectives are described under the section "Corporate responsibility and sustainability – Diversity initiatives" on page 21 of Goodman's 2013 Annual Report.

Progress and reporting on diversity

On an overall basis, the gender representation of Goodman employees as at 30 June 2013 remained relatively unchanged at 54% male and 46% female.

Progress has been made at the senior executive level where in respect of 21 senior executives within the Group, 14% are female, which is an increase on the prior year. In general, there are also higher levels of female employees in the pool from which executives are likely to be drawn. With regard to gender diversity of the Boards, two of the eleven directors (18%) are women.

Each of the documents referred to above is available to Securityholders on Goodman's website at www.goodman.com.

Summary of terms of redemption and exchange of Goodman PLUS

On 26 September 2012, a meeting of Goodman PLUS Unit Holders resolved to amend the terms of the Goodman PLUS from 27 September 2012.

The key amendments to the PLUS Terms regarding redemption and exchange were that:

- + the next Remarketing Date will be 30 September 2017;
- + after 30 September 2017, the Issuer can Repurchase or Exchange the PLUS before any Distribution Payment Date; and
- + PLUS Holders will be able to request the Issuer to elect to Repurchase or Exchange PLUS on 31 December 2073.

This summary is based on, and subject to, the amended Terms of the Goodman PLUS as at the date of publication of this report.

The Remarketing Process is a process initiated by the Responsible Entity to adjust the Margin to the Remarketing Margin and amend certain other terms of the Goodman PLUS on and from each Remarketing Date. Unitholders may participate in this process by responding to a Remarketing Process Invitation.

The First Remarketing Date has been adjusted to 30 September 2017. 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.

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.

If Remarketing is not undertaken, the Responsible Entity may either:

- + choose to Repurchase or Exchange the Goodman PLUS; or
- + begin paying Distribution Amounts at the Margin applying prior to the Remarketing Date plus any applicable Step-up Margin.

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

- + 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 any applicable Step-up Margin;

- + 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
- + 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:

- + set the Remarketing Margin; or
- + 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 the applicable Step-up Margin 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 the applicable Step-up Margin 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 will apply to any Goodman PLUS which are not Repurchased or Exchanged by the Responsible Entity. The Step-up Margin only applies once.

Summary of terms of redemption and exchange of Goodman PLUS

Continued

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 Winding-up Event occurs in relation to the Goodman Entities or the Goodman PLUS Trust (other than a winding-up of the Goodman PLUS Trust initiated by the Unitholders);
- + a De-Stapling Event occurs with the Goodman Entities approval or consent;
- + an unauthorised amendment to the Goodman PLUS Terms, the Guarantee or the Implementation Deed is made; or
- + the Responsible Entity fails to Repurchase or Exchange the Goodman PLUS of Exiting Unitholders following a Successful Remarketing Process or with respect to all of the Goodman PLUS on or before the 35th Business Day before 31 December 2073.

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

- + any of the circumstances listed above occur;
- + the Goodman Entities breach the Distribution Restriction; or
- + a Change of Control Event is recommended by a majority of the Directors of each Goodman Entity.

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

Repurchase and Exchange by the Responsible Entity

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

- + between six months and 50 Business Days prior to 30 September 2017; or
- + no later than 25 Business Days before a Distribution Payment Date after 30 September 2017; or
- + within 20 Business Days after the occurrence of a Change of Control Event; or
- + within 20 Business Days after a De-Stapling Event occurs in respect of any or all of the Goodman Entities or a Winding-up Event occurs in respect of any or all of the Goodman Entities or, for so long as the Goodman PLUS Trust is part of the Group, the Goodman PLUS Trust; or
- + at any time after the Responsible Entity ceases to be part of the Group without the consent of Goodman RE; or
- + at any time on one or more occasions within twenty four months of the Board of Directors of any of the Goodman Entities passing a resolution which constitutes a Regulatory Event; or

- + at any time while the aggregate Face Value of all Goodman PLUS on issue is less than the Minimum Outstanding Amount; or
- + at any time upon the receipt of a valid notice from a Unitholder that the Unitholder wishes to Repurchase or Exchange; or
- + following a Successful Remarketing Process (in respect of all Goodman PLUS held by Exiting Unitholders); or
- + no earlier than six months before and no later than 35 Business Days before 31 December 2073; or
- + 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:
 - the relevant Realisation Date;
 - the number of Goodman PLUS of the Unitholder to be Repurchased or Exchanged;
 - the basis for the Repurchase or Exchange; and
 - 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;

provided that, where a Realisation Amount is calculated following a Holder's election in a Holder Realisation Notice for Repurchase or Exchange in respect of a Holder Realisation Event under clause 5.2(h) ("Holder Realisation Events"), the Realisation Amount shall be an amount equal to the Face Value for the Goodman PLUS.

