



highbrook one hundred percent+



important information+

Corporate directory

Manager

Goodman (NZ) Limited
Level 28, SAP Tower
151 Queen Street
Auckland

Legal adviser

Russell McVeagh

Financial adviser

Macquarie Capital (New Zealand) Limited

Trustee for Goodman Property Trust

Corporate Trust Limited

Unit registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland

Information line

0800 359 999 (within New Zealand)
+64 9 488 8777 (outside New Zealand)

Important dates

Date of Explanatory Memorandum

19 November 2012

Meeting date

11:00am, 7 December 2012

Venue

Kingston Room, Rydges Hotel, 59 Federal Street, Auckland

Last date for receipt of Voting and Proxy Forms

4 December 2012

Important information

All times referenced are in New Zealand time.

Defined terms

Capitalised terms used in the Explanatory Memorandum are defined in the glossary in section 7.

Currency

A reference to dollars, \$, cents or ¢ is to New Zealand currency unless denominated otherwise.

Property statistics

All figures and values relating to the property portfolio have been calculated on the basis of net annual income unless otherwise stated.

Investment decisions

The Explanatory Memorandum does not take into account the individual investment objectives, financial situation or particular needs of each Unitholder. You may wish to consult your broker or other professional adviser before deciding whether or not to vote in favour of the Resolution.

Forward-looking statements

Certain statements in this Explanatory Memorandum constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Trust to be materially different from any future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among other things, general economic and business conditions, regulatory risk, competition, labour relations and other factors presented in this Explanatory Memorandum.

Given these uncertainties, Unitholders are cautioned not to place undue reliance on such forward-looking statements. In addition, under no circumstances should the inclusion of such forward-looking statements in this Explanatory Memorandum be regarded as a representation or warranty by the Trust or the Manager or any other person with respect to the achievement of the results set out in such statements, or that the underlying assumptions used will in fact be the case. The Trust and the Manager disclaim any responsibility to update any such risk factors or publicly announce the result of any revisions to any of the forward-looking statements contained in this Explanatory Memorandum to reflect future developments or events, other than where they are required to do so by the Listing Rules.

The Explanatory Memorandum is an important document and requires your immediate attention. It should be read in its entirety.

It has been prepared to assist you in understanding the Resolution to be put to Unitholders for consideration at the forthcoming Meeting. The Independent Directors encourage you to read the Explanatory Memorandum and exercise your right to vote.

If you do not understand any part of the Explanatory Memorandum or are in doubt as to how to deal with it, you should consult your broker or financial or other professional adviser as soon as possible.

The Explanatory Memorandum is dated 19 November 2012. The Resolution will be voted on at the Meeting to be held on 7 December 2012, commencing at 11am New Zealand time.

Please call the information line on 0800 359 999 (within New Zealand) or +64 9 488 8777 (outside New Zealand) if you have any queries about the Resolution or the Explanatory Memorandum.

+ Keith Smith, Chairman and Independent Director, and John Dakin, Chief Executive Officer and Executive Director, review plans for Highbrook Business Park



“Goodman Property Trust has an opportunity to acquire the remaining interests in Highbrook Business Park. One hundred percent ownership will enhance the Trust’s existing portfolio and is expected to contribute to superior investment returns over time.”

Keith Smith, Chairman and Independent Director



independent directors' letter +

19 November 2012

Dear Unitholder

On 13 November 2012 a new investment initiative was announced with the proposal that Goodman Property Trust acquires the remaining interests in Highbrook Business Park from its joint venture partners.

Highbrook Business Park is recognised as one of New Zealand's premium real estate developments, encompassing over 100 hectares of strategically located, commercially zoned, land in East Tamaki, Auckland.

The estate is almost 50% complete with over 240,000 sqm of prime industrial, office and business park assets already constructed.

These modern facilities are occupied by leading corporate customers such as BMW, DHL, IBM, New Zealand Post Group, OfficeMax and Paperlinx.

Goodman Property Trust already has a significant stake in Highbrook Business Park through its investment in the two joint ventures that own the estate. The partners in these investment entities include the ASX listed Goodman Group and interests associated with the estate of Sir Woolf Fisher, the original owner of the property.

The Trust now has the opportunity to increase its stake in this unique asset by acquiring the 50% of HDL it does not already own from Goodman Group and Fisher, as well as Fisher's 25% interest in HBPL and the properties it holds. A simplified diagram illustrating these respective interests is shown in section 3, the transaction.

Following the Acquisitions, the Trust will wholly own and have control over all the property assets and remaining development land at Highbrook Business Park.



Transaction benefits

The Acquisitions offer many benefits to Unitholders including:

- + full ownership of New Zealand's premier business park estate, improving the overall quality of the Trust's property portfolio and enhancing its future growth potential;
- + increased exposure to prime industrial and business space assets, investment segments that are expected to deliver consistent returns in a variety of market conditions;
- + an expanded development capability at a point in the property cycle where development activity and property values are improving;
- + a favourable consideration structure, with an element of deferral that aims to maintain the Trust's distributable earnings profile, on a weighted average issued Unit basis;
- + a strengthened register with both Goodman Group and Fisher reinvesting back into GMT, maintaining strong alignment through their respective equity investments;
- + the ability for GMT to achieve operational savings as a result of simplified ownership structures; and
- + increased scale and liquidity, with GMT's market capitalisation expected to increase to \$1.3 billion as a result of the Acquisitions, the completed Institutional Placement and the proposed Unit Purchase Plan.

Unitholder approval

Due to the relationship between the Trust and each of Goodman Group and Fisher and the fact that Units will be issued as partial consideration for the Acquisitions, the Acquisitions require Unitholder approval. This will be sought at the Meeting on 7 December 2012.

The Independent Directors believe that the Transaction will benefit Unitholders.

No resolutions were required for the Institutional Placement which was announced on 13 November 2012, or the Unit Purchase Plan announced on the same date and which is intended to be open for acceptance by Unitholders from 30 November 2012. These initiatives provide sources of funding that facilitate the Acquisitions



Goodman (NZ) Limited's Independent Directors from left to right: Keith Smith, Leonie Freeman, Susan Paterson and Peter Simmonds

however they are not dependent on Unitholder approval. The Notice of Meeting explains the Resolution to be put to the Meeting. This will assist you to make an informed decision when voting at the Meeting, either in person or via proxy.

The Independent Directors encourage you to read the Notice of Meeting and Explanatory Memorandum, including the Appraisal Report, and to exercise your right to vote.

The Resolution

An extraordinary resolution to approve:

- (a) the Acquisitions; and**
 - (b) the issue of Units pursuant to the Acquisitions, and the issue price of those Units,**
- on the terms and conditions set out in the Explanatory Memorandum.**

The Goodman Acquisition refers to the acquisition from Goodman Group of its 25% shareholding in HDL. The Fisher Acquisition refers to the acquisition from Fisher of its 25% shareholding in HDL, its 25% shareholding in HBPL and its 25% beneficial interest in the properties held by HBPL.

Sections 3 and 5 provide further details on the Acquisitions and the associated issue of Units.

Appraisal Report

Included as an annexure is the Appraisal Report prepared by the Independent Appraiser, Deloitte, in relation to the Acquisitions. In summary, the Independent Appraiser's findings were that:

- + In our opinion, after having regard to all relevant factors, the terms and conditions of the Transaction are fair to the Non-associated Unitholders.**

The Independent Appraiser was not required to express a view on the Institutional Placement or Unit Purchase Plan announced at the same time as the Acquisitions.

The Institutional Placement announced on 13 November 2012 and the Unit Purchase Plan is intended to proceed, subject to its terms, regardless of the outcome of the Unitholder vote on the Resolution.

Trustee's approvals

The Trustee of GMT, Corporate Trust Limited, has, where required by the Trust Deed, approved the Acquisitions.

Independent Directors' recommendation

The Independent Directors of Goodman (NZ) Limited, the Manager of Goodman Property Trust, being Leonie Freeman, Susan Paterson, Peter Simmonds and Keith Smith, consider that the Acquisitions are in the best interests of the Trust and Unitholders and, therefore, unanimously recommend that Unitholders vote in favour of the Resolution.

Please read the Explanatory Memorandum in its entirety, and contact the information line on 0800 359 999 (within New Zealand) or +64 9 488 8777 (outside New Zealand), or consult your broker or other professional adviser, if you have any queries about the Resolution.

Yours faithfully

Keith Smith
Chairman and Independent Director

Leonie Freeman
Independent Director

Susan Paterson
Independent Director

Peter Simmonds
Independent Director

action required to be taken by unitholders +

Set amongst parklands and esplanade reserves, Highbrook is regarded as New Zealand's premier business park estate. With further development potential, it is an important part of GMT's growth strategy.

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+01

action required to be taken by unitholders continued +

This section contains information concerning the documents provided to Unitholders and the action to be taken in connection with the Meeting. You should read the Explanatory Memorandum in its entirety before deciding whether or not to vote in favour of the Resolution.

Explanation of the documents provided to Unitholders

The following information is set out in the Explanatory Memorandum:

- a) letter from the Independent Directors;
- b) an Explanatory Memorandum containing an explanation of the Acquisitions and their impact on GMT;
- c) a Notice of Meeting setting out the Resolution to approve the Acquisitions; and
- d) the Appraisal Report prepared by the Independent Appraiser which considers the fairness of the Acquisitions.