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:

- + on the Realisation Date, the relevant Goodman PLUS are automatically transferred to the Transferee; and
- + 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:

- + the Responsible Entity will have an obligation to pay an amount to redeem the Goodman PLUS;
- + the obligation will be discharged by the Responsible Entity applying that amount to the subscription of a number of Stapled Securities; and
- + the Goodman Entities 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, the Goodman Entities have 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

Contents

Directors' report	15
Lead auditor's independence declaration	20
Statement of financial position	21
Statement of comprehensive income	22
Statement of changes in equity	23
Cash flow statement	24
Notes to the financial statements	
1 Statement of significant accounting policies	25
2 Interest income	27
3 Earnings per unit	27
4 Distributions	27
5 Loan to related entity	28
6 Issued capital	28
7 Related party disclosures	29
8 Financial risk management	29
9 Notes to the cash flow statement	29
10 Events subsequent to balance date	29
Directors' declaration	30
Independent auditor's report	31

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 year ended 30 June 2013 and the independent audit report thereon.

Directors

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

	Appointment date ¹
Mr Ian Ferrier, AM (Independent Chairman)	23 February 2005
Mr Gregory Goodman (Group Chief Executive Officer)	17 January 1995
Mr Philip Fan (Independent Director)	1 December 2011
Mr John Harkness (Independent Director)	1 September 2004
Ms Anne Keating (Independent Director)	6 February 2004
Ms Rebecca McGrath (Independent Director)	3 April 2012
Mr Philip Pearce (Managing Director, Greater China)	1 January 2013
Mr Danny Peeters (Executive Director, Continental Europe and Brazil)	1 January 2013
Mr Phillip Pryke (Independent Director)	13 October 2010
Mr Anthony Rozic (Deputy Chief Executive Officer)	1 January 2013
Mr Jim Sloman, OAM (Independent Director)	1 February 2006

1. Represents the dates Directors were appointed to the board of directors (Board) of GFM.

Details of the Directors' qualifications and experience are set out on pages 17 to 19.

At both the date of his appointment as a Director and at 30 June 2013, Mr Anthony Rozic held 1,000 of the perpetual preferred units (Goodman PLUS) issued by the Trust. None of the other Directors has, or has had, any interests in either the ordinary unit or Goodman PLUS in the Trust.

Company Secretary

The Company Secretary at any time during or since the end of the year was:

	Appointment date
Mr Carl Bicego	24 October 2006

Details of the Company Secretary's qualifications and experience are set out on page 19.

Directors' meetings

The number of Directors' meetings held (including meetings of committees of Directors) and the number of meetings attended by each of the Directors during the year were:

Director	Board meetings		Audit Committee meetings		Remuneration and Nomination Committee meetings		Risk and Compliance Committee meetings	
	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended
Mr Ian Ferrier	11	11	4	4	3	3	–	–
Mr Gregory Goodman	11	11	–	–	–	–	–	–
Mr Philip Fan ²	11	11	3	3	–	–	3	2
Mr John Harkness	11	11	4	4	–	–	4	4
Ms Anne Keating	11	10	–	–	3	3	4	4
Ms Rebecca McGrath ³	11	11	–	–	2	2	3	3
Mr Philip Pearce ⁴	5	4	–	–	–	–	–	–
Mr Danny Peeters ⁴	5	4	–	–	–	–	–	–
Mr Phillip Pryke	11	11	4	4	3	3	–	–
Mr Anthony Rozic ⁴	5	5	–	–	–	–	–	–
Mr Jim Sloman ⁵	11	10	–	–	2	1	4	4

1. Reflects the number of meetings individuals were entitled to attend. The Directors make themselves available as required but a number of the above meetings were unscheduled with the result that Directors may not have been able to attend the meeting.

2. Mr Philip Fan was appointed to the Audit Committee and Risk and Compliance Committee on 10 August 2012.

3. Ms Rebecca McGrath was appointed to the Risk and Compliance Committee on 10 August 2012.

4. Mr Philip Pearce, Mr Danny Peeters and Mr Anthony Rozic were appointed as Directors on 1 January 2013.

5. Mr Jim Sloman was appointed to the Remuneration and Nomination Committee on 10 August 2012.

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

Principal activities

The principal activities of the Trust during the year were to invest in and lend to Goodman Limited, Goodman Industrial Trust, Goodman Logistics (HK) Limited and the entities they control (Goodman Group). There were no significant changes in the nature of the activities during the year.

Review of operations

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

	2013 \$000	2012 \$000
Interest income from:		
Cash at bank	3	3
Loan to related entity	21,863	21,331
Interest income and profit for the year	21,866	21,334

The increase in revenue and profit for the year is a result of the increase in the interest rates on the Trust's loans to other members of Goodman Group. This increase in rates occurred on 27 September 2012 following amendments to the terms of Goodman PLUS (refer to State of affairs section below).

State of affairs

On 26 September 2012, the Holders of Goodman PLUS approved a proposal by GFM to amend the terms of Goodman PLUS in response to market conditions. The key amendments, which came into effect on 27 September 2012, are as follows:

- + distributions under Goodman PLUS increased from a margin of 1.90% to a margin of 3.90% over the three month Bank Bill Swap Rate;
- + a step up margin of 0.25% per annum will apply if Goodman PLUS are not repurchased, exchanged or successfully remarketed on or before 30 September 2022. The first remarketing date under the amended terms is 31 December 2017 and thereafter every five years;
- + a final step up margin of 0.75% per annum will apply if Goodman PLUS are not repurchased or exchanged on or before 31 December 2038; and
- + Goodman PLUS Holders will have the right to require the Trust to elect to repurchase or exchange Goodman PLUS on 31 December 2073.

Distributions

The total distribution declared to the sole ordinary unitholder was \$3,477 (2012: \$2,740). The distribution declared to Goodman PLUS Holders during the year totalled 682.0 cents per unit (2012: 657.8 cents). Further details of distributions paid or declared in the year are set out in note 4 to the financial statements.

Strategy and outlook

The Trust will continue to loan the proceeds from the issue of Goodman PLUS to Goodman Finance Australia Trust (GFAT), a fellow controlled entity of GIT, receive interest and pay distributions to Goodman PLUS Holders on the due dates.

Interests of the responsible entity

GFM, as responsible entity for GIT, holds one ordinary unit.

Fees payable 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 20 and forms part of the Directors' report for the year.

Qualifications, experience and special responsibilities of Directors and Company Secretary

Board of GFM as responsible entity for the Trust

The Trust was created on 31 October 2007 and registered as a managed investment scheme on 14 November 2007. GFM is the responsible entity for the Trust and the Directors' dates of appointment referred to below relate to their appointment as a director of GFM and may be prior to the creation of the Trust.

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

Ian was appointed Chairman on 28 July 2009 (having been Acting Chairman from 28 November 2008). Ian is a Fellow of The Institute of Chartered Accountants in Australia and has in excess of 40 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 March 2001) and Australian Vintage Ltd (a director since November 1991) and a director of EnergyOne Limited (since January 2007) and Reckon Limited (since August 2004). His experience is essentially concerned with understanding the financial and other issues confronting company management, analysing those issues and implementing policies and strategies which lead to a success. Ian has significant experience in property and development, tourism, manufacturing, retail, hospitality and hotels, infrastructure and aviation and service industries.

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

Gregory is responsible for Goodman's overall operations and the implementation of its strategic plan. He has over 30 years of experience in the property industry with significant expertise in the industrial property arena. Gregory was a co-founder of Goodman, 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 (the manager of the New Zealand Exchange listed Goodman Property Trust) and director and/or representative on other Consolidated Entity controlled entities, management companies and funds.

Mr Philip Fan – Independent Director Appointed 1 December 2011

Philip was formerly an executive director and is now an Independent non-executive director of Hong Kong Stock Exchange listed China Everbright International Ltd, a company which focuses on the business of environmental protection and develops and manages numerous waste-to-energy and waste water treatments plants in China. Earlier in his career, he was an executive director of CITIC Pacific Ltd in charge of industrial projects in China. Included among his other directorships, he is an Independent Non-executive Director of the Hong Kong Stock Exchange listed Hysan Development Co Ltd, HKC Holdings Limited, First Pacific Company Limited

and Independent Director of the New York Stock Exchange listed Suntech Power Holdings Co., Ltd. He is also a member of the Asian Advisory Committee of AustralianSuper.

Philip holds a Bachelor's Degree in Industrial Engineering and a Master's Degree in Operations Research from Stanford University, as well as a Master's Degree in Management Science from Massachusetts Institute of Technology.

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 Chairman for five years. Since leaving KPMG in June 2000, John has held a number of non-executive director roles. He is currently the Chairman of Charter Hall Retail Management Limited (director since August 2003), the management company of Charter Hall Retail REIT. He is also Chairman of the Reliance Rail group (since 2011) and a director of Sinclair Knight Mertz Management Pty Limited (since 2010). He was formerly a director of Crane Group Limited (from September 2000 to December 2010). John is Vice President of Northern Suburbs Rugby Football Club Limited, a member of the Territorial Headquarters and Sydney Advisory Board of the Salvation Army and the Chairman of the Sydney Foundation for Medical Research.

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 a director of the management companies of the Ardent Leisure Group (since March 1998), REVA Medical, Inc. (since October 2010), and GI Dynamics, Inc. (since June 2011). Anne was formerly a director of STW Communications Group Limited (from May 1995 to February 2011), ClearView Wealth Limited (November 2010 to October 2012) as well as Spencer Street Station Redevelopment Holdings Limited and Insurance Australia Group Limited.