Accompanying the Explanatory Memorandum is a Voting and Proxy Form. Unitholders attending the Meeting should bring this form with them. This form should be also used by those Unitholders who are unable to attend the Meeting and wish to appoint a proxy to vote on the Resolution on their behalf.

What is the purpose of the Explanatory Memorandum?

To explain, in detail, the Resolution to be put to Unitholders, including the Independent Directors' support of the Resolution and the Independent Appraiser's opinion on the Acquisitions.

What is the Resolution?

An extraordinary resolution to approve the Goodman Acquisition, and the Fisher Acquisition, and the issue of Units pursuant to the Acquisitions (including the issue price of those Units).

The Goodman Acquisition refers to the acquisition from Goodman Group of its 25% shareholding in HDL. The Fisher Acquisition refers to the acquisition from Fisher of its 25% shareholding in HDL, its 25% shareholding in HBPL and its 25% beneficial interest in the properties of HBPL.

The terms of the Acquisitions are described in section 5, the transaction agreements.

What are the benefits of approving the Resolution?

The Independent Directors consider that the Acquisitions provide a number of benefits to Unitholders. These are summarised in the Independent Directors' letter and fully described in section 2, investment rationale.

What does the Independent Appraiser say in respect of the Acquisitions?

The Independent Appraiser, Deloitte, states:

- + **In our opinion, after having regard to all relevant factors, the terms and conditions of the Transaction are fair to the Non-associated Unitholders.**

What do the Independent Directors say?

The Independent Directors consider the Acquisitions to be in the best interests of GMT and its Unitholders and unanimously recommend that Unitholders vote in favour of the Resolution.

How do I vote on the Resolution?

You can vote on the Resolution either:

- a) in person at the Meeting; or
- b) by appointing a proxy to vote for you at the Meeting by completing and returning the accompanying Voting and Proxy Form.

Where do I send the Voting and Proxy Form if I wish to vote by proxy?

If you wish to vote by proxy, you must complete the Voting and Proxy Form and return it in the enclosed business reply envelope or by hand to:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland.

The Voting and Proxy Form must be received by Computershare Investor Services Limited on or before 4 December 2012. If posting your form, do so early enough to ensure it is received by this date.

Where and when is the Meeting?

The Meeting will be held in the Kingston Room at Rydges Hotel, 59 Federal Street, Auckland commencing at 11:00am on 7 December 2012.

Do I have to vote?

As a Unitholder, subject to the exclusions set out in section 4, you are entitled to vote at the Meeting. Whilst you are not required to vote, the Independent Directors believe that the Resolution is of significance and therefore encourage you to exercise your vote.

What happens if the Resolution is not passed?

As the Resolution is an extraordinary resolution it will only be passed if it is approved by not less than 75% of the votes cast by Unitholders entitled to vote and voting on the Resolution. Voting eligibility is more fully described in section 4, Notice of Meeting.

A quorum for the Meeting will be constituted if at least five persons are present (in person, by proxy, attorney or representative) and hold or represent at least 10% of the number of Units on issue as at the date of the Meeting and carrying the right to vote at the Meeting.

If the Resolution is not passed the Acquisitions will not be implemented and GMT's ownership in Highbrook Business Park will remain unchanged.

The outcome of the vote on the Resolution does not affect the Institutional Placement which has already occurred, or the planned Unit Purchase Plan which is intended to be open for acceptance by Unitholders from 30 November 2012.

Further information

If you have any queries about the Resolution or how to vote, please call the information line on 0800 359 999 (within New Zealand) or +64 9 488 8777 (outside New Zealand), or consult your broker or other professional adviser. If posting your Voting and Proxy Form, do so early enough to ensure it is received on or before 4 December 2012.



Highbrook Business Park offers its customers:

- 01 An attractive landscaped work environment
- 02 Spectacular views
- 03 Modern, efficient and sustainable buildings

Progress at Highbrook Business Park has been rapid. Today, the estate is almost 50% developed with prime industrial and commercial facilities occupied by leading corporate customers.

+02



investment rationale continued+

Goodman Property Trust is New Zealand’s leading industrial and business space provider.

The Trust is an established business built around a modern portfolio, a wide customer base and a proven development capability.

Active management and a customer service focus complement the physical property offering, helping maintain high occupancy levels and strong income streams.

At 30 September 2012 the Trust had property investments of \$1.6 billion and a total market capitalisation of over \$1.0 billion, making it one of the NZX’s largest investment entities.

Highbrook Business Park is New Zealand’s premier business park and one of the largest assets in GMT’s property portfolio. It is also a key element in the Trust’s development led growth strategy.

Acquiring full ownership of Highbrook Business Park through the Acquisitions is a unique opportunity for GMT to maximise its investment in this flagship estate.

The Acquisitions are consistent with GMT’s investment strategy, immediately enhancing the portfolio and offering greater future growth potential through an expanded development exposure.

The highlights of the Acquisitions and an overview of the benefits they provide are summarised in the following pages, together with the key reasons why the Independent Directors believe you should vote in favour of the Resolution.



- Highbrook Business Park offers a range of amenities:
- 01 Customers have a choice of food and beverage options
 - 02 Public access allows families to enjoy the park
 - 03 Banking, postal and other business services are already available

1. Increased exposure to high quality assets

Approval of the Acquisitions will give GMT full ownership of Highbrook Business Park through the acquisition of the interests that it does not already own. The increased investment enhances the overall portfolio with improvements to asset quality, diversity, and average age.

The following table compares the key portfolio metrics for the Highbrook Portfolio at 30 September 2012, with the metrics of the GMT Portfolio before, and after, the Acquisitions.

A full list of the HDL and HBPL assets is provided in Section 3, the transaction.

Impact of the Acquisitions on the GMT Portfolio

	Highbrook Portfolio ¹		GMT Portfolio ¹	
	HDL	HBPL Properties	Pre Acquisitions	Post Acquisitions
Weighted average market capitalisation rate	7.5%	7.7%	8.4%	8.3%
Weighted average lease term	7.2 yrs	7.0 yrs	5.4 yrs	5.6 yrs
Occupancy	95%	100%	96%	96%
Average age	3.8 yrs	5.7 yrs	12.3 yrs	11.1 yrs

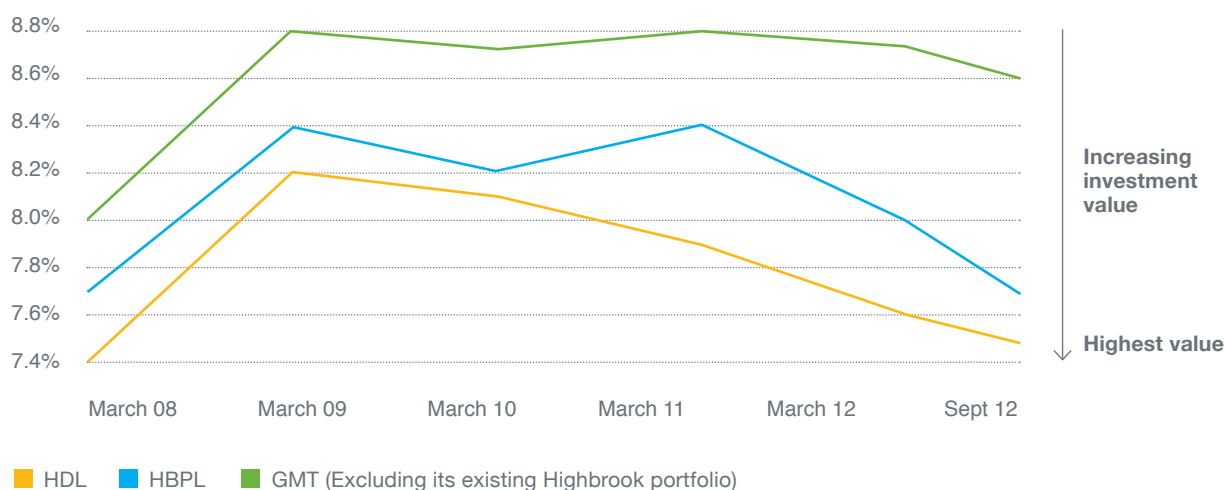
1. Analysis excludes development land.

The quality of Highbrook Business Park is reflected in the capitalisation rates that independent valuers assign to the property assets that make up the estate. The performance of the investment properties in the Highbrook Portfolio has been superior over time with these stabilised assets being more resilient to market movements, as demonstrated in the chart below.

A lower capitalisation rate indicates a higher market value for individual assets.

The Highbrook investment properties have outperformed the balance of the GMT portfolio over the last five years, delivering a relatively stronger valuation result.

Weighted average market capitalisation rate %



investment rationale continued+

The opportunity to acquire the remaining interests in these premium assets, increasing GMT’s exposure to leading corporate customers, enhances an already high quality portfolio.