Anne is also a director of the Garvan Institute of Medical Research, a Member of the Advisory Council C.I.M.B Australia, a Governor of the Cerebral Palsy Alliance Research Foundation and was, until May 2012, 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.

Directors' Report

Continued

Ms Rebecca McGrath – Independent Director Appointed 3 April 2012

Rebecca is currently a Non-Executive Director of CSR Limited (since February 2012), Incitec Pivot Limited (since September 2011) and Oz Minerals Limited (since November 2010). During her executive career at BP plc she held numerous senior roles in finance, operations, corporate planning, project management and marketing in Australasia, the United Kingdom and Europe. Her most recent executive experience was as Chief Financial Officer of BP Australasia.

Rebecca holds a Bachelors Degree of Town Planning, a Masters of Applied Science (Project Management) and is a graduate of the Cambridge University Business and Environment Program. She is a Fellow of the Australian Institute of Company Directors.

Mr Philip Pearce – Managing Director, Greater China Appointed 1 January 2013

Philip is responsible for the strategic development and continued expansion of Goodman's industrial investment business in the Greater China region. He joined Goodman in 2002 and has over 16 years of experience in real estate investment in the Asia Pacific region, including four years in Singapore with Ascendas-MGM Funds Management Limited, the manager of Ascendas Real Estate Investment Trust. Prior to joining Goodman, he was at AMP Henderson Global Investors in Sydney where he worked in various roles within the AMP Henderson Property Group including valuation, asset management and fund management.

Philip is a director of Goodman Logistics (HK) Limited (appointed in February 2012) and is also a director of a number of Goodman's controlled entities. Philip holds a Bachelor of Commerce and Graduate Diploma in Finance and Investment.

Mr Danny Peeters – Executive Director, Continental Europe and Brazil Appointed 1 January 2013

Danny oversees Goodman's European and Brazilian operations and is responsible for the management, strategy and development of Goodman's property business. Danny has been with Goodman since 2006 and has 17 years of experience in the property and logistics sectors. Danny is a director of a number of Goodman's controlled entities and was responsible for establishing the Consolidated Entity's investment into Brazil.

During his career Danny has built up extensive experience in the design, implementation and outsourcing of pan-European supply chain and real estate strategies for various multinationals. Danny was Chief Executive Officer of Eurinpro, a developer of tailor made logistic property solutions in Europe acquired by Goodman in May 2006.

Mr Phillip Pryke – Independent Director Appointed 13 October 2010

Phillip is a director of Co-Investor Group and Tru-Test Corporation Limited and the Deputy Chairman and Lead Independent Director of New Zealand Exchange listed Contact Energy Limited. He is also a director of Goodman (NZ) Limited, the manager of the New Zealand Exchange listed Goodman Property Trust. He was formerly the Chairman of ASX listed Digital Performance Group Ltd (from January 2009 to August 2012).

Phillip has wide experience in the fishing, energy, financial services, and health and technology industries and holds a Bachelor of Economics Degree.

Mr Anthony Rozic – Deputy Chief Executive Officer Appointed 1 January 2013

Anthony's responsibilities for the Consolidated Entity include assisting in setting and managing strategy, business performance, corporate transactions and related operational projects with direct line management of marketing, information technology (IT), human resources, legal and compliance. Anthony joined Goodman in 2004 and until February 2009, was Group Chief Financial Officer where his responsibilities also included financial reporting, management reporting, forecasting and budgeting, tax, and capital and financial risk management. Anthony is a qualified Chartered Accountant and has held a number of senior roles in the property funds management industry and chartered accountancy profession.

Anthony is also a director of a number of Goodman's controlled entities and was recently responsible for establishing the Consolidated Entity's investment into the United States.

Mr Jim Sloman, OAM – Independent Director Appointed 1 February 2006

Jim has over 40 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 was 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. It, and he, advised on major events including the London 2012 Olympic Games and Rio de Janeiro 2016 Olympic Games. Jim is currently working as an advisor to the Qatar 2022 World Cup.

In addition, Jim is Chairman of Laing O'Rourke Australia Pty Limited and of several of its associated companies and a director of ISIS Holdings Pty Limited and of several of its associated companies. Jim was a director of Prime Infrastructure Holdings Limited (from February 2010 to December 2010) and Prime Infrastructure RE Limited (from February 2010 to December 2010) (the management company of Prime Infrastructure Trust). With his range of experience, Jim brings significant property, construction and major projects expertise to Goodman.

Company Secretary

Mr Carl Bicego – Company Secretary
Appointed 24 October 2006

Carl is the Company Secretary of the Company and its Australian controlled entities, as well as Legal Counsel – Head of Corporate in Australia. He has over 15 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).

Environmental regulations

The Trust has policies and procedures in place that are designed 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 year.

Declaration by Group Chief Executive Officer and Chief Financial Officer

The Group Chief Executive Officer and Chief Financial Officer declared in writing to the Board that, in their opinion, the financial records of the Trust for the year have been properly maintained and the financial report of the Trust for the year ended 30 June 2013 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, 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 the kind of entity referred to in Australian Securities & Investments Commission Class Order 98/100 dated 10 July 1998 (as amended) and in accordance with that Class Order, amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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



Ian Ferrier, AM
Independent Chairman

Sydney, 15 August 2013



Gregory Goodman
Group Chief Executive Officer

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 year ended 30 June 2013 there has been:

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

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Stuart Marshall'.

Stuart Marshall
Partner

Sydney, 15 August 2013

Statement of financial position

as at 30 June 2013

	Note	2013 \$000	2012 \$000
Current assets			
Cash		42	36
Loan to related entity	5	332,590	327,368
Total current assets		332,632	327,404
Total assets			
332,632			
Current liabilities			
Distributions payable		5,665	–
Total current liabilities		5,665	–
Total liabilities			
5,665			
Net assets			
326,967			
Equity			
Issued capital	6	326,967	326,967
Retained earnings		–	437
Total equity		326,967	327,404

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of comprehensive income

for the year ended 30 June 2013

	Note	2013 \$000	2012 \$000
Interest income	2	21,866	21,334
Profit for the year		21,866	21,334
Total comprehensive income for the year		21,866	21,334
Attributable to:			
Ordinary unitholder		3	3
Goodman PLUS Holders		21,863	21,331
		21,866	21,334
		cpu	cpu
Earnings per ordinary unit	3		
Basic		347,662.0	278,069.0
Diluted		347,662.0	278,069.0
Earnings per Goodman PLUS	3		
Basic		668.7	652.4
Diluted		668.7	652.4

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

Statement of changes in equity

for the year ended 30 June 2013

	Note	Issued capital \$000	Retained earnings \$000	Total equity \$000
Balance at 1 July 2011		326,967	616	327,583
Total comprehensive income				
Profit for the year		–	21,334	21,334
Total comprehensive income for the year		–	21,334	21,334
Contributions by and distributions to owners				
Distributions provided for or paid to ordinary unitholder	4	–	(3)	(3)
Distributions provided for or paid to Goodman PLUS Holders	4	–	(21,510)	(21,510)
Total contributions by and distributions to owners		–	(21,513)	(21,513)
Balance at 30 June 2012		326,967	437	327,404
Balance at 1 July 2012		326,967	437	327,404
Total comprehensive income				
Profit for the year		–	21,866	21,866
Total comprehensive income for the year		–	21,866	21,866
Contributions by and distributions to owners				
Distributions provided for or paid to ordinary unitholder	4	–	(3)	(3)
Distributions provided for or paid to Goodman PLUS Holders	4	–	(22,300)	(22,300)
Total contributions by and distributions to owners		–	(22,303)	(22,303)
Balance at 30 June 2013		326,967	–	326,967

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Cash flow statement

for the year ended 30 June 2013

	Note	2013 \$000	2012 \$000
Cash flows from operating activities			
Interest income received		16,638	21,513
Net cash provided by operating activities		16,638	21,513
Cash flows from investing activities			
Repayment of loan to related entity		5	3
Net cash provided by investing activities		5	3
Cash flows from financing activities			
Distributions paid	4	(16,637)	(21,513)
Net cash used in financing activities		(16,637)	(21,513)
Net increase in cash		6	3
Cash at the beginning of the year		36	33
Cash at the end of the year		42	36

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

Notes to the financial statements

for the year ended 30 June 2013

1 Statement of significant accounting policies

Goodman PLUS Trust (Trust) was established in Australia. The parent entity of the Trust is GIT. The responsible entity of the Trust, GFM, has its registered office at Level 17, 60 Castlereagh Street, Sydney NSW 2000. The Trust is a for-profit entity whose principal activity is to invest in and lend to Goodman Group.

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. 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 GFM, on 15 August 2013.

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

An operating segment is a component of the Trust that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are regularly reviewed by the Group Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Trust operates wholly in Australia in a single business segment, investing (through the provision of an interest bearing loan) in Goodman Group. Goodman Group comprises Goodman Limited, GIT, Goodman Logistics (HK) Limited and the entities they control.

(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:

- + 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 the statement of comprehensive income;
- + those that the Trust upon initial recognition designates as available for sale; or

- + 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 statement of financial position 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) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Interest income and expense

Interest income and expense for all interest bearing financial instruments are recognised within interest income and interest expense in the statement of comprehensive income 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.