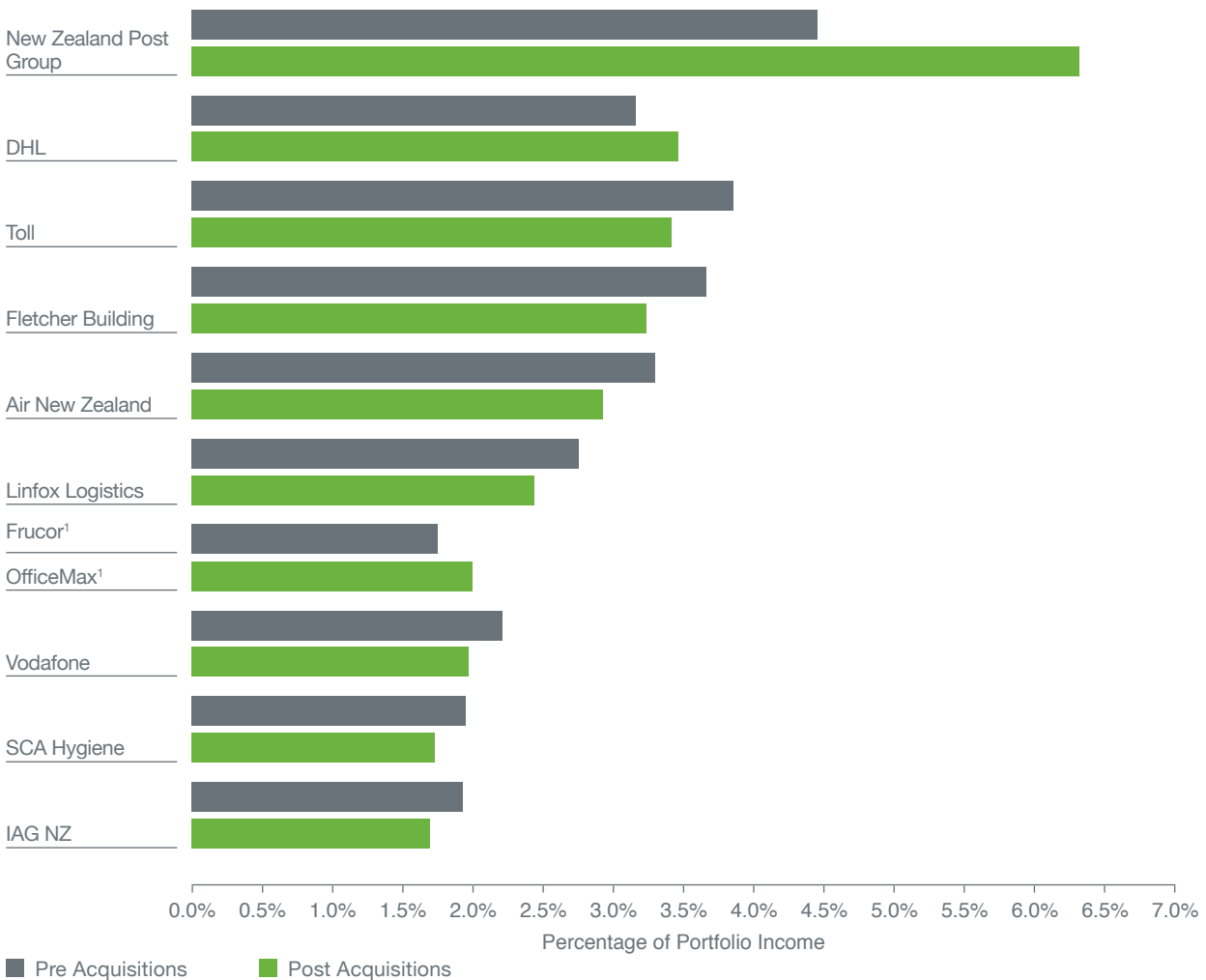
These same assets have longer average lease terms and have recorded higher average occupancy levels over time, reinforcing the Manager’s belief that high quality assets deliver superior long-term returns.

The following chart identifies the largest customers within the GMT portfolio before and after the Acquisitions. Under each scenario these top 10

customers contribute 29% of portfolio income, mitigating individual customer risk.

The top 10 customers represent a broad range of industries with the various business units of New Zealand Post making it the largest customer within the portfolio on both a pre and post Acquisitions basis.

Top 10 customers

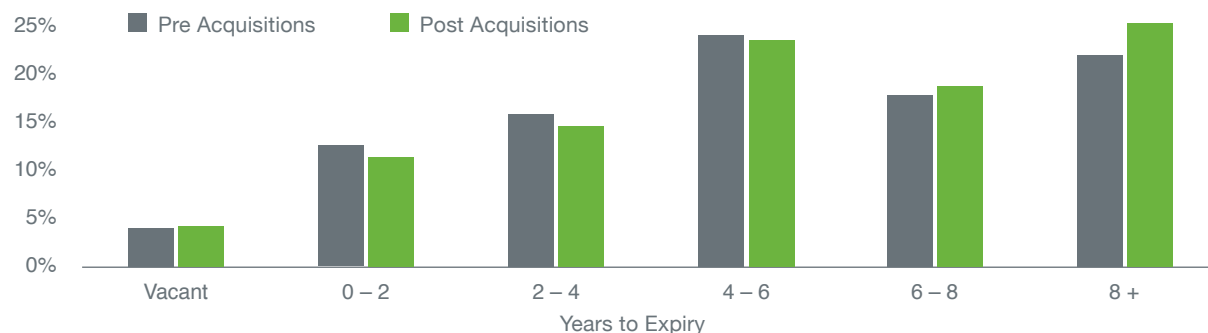


1. As a result of the Acquisitions, OfficeMax replaces Frucor in the top 10 customers.

The following table shows the impact of the Acquisitions on the lease expiry profile of the Trust, increasing the weighted average lease term from 5.4 to 5.6 years. The benefit of an extended weighted average

lease term is that it ensures the strong rental cashflows generated by the investment portfolio are contracted well into the future, helping insulate the Trust from short term fluctuations in occupier demand.

Lease expiry profile (by income) %



2. Asset diversity

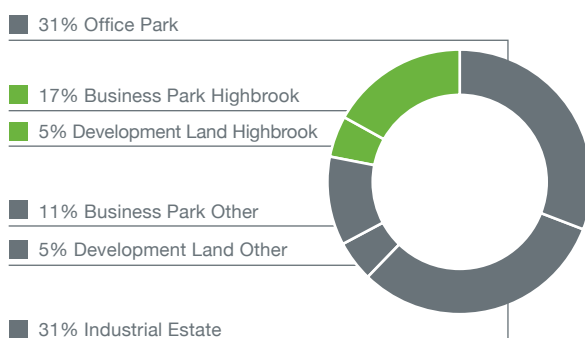
While the Acquisitions improve the metrics of the investment portfolio they also reweight the geographic and asset diversity of GMT with greater exposure to Auckland and the preferred business park category. The following charts show the composition of GMT’s property portfolio before and after the Acquisitions, with Highbrook increasing from 22% to 34% of total property assets.

Strategic land holdings and a proven development capability have differentiated the Trust and helped build a modern portfolio of significant scale. While a development land weighting of around 12% immediately following the Acquisitions is outside the Manager’s target weighting of up to 10% of portfolio value, it is expected to reduce down to the preferred level as new development activity commences.

Comparison of asset diversity

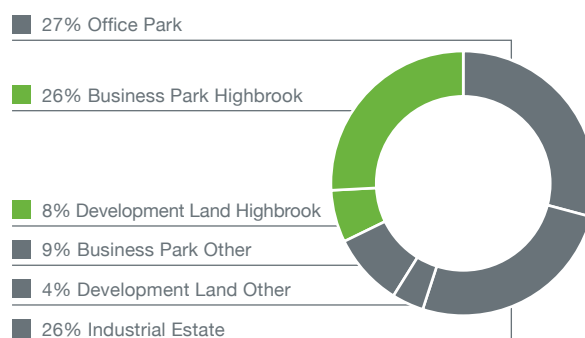
Pre Acquisitions

Total property assets \$1.6 billion



Post Acquisitions

Total property assets \$1.9 billion



Note: The preceding charts represent the portfolio upon completion of all commenced development and infrastructure projects.



With over 240,000 sqm of the developable floorspace already completed and another 17,300 sqm under development, substantial progress has already been achieved.

3. Development potential

Development is a key component of GMT's investment strategy. More than 500,000 sqm of space has been added to its portfolio since 2004, with around half of this being built at Highbrook Business Park. Development activity has broadened GMT's customer base and increased rental revenue while enhancing the overall quality and value of its property portfolio.

GMT's development estates, in Auckland and Christchurch, have continued to attract new business with 49,600 sqm of new projects commencing during the 2012 financial year and a further 35,900 sqm already announced in the current financial year.

Projects that have recently completed have achieved weighted average yields on cost of 8.7% and recorded

valuation gains of around \$5 million (GMT's proportionate share), when subsequently valued on a weighted average market capitalisation rate of 7.6%.

Value-adding development activity of this nature is expected to be an increasing driver of business growth as economic conditions and property market fundamentals improve. The Acquisitions will provide GMT with an expanded development capability, positioning it to take advantage of any sustained lift in occupier demand.

The potential of Highbrook Business Park is shown in the table below. With over 240,000 sqm of floor space already completed and another 17,300 sqm under development, substantial progress has already been achieved.

Highbrook Business Park Development Potential

Floor space (sqm)	Completed	Under development	Future capacity	Total area
Warehouse	231,869	7,500	169,226	408,595
Office	7,823	3,500	55,989	67,312
Retail / amenity	3,910	2,800	13,943	20,653
Other	70	3,500	30,178	33,748
Total rentable area sqm	243,672	17,300	269,336	530,308

Once completed, Highbrook Business Park is expected to have a value in excess of \$1.2 billion, making it one of the most substantial real estate developments in the country.

The scale and quality of the estate means that it is already a significant contributor to the Trust's financial performance. Full ownership and progression of the development programme will ensure that Highbrook Business Park becomes one of the principal drivers of GMT's investment returns.

4. Greater opportunities

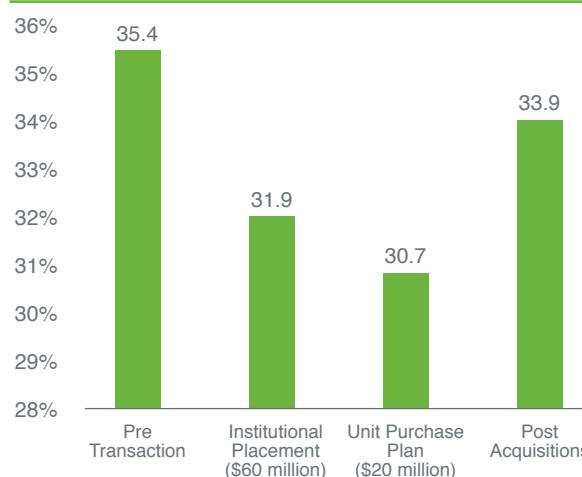
Following the Acquisitions, GMT will have full ownership of Highbrook Business Park, removing the reliance on joint venture partners and providing greater operational flexibility.

The simplified ownership structure will enable the Trust to capture the entire development margin as new facilities are completed, contributing to the total returns achieved by Unitholders. It also provides additional

flexibility in managing the Trust's capital sources, with the potential to consolidate debt facilities for all wholly owned investments into the main GMT facility.

The Trust's level of debt is expected to reduce from 35.4% of total property assets, to 33.9%² following the Acquisitions, Institutional Placement and Unit Purchase Plan. This is below the Manager's preferred range of 35% to 40%, providing GMT with funding capacity for future investment and development opportunities.

Loan to value ratio %^{1,2}



1. Calculated on a pro forma basis as at 30 September 2012, assuming the Institutional Placement, Unit Purchase Plan and Acquisitions were completed with respective issue prices of \$1.015625, \$1.00 and \$1.00 per Unit.

2. Net debt as a % of total property assets, includes GMT's proportionate share of jointly controlled entities.

investment rationale continued+

The Acquisitions are expected to maintain GMT’s distributable earnings profile while enhancing its strong balance sheet position.

Gearing is expected to return within the targeted band by 31 March 2013, but at a level lower than before the Institutional Placement, Unit Purchase Plan and Acquisitions.

The strength of the balance sheet provides sufficient capacity to fund the progression of the development programme over the medium term. Capital management initiatives such as asset sales and GMT’s distribution reinvestment plan provide the Trust with alternate equity funding options if required.

Further details about the Institutional Placement and Unit Purchase Plan are available under the heading transaction description and funding in section 3.



GNZ is known for its integrated service orientated philosophy.



The Highbrook community has access to GNZ’s team of property professionals.

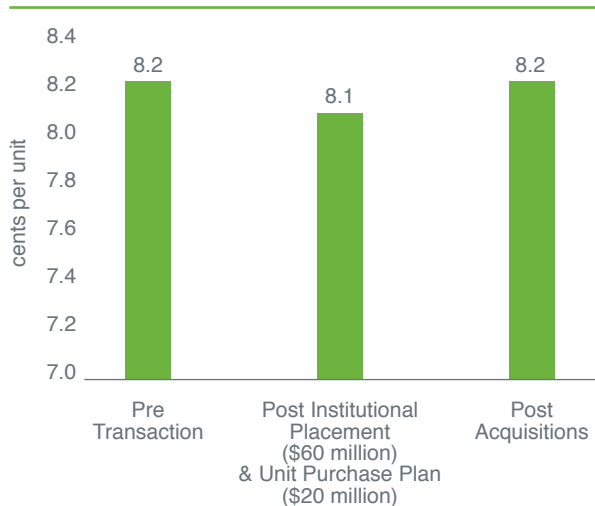
5. Underpins financial strength

As announced on 13 November 2012, GMT is expected to deliver pre-tax distributable earnings of around 8.2 cents, on a weighted average Unit basis, for FY13 and pay cash distributions of 6.25 cents per Unit. This is consistent with expectations for the FY13 year, that were announced to the market on 17 May 2012.

A similar result, on a weighted average issued Unit basis, is expected if the equity initiatives and Acquisitions all proceed.

The following chart demonstrates the impact on distributable earnings of each of these initiatives.

FY13 pre-tax distributable earnings guidance on a weighted average issued Unit basis



Note: Assumes the Institutional Placement, Acquisitions and Unit Purchase Plan were completed with respective issue prices of \$1.015625, \$1.00 and \$1.00 per Unit.

The favourable structure of the Acquisitions, with a significant element of deferred consideration, is expected to maintain the distributable earnings profile of GMT in FY13 on a weighted average issued Unit basis. It is an important feature of the Acquisitions that mitigates the impact of the yield differential between the Highbrook Portfolio and the cost of equity funding the Acquisitions. There are circumstances in which the deferred consideration may be paid earlier, as discussed in section 5.

Net tangible assets per Unit are expected to remain largely unchanged following the Acquisitions, consistent with NTA of \$0.93 per Unit as at 30 September 2012.

6. Alignment and strengthened register

Goodman Group and Fisher have been supportive joint venture partners who have helped create a world class business park at Highbrook.

As part of the Acquisitions Goodman Group has agreed to receive all of its consideration in Units, increasing its cornerstone investment in GMT, while Fisher will receive half of its consideration in Units and half in cash.

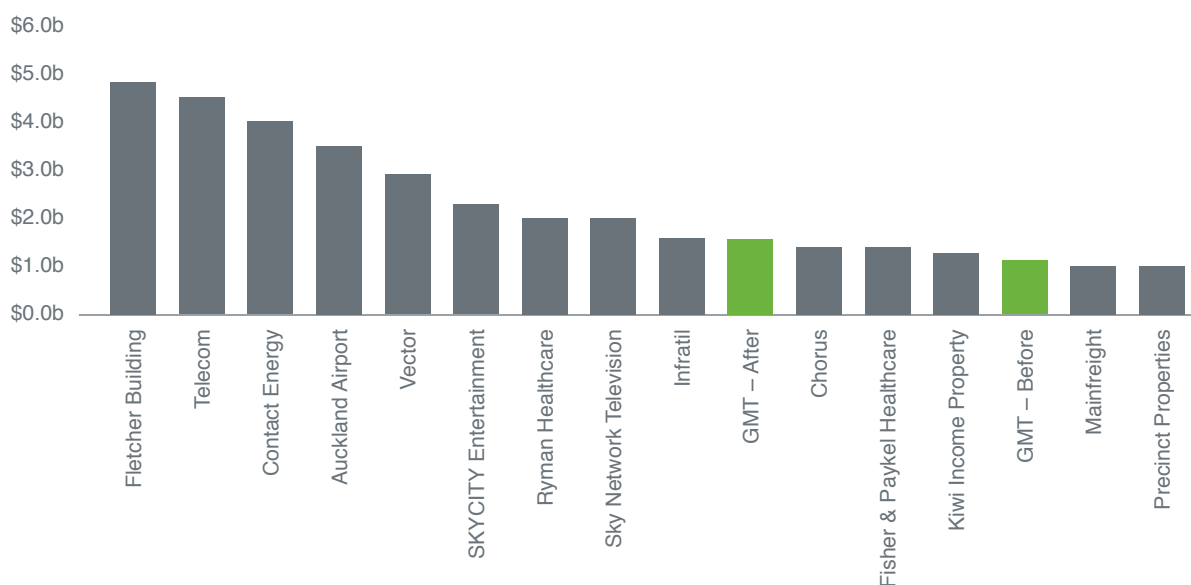
Units issued to Goodman Group and Fisher have agreed that Units will be issued at \$1.00 per Unit, which represents a 7% premium to the net tangible assets of GMT, reinforcing the beneficial acquisition structure that has been agreed.

The Manager expects that the Acquisitions, together with the Institutional Placement and Unit Purchase Plan, will extend GMT's investor base and provide additional scale and liquidity to an already substantial listed entity. The following chart shows the market capitalisation of GMT before and after the Acquisitions in relation to the other NZX15 constituents.

The benefit of a wider investor base and greater market capitalisation is an increased profile for GMT both locally and internationally and a greater weighting in market indices such as the NZX15, NZX50 and NZX Property index.

More information on the agreements with Fisher and Goodman Group is set out in section 5.

Market capitalisation pre and post Transaction



Note: Based on total market capitalisation as at 2 November 2012.