(g) 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

for the year ended 30 June 2013

Continued

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 statement of comprehensive income. 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 allowance 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, with the amount of the reversal recognised in the statement of comprehensive income.

(h) Issued capital

Ordinary unit and Goodman PLUS

Both the ordinary unit and Goodman PLUS are classified as equity.

Distributions

Distributions on both the ordinary unit and Goodman PLUS 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 receivables or payables in the statement of financial position.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Trust, except for AASB 9 Financial Instruments, which becomes mandatory for the Trust's 2016 financial statements and could change the classification and measurement of financial assets. The Trust does not plan to adopt this standard early and the extent of the impact has not been determined.

(l) Rounding

In accordance with Australian Securities & Investments Commission Class Order 98/100 dated 10 July 1998 (as amended), the amounts shown in the financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

2 Interest income

	2013 \$000	2012 \$000
Interest income from:		
Cash at bank	3	3
Loan to related entity	21,863	21,331
Interest income and profit for the year	21,866	21,334

3 Earnings per unit

	2013 cpu	2012 cpu
Attributable to ordinary unitholder		
Basic and diluted earnings per unit	347,662.0	278,069.0
Attributable to Goodman PLUS Holders		
Basic and diluted earnings per unit	668.7	652.4

(a) Profit for the year used in calculating earnings per unit

	2013 \$000	2012 \$000
Profit used in calculating earnings per unit		
Attributable to ordinary unitholder	3	3
Attributable to Goodman PLUS Holders	21,863	21,331

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

	2013 Number of units	2012 Number of units
Weighted average number of units used in calculating basic and diluted earnings per unit		
Ordinary unit	1	1
Goodman PLUS	3,269,665	3,269,665

4 Distributions

The distributions paid or payable to the ordinary unitholder during the year were \$3,477 (2012: \$2,740). Distributions paid to Goodman PLUS Holders are set out below; subsequent to the amendment of the terms of Goodman PLUS on 27 September 2012, distributions are payable quarterly on 31 March, 30 June, 30 September and 31 December, but at the discretion of GFM (refer to note 6).

	Distribution cpu	Total amount \$000	Date of payment
Distributions for the quarter ended:			
21 September 2012	136.7	4,471	21 Sep 12
31 December 2012	201.6	6,592	31 Dec 12
31 March 2013	170.4	5,572	2 Apr 13
30 June 2013	173.3	5,665	1 Jul 13
	682.0	22,300	
	Distribution cpu	Total amount \$000	Date of payment
Distributions for the quarter ended:			
21 September 2011	173.4	5,671	21 Sep 11
21 December 2011	165.8	5,421	21 Dec 11
21 March 2012	158.8	5,193	21 Mar 12
21 June 2012	159.8	5,225	21 Jun 12
	657.8	21,510	

Notes to the financial statements

for the year ended 30 June 2013

Continued

5 Loan to related entity

	2013 \$000	2012 \$000
Loan to related entity ¹	332,590	327,368

1. Includes accrued interest of \$5,665,684 (2012: \$437,374).

The loan to a related entity is made to GFAT, a fellow controlled entity of GIT, and is receivable on demand. Interest accrues on the loan at the annual distribution rate on Goodman PLUS (refer to note 6) and is payable when distributions under Goodman PLUS are payable. On satisfying certain conditions, the related entity is able to elect for a financial year not to pay 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.

6 Issued capital

	2013 \$000	2012 \$000
1 ordinary unit on issue	–	–
3,269,665 Goodman PLUS on issue	326,967	326,967
	326,967	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 unitholders' meetings. 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

Goodman PLUS are preferred, perpetual units with a face value of \$100 per unit which are quoted on the Australian Securities Exchange. Goodman PLUS may be exchanged or repurchased in certain circumstances.

In the event of the winding up of the Trust, GFM is to first distribute assets to the Holders of Goodman PLUS, 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. GFM will then distribute the remaining assets to the ordinary unitholder.

On 26 September 2012, the Holders of the Goodman PLUS approved a proposal by GFM to amend the terms of the Goodman PLUS in response to market conditions. The key amendments, which came into effect on 27 September 2012, are as follows:

- + distributions under Goodman PLUS increased from a margin of 1.90% per annum to a Margin of 3.90% per annum over the three month Bank Bill Swap Rate;
- + a Step-up Margin of 0.25% per annum will apply if Goodman PLUS are not Repurchased, Exchanged or successfully remarketed on or before 30 September 2022. The First Remarketing Date under the amended terms is 31 December 2017 and thereafter every five years;
- + a Final Step-up Margin of 0.75% per annum will apply if Goodman PLUS are not Repurchased or Exchanged on or before 31 December 2038; and
- + Goodman PLUS Holders will have the right to require the Trust to elect to Repurchase or Exchange the Goodman PLUS on 31 December 2073.