GMT – After" market capitalisation is calculated on a pro forma basis, assuming the Acquisitions, Institutional Placement and Unit Purchase Plan were completed as at 2 November 2012 with the respective issue prices assumed to be \$1.00, \$1.015625 and \$1.00 per Unit. The Unit Purchase Plan is assumed to raise \$20.0 million of additional equity.

investment rationale continued+

Highbrook Business Park encompasses over 100 hectares of strategically located land in Auckland's East Tamaki. The estate already accommodates 50 customers in more than 30 purpose built facilities.



key +

- Park/Reserve
- Developable Land
- Developed Land



Highbrook Business Park Buildings

- | | | | |
|---------------------------|----------------------------------|-------------------------------|---------------------------|
| 01 Corporate Express | 09 The Ford Building | 17 Panasonic (in development) | 25 Blackwoods Paykels |
| 02 Scalzo | 10 Z Energy Ground Lease | 18 Lollipops Childcare | 26 Contract Logistics |
| 03 PaperlinX | 11 The Crossing (in development) | 19 Cottonsoft | 27 CourierPost |
| 04 Viridian | 12 The Crossing Offices | 20 The Junction Units | 28 New Zealand Post |
| 05 NALCO | 13 The Highbrook Drive Units | 21 GEON | 29 DataM |
| 06 Steel and Tube | 14 McPherson's | 22 DHL | 30 Big Chill Distribution |
| 07 Stanley Black & Decker | 15 Just Group | 23 IBM | 31 The Kerwyn Ave Units |
| 08 Plytech | 16 OfficeMax | 24 Schneider Electric | 32 BMW |

The outlined area in the aerial view of Highbrook Business Park above includes land and buildings owned by HDL and HBPL Properties and Park/Reserves owned by Highbrook Park Trust.

investment rationale continued+

The development of a world class business park at Highbrook has been the vision of the Fisher family, brought to life by the investment and development expertise of Goodman.

Our heritage

Our development years

1960

Highbrook Business Park was formerly the home of Ra Ora Stud and New Zealand industrialist Sir Woolf Fisher and Lady Fisher.



1998

International landscape designer Peter Walker completes the award winning masterplan and urban design guidelines.



2004

Goodman Group buys into HDL taking a 75% stake, Fisher retains a 25% interest.



1962

The property was a famous thoroughbred breeding and racehorse training facility known as Ra Ora Stud.

Visitors have included both Prince Charles and the Queen Mother.



2001

The business 5 zoning becomes operative and the estate of Sir Woolf Fisher, headed by Sir Noel Robinson, ceases operating as a horse stud and commences key infrastructure projects.



2005

First facility to be built at Highbrook commences with DHL as the inaugural customer.



Realising the potential

2006

GMT buys a 75% interest in certain completed and commenced development projects and HBPL is formed.



2011

Next phase in the development of Highbrook Business Park with the commencement of The Crossing, a mixed use development that provides a commercial focal point for the estate.

2009

CourierPost facility and Ford building achieve Green Star Certification for environmentally sustainable design.



2012 and beyond

Realisation of the vision for a world class business park at Highbrook.

2007

New Highbrook motorway interchange opens and GMT buys 50% stake in HDL from Goodman Group.



2011

Highbrook Business Park receives the prestigious Supreme Award from the Property Council of New Zealand, recognising excellence in Urban Land Development.



the transaction +

Due to the relationship between Goodman Property Trust, Goodman Group and Fisher, the Acquisitions require Unitholder approval.

The Independent Directors believe that the Acquisitions will benefit all Unitholders.

+03

the transaction continued+

The development of Highbrook Business Park has progressed rapidly since the commencement of the very first facility in 2005 and the completion of roading and other key infrastructure projects.

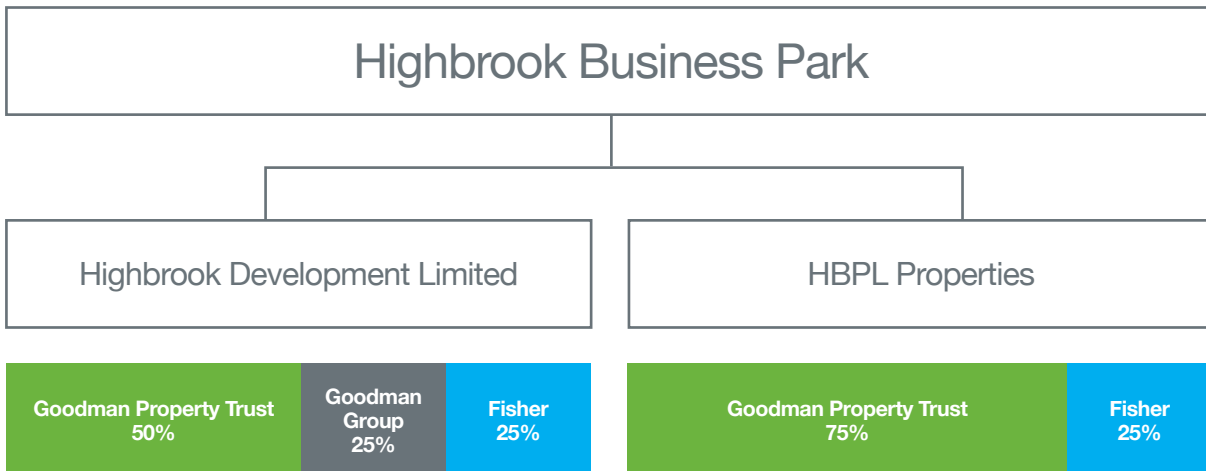
Highbrook Business Park Overview

The award winning estate is almost 50% complete, accommodating over 50 customers in more than 240,000 sqm of strategically located, high quality business space.

Ownership of Highbrook Business Park is held through two joint venture entities, Highbrook Development Limited, a joint venture between Fisher, Goodman Group and GMT, and Highbrook Business Park Limited which holds the HBPL Properties on behalf of GMT and Fisher. The diagram below summarises the current ownership structure of these joint ventures.

Goodman Property Trust acquired its 50% interest in HDL and 75% interest in the HBPL Properties from Goodman Group and Fisher through a series of transactions in 2006 and 2007, two of which were subject to Unitholder approval.

Since this time more than 160,000 sqm of development projects have been completed at Highbrook Business Park, enhancing the estate and the wider GMT portfolio.



Following the Acquisitions
Goodman Property Trust will
have full ownership of
Highbrook Business Park.

The Acquisitions

The Trust has the opportunity to increase its investment in this unique asset by acquiring the 50% of HDL it does not already own from Goodman Group and Fisher, as well as Fisher's 25% interest in HBPL and the properties it holds. Following the Acquisitions, which are subject to Unitholder approval, Goodman Property Trust will have 100% ownership of Highbrook Business Park. The Acquisitions are interdependent, and will proceed (or not) together.

The Independent Directors believe that the Acquisitions are an excellent investment opportunity that will provide a significant number of benefits to the Trust. These were described in detail in section 2.

The purchase price for the interests to be acquired pursuant to the Acquisitions was determined by reference to the net asset value of HDL and the asset value of the HBPL Properties as at 30 September 2012.

A summary of the value and acquisition price of HDL and the HBPL Properties is provided in the table below.

The acquisition price, for the remaining 50% interest in HDL and 25% interest in the HBPL Properties, totals \$184.6 million. Additional consideration of \$2.0 million will be paid to Goodman Group as part of a deferred consideration structure increasing the total acquisition price to \$186.6 million.

The Trust will acquire these interests from Goodman Group and Fisher using a combination of Units and cash. Further details about transaction funding can be found later in this section under the heading Transaction description and funding.

The value and acquisition price

	Value as at 30 September 2012	Interest being acquired from		Acquisition price
	\$m	Goodman Group	Fisher	\$m
Highbrook Development Limited	290.7	25%	25%	145.3
HBPL Properties	157.2		25%	39.3
Deferred settlement compensation				2.0
Total	447.9			186.6

Note: Values in the table above may not appear to sum accurately due to rounding.



Almost 50% complete, Highbrook Business Park offers a further 55 hectares of developable land.

the transaction continued+

Highbrook Development Limited

HDL is the entity developing Highbrook Business Park. Its property assets include investment properties, properties under development and development land.

At 30 September 2012, the market value of its property assets was \$493.9 million. The property portfolio (excluding development land) is 95% occupied and has a weighted average lease term of 7.2 years.

A detailed breakdown of the total HDL property portfolio, as at 30 September 2012, is shown below:

HDL property portfolio

Asset	NLA sqm	Market value \$m	Market cap rate %	WALT years	Occupancy %	Building age years
OfficeMax	18,901	37.7	7.6%	7.8	100%	4.2
CourierPost	21,593	35.5	7.5%	8.3	100%	3.7
PaperLinX	16,973	29.1	7.6%	5.4	100%	4.6
GEON	10,047	20.1	7.3%	9.3	100%	4.7
Datam	7,326	17.7	7.3%	7.7	100%	4.3
Corporate Express	7,789	15.1	7.3%	8.4	100%	3.6
The Ford Building	3,976	15.0	8.0%	5.2	100%	4.2
Viridian	6,528	14.0	7.3%	8.8	100%	3.2
The Crossing Offices	3,847	13.6	7.8%	2.3	100%	5.1
Contract Logistics	8,065	12.8	7.5%	4.3	100%	4.7
Schneider Electric	5,800	12.7	7.4%	6.5	100%	3.5
Blackwoods Paykels	6,074	11.0	7.3%	8.8	100%	3.2
IBM	5,187	11.0	7.3%	8.6	100%	1.4
NALCO	5,927	11.0	7.3%	9.5	100%	4.6
Just Group	6,430	10.5	7.5%	5.9	100%	4.1
Steel and Tube	5,678	10.2	7.3%	6.8	100%	3.2
Scalzo	4,960	8.3	7.3%	9.6	100%	0.4
Stanley Black & Decker	3,506	6.4	7.3%	7.9	100%	0.1
The Junction Units	2,868	5.2	7.8%	4.0	100%	4.7
Plytech	2,379	4.6	7.1%	9.1	100%	0.9
Lollipops Childcare	3,910	4.5	7.5%	7.9	100%	4.3
Z Energy Ground Lease	2,584	3.0	7.0%	10.1	100%	4.9
Big Chill Distribution	na	0.8	7.0%	14.4	100%	0.6
Vodafone	70	0.2	15.0%	30.6	100%	4.4
HDL Investment Portfolio	160,416	309.7	7.4%	7.3	100%	3.8
The Crossing Stage 1	9,800	11.3	7.8%	6-15	51%	Mar-Jun 13
Panasonic	7,500	10.2	7.3%	10	100%	Feb 13
HDL Commenced Developments¹	17,300	21.5	7.6%		64%	-
HDL Development Land	-	162.7	-	-	-	-
HDL Portfolio	177,716	493.9	7.5%	7.2	95%	3.8

Note: Values in the table above may not appear to sum accurately due to rounding.

1. The Crossing stage 1 and Panasonic facility are under development with completion expected in 2013. Both assets are shown on an as if complete basis less the cost to complete.



The net asset value of HDL is \$290.7 million. The value is extracted from the audited interim financial statements at 30 September 2012 and is summarised as follows.

HDL net asset value

	\$m
Market value of property assets	493.9
Borrowings net of cash	(186.9)
Working capital	(3.3)
Net deferred tax assets	3.6
Derivative financial instruments	(16.7)
Net asset value	290.7

Note: Values in the table above may not appear to sum accurately due to rounding.

HDL is currently owned 25% by Goodman Group, 25% by Fisher and 50% by GMT.

The amount being paid for the remaining 50% not owned by GMT is \$145.3 million, being 50% of the net asset value of HDL, plus an additional \$2.0 million compensation being paid to Goodman Group for the deferral arrangement.



Highbrook is a complete business community with 'people friendly' facilities, services and green spaces.

the transaction continued+

Highbrook Business Park Limited and the HBPL Properties

HBPL holds a portfolio of investment properties that were developed in the earlier stages of Highbrook Business Park.

A detailed breakdown of the HBPL portfolio is shown below:

The portfolio is 100% occupied and has a weighted average lease term of 7.0 years. The market value of its property assets, at 30 September 2012, was \$157.2 million.

GMT currently has a 75% interest in the HBPL Properties. The acquisition price, for the 25% interest held by Fisher, is \$39.3 million being 25% of the asset value, as assessed by independent valuation as at 30 September 2012.

HBPL property portfolio

Asset	NLA sqm	Market value \$m	Market cap rate %	WALT years	Occupancy %	Building age years
DHL	31,631	52.0	7.8%	5.9	100%	6.0
New Zealand Post	16,406	41.1	7.5%	9.7	100%	5.3
The Highbrook Drive Units	9,856	15.9	8.5%	2.6	96%	5.3
Cottonsoft	6,422	12.5	7.3%	8.5	100%	5.5
McPherson's	7,516	12.2	7.8%	6.0	100%	6.4
BMW	4,943	8.3	7.8%	4.6	100%	5.4
Big Chill Distribution	2,026	7.7	7.5%	14.4	100%	5.5
The Kerwyn Ave Units	4,455	7.7	7.6%	3.9	100%	5.7
Total Portfolio	83,256	157.2	7.7%	7.0	100%	5.7

Note: Values in the table above may not appear to sum accurately due to rounding.



Key customer, New Zealand Post Group, occupies four facilities at Highbrook, including the mail sort centre, shown above.

Transaction description and funding

The following section describes the components of the various transactions that will fund the acquisition of the remaining interests in HDL and HBPL Properties.

Transaction consideration

GMT will acquire the remaining interests in HDL and the HBPL Properties with a mixture of Units and cash:

- + GMT will acquire Goodman Group's 25% holding in HDL in exchange for Units issued at a price of \$1.00 per Unit (although it may be adjusted in limited circumstances). Half of the Units will be issued upon completion of the Goodman Acquisition (which is expected to be in December 2012) and half, being the Deferred Issue Units, will be three years later (expected to be December 2015) unless payment is accelerated. GMT will have the right, in certain circumstances, to pay in cash instead. Goodman Group will have no voting, distribution or other Unitholder rights on the Units to be issued until they are issued. The price for Goodman Group's holding is equal to its proportion (25%) of the consolidated net assets of HDL (and its subsidiary) as at 30 September 2012, plus an additional \$2.0 million to partially compensate Goodman Group for the deferred issue date and foregone distributions.
- + GMT will acquire Fisher's 25% holding in HDL at a price equal to Fisher's proportion (25%) of the consolidated net assets of HDL (and its subsidiary) as at 30 September 2012. Half of the acquisition price will be paid in cash, and the other half will be satisfied by the issue of Units upon completion of the Fisher Acquisition (expected to be December 2012). These Units will have an issue price of \$1.00 per Unit.
- + GMT will acquire Fisher's 25% holding in the HBPL Properties at a price equal to Fisher's proportion (25%) of the independent property valuations for the HBPL Properties as at 30 September 2012. Half of the acquisition price will be paid for in cash, and the other half will be satisfied by the issue of Units upon completion of the Fisher Acquisition (expected to be December 2012). These Units will have an issue price of \$1.00 per Unit.

The table below outlines the value of Units (including Deferred Issue Units) and cash that will be paid to Goodman Group and Fisher under the Acquisitions:

Value of Units and Deferred Issue Units

\$m	Goodman Acquisition		Fisher Acquisition	Total
	Acquisition price	Deferral Compensation	Acquisition price	
HDL				
Units ¹	36.3	1.0	36.3	73.6
Deferred Issue Units ¹	36.3	1.0	–	37.3
Cash ³	–	–	36.3	36.3
Total HDL Consideration	72.7	2.0	72.7	147.3
HBPL Properties				
Units ¹	–	–	19.7	19.7
Cash ³	–	–	19.7	19.7
Total HBPL Consideration	–	–	39.3	39.3
Total Consideration	72.7	2.0	112.0	186.6

Note: Values in the table above may not appear to sum accurately due to rounding.

1. Units will be issued at \$1.00 per Unit. Therefore the value of Units shown is also the number of Units that will be issued.

This issue price of Deferred Issue Units is subject to adjustment as described overleaf.

2. As noted above, Goodman Group will receive two million additional Units as compensation for the deferred issue date.

3. The cash paid to the Goodman Group may increase (and the number of Units issued to Goodman Group reduce) as discussed overleaf.

the transaction continued+

On settlement of the Acquisitions, Goodman Group will hold 19.0% of all Units, and Fisher will hold 4.8%. If all of the Deferred Issue Units were also issued on settlement, Goodman Group would hold 21.5%.

As described in the previous table, 55,989,374 Units will be issued to Fisher, and 37,335,624 Units will be issued to Goodman Group on settlement of the Goodman Acquisition. At an issue price of \$1.00, an additional 37,335,624 Deferred Issue Units will be issued to Goodman Group at a later date. However, the number of Deferred Issue Units may reduce if GNZ elects to make a cash payment instead, as described below. The number of Deferred Issue Units to be issued may also increase or decrease if GMT undertakes rights issues or other corporate structure matters, also as described below.

The Units to be issued to Fisher will be issued to Fisher Highbrook, and the Units to be issued to Goodman Group will be issued to TCL (as custodian of the Highbrook Trust), although Goodman Group may (subject to GNZ's consent) nominate another party to take title to those Units.

Unitholders should also note that:

- (a) Although it is proposed to issue the Deferred Issue Units three years after settlement of the Goodman Acquisition, Goodman Group may in certain circumstances elect for the issuance to take place at an earlier time, as discussed in section 5.
- (b) GNZ may, in certain circumstances, elect not to issue all or some of the Deferred Issue Units and pay cash consideration instead to Goodman Group. These circumstances, and the cash consideration to be paid, are set out in section 5.
- (c) The issue price of the Deferred Issue Units, and/or the cash consideration to be paid if GNZ so elects to do so, may be adjusted in certain circumstances. These circumstances are described in section 5. As set out in that section, if GMT undertakes a rights issue, the issue price of the Deferred Issue Units may be reduced in accordance with the formula set out in that section. In other cases an independent expert will determine the revised issue price (and/or cash consideration amount), and that determination will be binding. In each case, by approving the Resolution, Unitholders are approving the issue of Deferred Issue Units at any adjusted issue price.
- (d) All of the Units issued will rank equally with other

Units, but will have no right to participate in the distribution recently declared by GMT.

- (e) Fisher and Goodman Group are providing very limited warranties in relation to HDL and the HBPL Properties. This is discussed in section 5.
- (f) The New Services Agreements will be entered into on settlement of the Acquisitions, if the Resolution is approved, as discussed in section 5.

Institutional Placement and Unit Purchase Plan

GMT undertook a Placement of 59,076,923 Units to institutional investors on 13 November 2012. These Units were offered at a price of \$1.015625 per Unit, and [details of subscription level to be included]. The placement is underwritten by Macquarie Securities (NZ) Limited and Craigs Investment Partners Limited. Units are expected to be issued pursuant to the Placement on 16 November 2012.