Subsequent to the amendment of the terms of Goodman PLUS, distributions are payable quarterly on 31 March, 30 June, 30 September and 31 December, but at the discretion of GFM.

7 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 to manage its activities. GFM as responsible entity is considered to be the key management personnel of the Trust.

Fees payable to GFM

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

Interests of GFM in the Trust

GFM, as responsible entity of GIT, owns the ordinary unit issued by the Trust. GFM does not own any Goodman PLUS.

Transactions with Goodman Group

The Trust has made a loan to GFAT, a fellow controlled entity of GIT, registered in Australia. Further details are set out in note 5.

The audit fee for the year of \$27,600 (2012: \$27,600) has been paid by GIT.

8 Financial risk management

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

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 Group with the distribution rates on the units.

If interest rates during the year on the loan to GFAT had been 100 basis points per annum (2012: 100 basis points per annum) higher/lower, post-tax profit for the year would have been \$3,270,000 (2012: \$3,270,000) higher/lower.

The Trust has a significant concentration of credit risk in Goodman Group. Goodman Group has a Baa2 (stable outlook) credit rating with Moody'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 GFAT. This loan is not overdue and there is no impairment at 30 June 2013 (2012: \$nil). The Trust does not have any collateral in respect of this loan.

The Trust has no foreign exchange or other price risk and did not use derivative financial instruments during the year.

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

9 Notes to the cash flow statement

(a) Reconciliation of cash

For the purpose of the cash flow statement, cash includes any cash on hand and at bank and short-term deposits net of outstanding bank overdrafts.

(b) Reconciliation of profit for the year to net cash provided by operating activities

	2013 \$000	2012 \$000
Profit for the year	21,866	21,334
Changes in assets and liabilities during the financial year:		
(Increase)/decrease in loan to related entity	(5,228)	179
Net cash provided by operating activities	16,638	21,513

10 Events subsequent to 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

Goodman PLUS Trust and its Controlled Entities

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 10 to 20 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 2013 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 Chief Financial Officer for the year ended 30 June 2013.

Signed in accordance with a resolution of the Directors.



Ian Ferrier, AM
Independent Chairman
Sydney, 15 August 2013



Gregory Goodman
Group Chief Executive Officer

Independent auditor's report

to the Securityholders of Goodman PLUS Trust



Report on the financial report

We have audited the accompanying financial report of Goodman PLUS Trust (the Trust), which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of Goodman Funds Management Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply 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 of the financial report that gives a true and fair view 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, a true and fair 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 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

KPMG

Stuart Marshall
Partner

Sydney, 15 August 2013

Securities information

Top 20 Unitholders

As at 30 August 2013	Number of Goodman PLUS	Percentage of total issued Goodman PLUS
1. J P Morgan Nominees Australia Limited <Cash Income A/C>	612,433	18.73
2. HSBC Custody Nominees (Australia) Limited	282,504	8.64
3. National Nominees Limited	257,696	7.88
4. Questor Financial Services Limited <TPS RF A/C>	203,978	6.24
5. Aust Executor Trustees Sa Ltd <Tea Custodians Limited>	132,271	4.05
6. Navigator Australia Ltd <MLC Investment Sett A/C>	62,646	1.92
7. BNP Paribas Noms Pty Ltd <DRP>	50,749	1.55
8. Lava Corporation Pty Ltd <Lava Unit A/C>	50,000	1.53
9. RBC Investor Services Australia Nominees Pty Limited <GSENI A/C>	45,264	1.38
10. RBC Investor Services Australia Nominees Pty Limited <APN A/C>	43,689	1.34
11. J P Morgan Nominees Australia Limited	37,433	1.14
12. Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	33,231	1.02
13. Easn Pty Ltd <Penance A/C>	30,836	0.94
14. Maniciti Pte Ltd	23,800	0.73
15. Questor Financial Services Limited <TPS PIP A/C>	22,465	0.69
16. BNP Paribas Noms (NZ) Ltd <DRP>	21,445	0.66
17. Kingsby Pty Ltd <Bialystock & Bloom S/F A/C>	19,060	0.58
18. Aust Executor Trustees Ltd <DDH Preferred Income Fund>	17,294	0.53
19. RBC Investor Services Australia Nominees Pty Limited <NMSMT A/C>	15,940	0.49
20. Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	14,261	0.44
Goodman PLUS held by top 20 Unitholders	1,976,995	60.46
Balance of Goodman PLUS held	1,292,670	39.54
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	2,558	736,480	22.52
1,001 – 5,000	195	381,446	11.67
5,001 – 10,000	16	115,271	3.53
10,001 – 100,000	20	547,586	16.75
100,001 – over	5	1,488,882	45.54
Rounding			(0.01)
Total	2,794	3,269,665	100.00

There was one Unitholder with less than a marketable parcel in relation to one unit as at 30 August 2013.