As announced with GMT's interim result, GMT is proposing to undertake a Unit Purchase Plan enabling New Zealand resident Unitholders to apply for \$1,000, \$2,500, \$5,000, \$7,500, \$10,000 or \$15,000 of Units (with fractions rounded down). It is expected to open on 30 November and close on 31 December 2012, and will have a record date of 29 November 2012. It will be subject to a cap of \$30.0 million (with applications scaled on a proportionate basis).

GNZ announced, on 13 November 2012, a cash distribution of 1.5625 cents per Unit. Participants in the Institutional Placement will be entitled to receive that distribution, whereas participants in the Unit Purchase Plan will not. As such, the proposed issue price for the Unit Purchase Plan will be equal to the lesser of the issue price under the Institutional Placement, less the cash distribution per Unit to be paid by GMT shortly, (being \$1.00), and the average end of day price of Units during the period 12 to 18 December 2012 (rounded down to the nearest cent).

This Explanatory Memorandum is not an offer or invitation to subscribe for Units pursuant to the Unit Purchase Plan. Any offer will be made in a separate booklet, which Unitholders should read carefully before making a decision to invest.

Further details of the Unit Purchase Plan will be provided in the Unit Purchase Plan booklet. The Booklet will be distributed to Unitholders from late November. The Unit

Purchase Plan is assumed to raise \$20.0 million and is subject to a cap of \$30.0 million. The Unit Purchase Plan is not dependent on the outcome of Unitholder approval of the Resolution.

However, GNZ will have rights to terminate the Unit Purchase Plan, and may not proceed with it if it does not consider it to be in the best interests of Unitholders.

The proceeds from the Institutional Placement and Unit Purchase Plan will be used to satisfy the cash consideration component of the Acquisitions, pay transaction costs and repay debt, if the Acquisitions proceed. If the Acquisitions do not receive Unitholder approval the proceeds from the Institutional Placement and Unit Purchase Plan will be used to repay debt and pay transactional costs.

Sources and uses

The following tables outline the sources and uses of funds from the Transaction, Institutional Placement and Unit Purchase Plan. Transaction costs include underwriting fees and all other professional fees, including an acquisition fee of \$0.8 million paid to GPS, being 0.5% of the gross asset value of the interest being acquired from Fisher. This fee relates to the acquisition of the Fisher interests in HDL and HBPL,

and no fee is being paid to GPS with respect to the Goodman Acquisition.

GPS is entitled to charge GMT an acquisition fee of up to 1.0% of the purchase price for the assets being acquired. GPS has agreed with GMT to not charge any acquisition fees in connection with the acquisition from Goodman Group (consistent with prior transactions).

Sources and uses, including Unit issuance

Sources	\$m	Uses	\$m
Institutional Placement	60.0	HDL acquisition	145.3
Unit Purchase Plan ¹	20.0	HBPL acquisition	39.3
Units issued as consideration	93.3	Deferred consideration compensation	2.0
Deferred Issue Units	37.3	Transaction costs	3.5
		Reduction in debt	20.5
Total	210.7	Total	210.7

Cash sources and uses

Sources	\$m	Uses	\$m
Institutional Placement	60.0	HDL acquisition	36.3
Unit Purchase Plan ¹	20.0	HBPL acquisition	19.7
		Transaction costs	3.5
		Reduction in debt	20.5
Total	80.0	Total	80.0

Note: Values in the table above may not appear to sum accurately due to rounding.

1. Unit Purchase Plan targeting \$20.0 million, but may be up to \$30.0 million.

**The meeting of Unitholders
will be held at Rydges Hotel
on 7 December 2012
commencing at 11am.**

+04

notice of meeting continued+

Notice

Notice is given that a meeting of Unitholders will be held in the Kingston Room at Rydges Hotel, 59 Federal Street, Auckland on 7 December 2012 commencing at 11:00am. A number of terms used in the Notice of Meeting are defined in the glossary in section 7.

Agenda

To consider and, if thought fit, pass the following Resolution:

The Resolution

An extraordinary resolution to approve:

- (a) the Acquisitions; and
 - (b) the issue of Units pursuant to the Acquisitions, and the issue price of those Units,
- on the terms and conditions set out in the Explanatory Memorandum.

By order of the Board of Goodman (NZ) Limited.



Keith Smith
Chairman and Independent Director
19 November 2012



Summary of Appraisal Report

With the approval of NZX, the Independent Directors engaged the Independent Appraiser to prepare an independent appraisal report on the fairness to Unitholders, not associated with Goodman Group or Fisher, of the Acquisitions.

A copy of this report appears in the Annexure and concludes:

- + **In our opinion, after having regard to all relevant factors, the terms and conditions of the Transaction are fair to the Non-associated Unitholders.**

The Independent Directors have carefully considered the Appraisal Report prepared by the Independent Appraiser and unanimously recommend that Unitholders approve the Resolution.

Important notes

Requirements for the Resolution

As some of the Units to be issued in respect of the Goodman Acquisition will not be issued immediately (as described in section 5), and as the issue price may be varied in certain circumstances (also described in section 5), GNZ is unable to determine at this time that the issue price for those Units will comply with the Trust Deed. This is because the Trust Deed prohibits the issue of Units at the prices below the lower of net asset value per Unit, and the market value of a Unit, determined around the time of issue of the Units. As such, an extraordinary resolution is sought, under the Trust Deed, to approve the price at which Units will be issued pursuant to the Acquisitions.

The Acquisitions provide for 74,671,248 Units to be issued to the Goodman Group (although this could change, as discussed on page 44) and 55,989,374 Units to be issued to Fisher.

Each of Goodman Group (as the holder of more than 10% of the Units), and Fisher (as a joint venture party of GMT with respect to both HDL and HBPL) is a "Related Party" for the purpose of Listing Rule 9.2.3, and accordingly approval is required to the Acquisitions (and associated issues of Units) pursuant to Listing Rule 9.2.1. Approval is also required under Listing Rule 7.3.1 to the issue of Units pursuant to the Acquisitions.

Listing Rule 7.5 requires Unitholder approval to any issue of Units that has a significant likelihood of materially increasing the ability of a group of Associated Persons to exercise effective control of GMT. If all Units were issued immediately pursuant to the Acquisitions, Goodman Group's holding in GMT would increase from 17.2% to approximately 21.5%, and accordingly approval under Listing Rule 7.5 is being sought.

Voting exclusions

Pursuant to Listing Rule 9.3 and the conditions to waivers and rulings set out in this section 4, the Goodman Group, GNZ, Fisher and their Associated Persons are not permitted to vote on the Resolution. Any Associated Persons of such a person are also not permitted to vote. These disqualifications do not apply where any of those persons acts as proxy or representative for a person who is not disqualified from voting and is voting in accordance with the express instructions of that other person.

Attendance and voting rights

Subject to the voting exclusions described above, every Unitholder or that Unitholder's proxy, attorney or representative, is entitled to attend the Meeting and vote. On a show of hands, each Unitholder has one vote, and on a poll, each Unitholder has one vote per Unit. Unitholders for the purposes of voting at the Meeting will be determined from GMT's register at the close of business on the prior day.

Voting and proxies

A Unitholder is entitled to appoint a proxy to attend and vote on behalf of the Unitholder at the Meeting. A proxy need not be a Unitholder. Unitholders wishing to appoint the chairman of the Meeting as their proxy should read the instructions on the Voting and Proxy Form carefully and direct such appointment in the manner provided for on that form. A Voting and Proxy Form accompanies the Explanatory Memorandum. To be valid, Voting and Proxy Forms must be received at the office of Computershare Investor Services Limited on or before 4 December 2012. The office of Computershare Investor Services Limited is located at Level 2, 159 Hurstmere Road, Takapuna, Auckland.

NZX waivers and rulings

NZX has granted the following waivers and rulings to GMT:

- (a) a waiver from Listing Rule 4.2.3 to the extent that it requires that an agreement be entered into with a person who is not a Related Party, such that the date for the issue of Deferred Issue Units to Goodman Group (as described in section 5), which is a Related Party of GMT, may be brought forward in the circumstances described in section 5;
- (b) waiver from the requirement in Listing Rule 7.3.2(b) that an issue approved under Listing Rule 7.3.1 must be completed within 12 months after the passing of the resolution, so that the deferred issue of the Deferred Issue Units to Goodman Group may take place at a later date (as described in section 5);
- (c) a ruling that Listing Rules 4.2.2(a) and 11.1.1 permit the imposition of restrictions on the sale, distribution or transfer of Units by Fisher and by Goodman Group, as described in section 5;
- (d) a waiver from Listing Rule 7.3.5(b)(iii) to permit the issue of any units to the Underwriter to proceed under Listing Rule 7.3.5;
- (e) a waiver from Listing Rule 9.2.1 so that Unitholder approval is not required to the New Service Agreements, as described in section 5;
- (f) a waiver from Listing Rule 9.2.1 to the extent that it requires Unitholder approval to the Institutional Placement, and the underwriting of the Institutional Placement, as a consequence of those transactions being treated as a "related series of transactions" with the Acquisitions; and
- (g) a ruling that the voting restrictions in Listing Rule 9.3.1 do not apply where a waiver has been given from Listing Rule 9.2.1, meaning that only Goodman Group, Fisher and their Associated Persons are not permitted to vote on the Resolution by Listing Rule 9.3.1.

the transaction agreements +

**Following the Transaction,
the Trust will own
one hundred percent of
Highbrook Business Park.**



+05



the transaction agreements continued+

Acquisition Overview

GMT, through a wholly-owned subsidiary (Goodman Highbrook), holds 50% of the shares in HDL, which owns properties at the Highbrook Business Park. The other shareholders in HDL are Goodman Group (as to a 25% shareholding) and Fisher as to the remaining 25% shareholding.