Substantial Unitholders ¹	Number of units
Goldman Sachs Group	338,016

1. In accordance with latest Substantial Securityholder Notices as at 30 August 2013.

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.

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, GL, GLHK or GIT which the ASX has granted or may grant from time to time.

Australian Accounting Standards means:

- + the accounting standards as defined in section 9 of the Corporations Act;
- + the requirements of the Corporations Act for the preparation and content of accounts; and
- + 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 the first two paragraphs of this definition.

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

CDI means a CHESS Depository Interest referencing an ordinary share in GLHK.

Constitution means the constitution of the Goodman PLUS Trust as last amended on 26 September 2012 and as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

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 the Goodman Entities paying dividends set out in clause 2 of the Goodman PLUS Terms.

Effective Date means 27 September 2012.

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.

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

- + a Step-up Notice (including a Deemed Step-Up Notice); or
- + 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.

Final Step-up Margin means 0.75% per annum (or as defined by the Remarketing Process).

First Remarketing Date means 30 September 2017.

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

GL means Goodman 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 GL, GLHK and Goodman RE.

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

GLHK means Goodman Logistics (HK) Limited (Company No. 1700359; ARBN 155 911 149) and its controlled entities, where the context requires.

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.

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.

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

Initial Step-up Margin means 0.25% per annum (or as defined by the Remarketing Process).

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

- + from (but excluding) 21 September 2012 to (and including) the first Remarketing Date, 390 bps per annum;
- + from (but excluding) 30 September 2022 if a Successful Remarketing Process has not occurred until (and including) the next Remarketing Date, the 390 bps per annum plus the Initial Step-up Margin;

Definitions

Continued

- + from (but excluding) 31 December 2038 if a Successful Remarketing Process has not occurred until (and including) the next Remarketing Date, 390 bps plus 1.00% per annum, being the aggregate of the Initial Step-up Margin and the Final Step-up Margin;
- + 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
- + 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 any applicable Step-up Margin.

Market Rate means:

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

Minimum Outstanding Amount means the amount equal to 20% of the aggregate Face Value of the Goodman PLUS on issue on or about the Effective Date.

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

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;

provided that, where a Realisation Amount is calculated following a Holder’s election in a Holder Realisation Notice for Repurchase or Exchange in respect of a Holder Realisation Event under clause 5.2(h) (“Holder Realisation Events”), the Realisation Amount shall be an amount equal to the Face Value for the Goodman PLUS.

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:

- + in the case of the First Remarketing Date, 30 September 2017; and
- + for each subsequent Remarketing Date a date which is:
 - if set through a Remarketing Process, at least 12 months after the previous Remarketing Date; or
 - if 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 GL and a CHESS depositary interest in a fully paid share in GLHK.

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

Step-up Margin means each of the Initial Step-up Margin and the Final Step-up Margin.

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:

- + Hold Notices (excluding any Deemed Hold Notices); or
- + 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”) 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.

This page has been left intentionally blank.

Corporate directory

Goodman PLUS Trust

ARSN 128 290 808

Responsible Entity

Goodman Funds Management Limited

ABN 48 067 796 641; AFSL Number 223621

Offices

Registered office

Level 17
60 Castlereagh Street
Sydney NSW 2000
Australia

GPO Box 4703
Sydney NSW 2001

Telephone 1300 791 100 (within Australia)
+61 2 9230 7400 (outside Australia)
Facsimile +61 2 9230 7444
Email info@goodman.com
Website www.goodman.com

Directors

Mr Ian Ferrier, AM (Independent Chairman)
Mr Gregory Goodman (Group Chief Executive Officer)
Mr Philip Fan (Independent Director)
Mr John Harkness (Independent Director)
Ms Anne Keating (Independent Director)
Ms Rebecca McGrath (Independent Director)
Mr Philip Pearce (Executive Director)
Mr Danny Peeters (Executive Director)
Mr Phillip Pryke (Independent Director)
Mr Anthony Rozic (Executive Director)
Mr Jim Sloman, OAM (Independent Director)

Company Secretary

Mr Carl Bicego

Security Registrar

Computershare Investor Services Pty Limited

Yarra Falls
452 Johnston Street
Abbotsford Vic 3067

GPO Box 2975
Melbourne Vic 2975

Telephone 1300 723 040 (within Australia)
+61 3 9415 4043 (outside Australia)
Facsimile +61 8 8236 2305
Email www.investorcentre.com/contact
Website www.computershare.com

Custodian

The Trust Company Limited

20 Bond Street
Sydney NSW 2000

Auditor

KPMG

10 Shelley Street
Sydney NSW 2000

ASX code

GMP