GMT also (again through wholly-owned subsidiaries, namely GPAL, and GPAL's nominee and agent, Goodman Nominee) holds 75% of the shares in HBPL. The other 25% shareholding is held by Fisher. HBPL holds legal title to properties at the Highbrook Business Park, but acts as trustee for both GMT and the Fisher Estate as concerns those properties, with GMT holding a 75% beneficial interest, and Fisher a 25% beneficial interest, in those properties.

GMT is proposing to undertake the following acquisitions:

- (a) the acquisition from Fisher of the 25% shareholding in HDL, the 25% shareholding in HBPL, and the 25% beneficial interest in the properties of HBPL, held by Fisher ("Fisher Acquisition"); and
- (b) the acquisition from Goodman Group of its 25% shareholding in HDL ("Goodman Acquisition").

The Goodman Acquisition and the Fisher Acquisition will be inter-dependent, so that neither will proceed unless both of them proceed, and each will complete contemporaneously with the other.

Details of the Fisher Acquisition and the Goodman Acquisition are set out in the following pages.

Fisher Acquisition

Pursuant to the Fisher Acquisition, it is proposed that GMT (through its subsidiary, Goodman Nominee, which acts as nominee for, and agent of, GPAL) will purchase Fisher's 25% shareholding in HDL, and the 25% shareholding in HBPL, and the 25% beneficial interest in the properties of HBPL, held by Fisher.

The Fisher Acquisition is conditional upon:

- (a) consent being obtained for the Goodman Acquisition and the Fisher Acquisition under the Overseas Investment Act 2005 ("OIA") by or on 6 December 2012;
- (b) all units offered by GNZ pursuant to the Institutional Placement being subscribed for, and the subscription money or money's worth for those Units being received, by or on 20 November 2012.
- (c) Unitholders approving the Fisher Acquisition and the Goodman Acquisition by or on 7 December 2012; and
- (d) settlement of the Goodman Acquisition occurring before or contemporaneously with completion of the Fisher Acquisition.

Those dates could be altered by agreement, or conditions could be waived by GMT. Settlement will occur five business days after the first three of those conditions are satisfied or waived. However, settlement of the Fisher Acquisition is dependent upon settlement also occurring under the Goodman Acquisition. GMT will not be obliged to settle under the Fisher Acquisition if the Goodman Acquisition does not settle.

Payment of the purchase price

GMT will pay the purchase price on settlement (expected to be December 2012) as follows:

- (a) one-half of the purchase price will be paid by the issue of Units in GMT, with each unit to be issued at an issue price of NZ\$1.00, so that the number of Units to be issued will be equal to one-half of the purchase price divided by that issue price; and
- (b) the balance of the purchase price will be paid in cash.

The Units will rank equally with all other Units in GMT, but will not participate in any distribution declared prior to the Meeting.

HDL purchase price

The price to be paid for the shares in HDL is \$72,671,248, being an amount equal to 25% of the consolidated net assets of HDL and its subsidiary at 30 September 2012. This amount has been determined from audited financial statements as at 30 September 2012 prepared by HDL. The financial statements were prepared on a basis consistent with the audited consolidated financial statements of HDL for the year ended 31 March 2012, and in accordance with NZ GAAP (to the extent not inconsistent with HDL's accounting practices as applied to those financial statements). Land and buildings were valued in the financial statements at values determined by independent valuations with commenced developments valued as if complete, less the costs to complete.

HBPL purchase price

The price to be paid for the shares in HBPL and the beneficial interest in properties held by HBPL is \$39,307,500, being an amount equal to 25% of the "HBPL Property Valuation", which means the aggregate valuation of the land and buildings held by HBPL, at 30 September 2012, as determined by CBRE Limited. CBRE prepared independent valuations of the fair value, in accordance with New Zealand accounting standards for investment property, and on a basis consistent with the methodology adopted by HBPL's valuers in the valuation of those properties carried out as at 31 March 2012.

Apportionments

There will be an adjustment to the HBPL purchase price on settlement to take account of the (GST exclusive) amount of incentives that were payable, but not paid, by HBPL under leases. In addition, on and after settlement of the Fisher Acquisition, GMT and Fisher will, as at 30 September 2012, apportion revenues, and operating expenses, with respect to the properties of HBPL, such that GMT receives 75% of revenue, and meets 75% of expenses, prior to 30 September 2012, and receives and meets (as the case may be) 100% after 30 September 2012.

Warranties

The Fisher Acquisition Agreement contains very limited covenants, undertakings and warranties. The principal warranty is that title to the shares in HDL and HBPL, and to the beneficial interest in HBPL properties, will pass to GMT on settlement. The agreement does not contain warranties on other matters (for example, as to assets, taxation, contracts, litigation and liabilities of HDL and HBPL).

Fisher's total liability to GMT in respect of all claims in respect of those warranties may not exceed an amount equal to the purchase price, and no claim may be made by GMT unless and until the aggregate of all claims exceeds \$2.0 million, provided that once that threshold is reached the full amount of all such claims may be claimed. Any warranty claims must be made within 12 months of settlement.

As security for the warranties, Fisher will grant security to GMT over the Units issued to it pursuant to the Fisher Acquisition. In addition, as security for the warranties, no less than \$43,489,374 of the cash paid to Fisher will be placed in bank accounts for which Fisher and GMT are joint signatories. Income will be released to Fisher, but otherwise withdrawals will require joint approval.

The security, and cash, may be released at the end of the warranty period if no claim has been made by GMT. If a claim has been made, cash or Units may be released if (and to the extent) their value exceeds the claim.

Transfer restrictions

During the period in which warranty claims may be made Fisher undertakes to hold all of the Units issued to it pursuant to the Fisher Acquisition.

Other

The Fisher Acquisition Agreement may be cancelled by a non-defaulting party in the event of a material default by either party.

the transaction agreements continued+

Goodman Acquisition

Pursuant to the Goodman Acquisition Agreement, it is proposed that GMT (through Goodman Nominee, acting as nominee for, and agent of, GPAL) will acquire Goodman Group's 25% shareholding in HDL (held through TCL and Tallina).

The Goodman Acquisition Agreement is conditional upon:

- (a) consent to the Goodman Acquisition and the Fisher Acquisition being obtained under the OIA by or on 6 December 2012;
- (b) all Units offered by GNZ pursuant to the Institutional Placement being subscribed for, and GNZ receiving the subscription money or money's worth for those Units by or on 20 November 2012;
- (c) Unitholders approving the Goodman Acquisition and the Fisher Acquisition by or on 7 December 2012; and
- (d) settlement of the Fisher Acquisition occurring before or contemporaneously with completion of the Goodman Acquisition.

These dates could be altered by agreement or conditions could be waived by GMT. Settlement will occur five business days after the first three of those conditions are satisfied or waived. However, settlement of the Goodman Acquisition is dependent upon settlement occurring under the Fisher Acquisition. GMT will not be obliged to settle under the Goodman Acquisition if the Fisher Acquisition does not settle.

Purchase price

The purchase price for the Goodman Group's shares in HDL will be \$74,671,248, being an amount equal to the sum of:

- (a) \$2.0 million; and
- (b) an amount of \$74,671,248 equal to 25% of the value of the consolidated net assets of HDL and its subsidiary at 30 September 2012. This amount has been determined from audited consolidated financial statements as at 30 September 2012 prepared by HDL. The financial statements were prepared on a basis consistent with the audited consolidated financial statements of HDL for the period from 1 April 2011 up to, and as at, 31 March 2012, and in accordance with NZ GAAP (to the extent not inconsistent with HDL's accounting

practices as applied in those financial statements). Land and buildings were valued as described for the Fisher Acquisition.

Payment of the purchase price

The purchase price will be paid as follows:

- (a) an amount equal to 50% of the purchase price will be paid on settlement (expected to be December 2012); and
- (b) the balance of the purchase price will be paid on the third anniversary of the completion date ("Second Payment Date"), or a date within 5 Business Days after the Second Payment Date, as determined by GMT, subject to adjustment as described below.

Subject to the matters discussed below, GMT will pay the purchase price by procuring the issue of fully paid ordinary Units, with each Unit to be issued at an issue price of \$1.00 (subject to adjustment set out below), so that the number of Units to be issued to TCL (or a nominee of TCL approved by GNZ) on a date will be equal to the amount due to TCL on that date divided by that issue price (rounded down to the nearest unit). The Units will rank equally with all other Units, but will not participate in any distribution declared prior to the Meeting.

The Units to be issued on the Second Payment Date will, if Goodman Group so elects, be issued at an earlier date if the manager of GMT is not Tallina or the Goodman Group, or an Associated Person of any of them (or if a Court application is made, or notice is given of a proposal or intention, or a meeting of Unitholders is called, to remove the manager of GMT, or the manager gives notice of an intention to retire, where the removal or retirement will mean that none of such persons is manager of GMT) or if a person (not being Tallina or the Goodman Group, or an Associated Person of any of them) gives notice of an offer for at least 50% of the Units of GMT on issue.

GMT will have the right, if the Independent Directors of GNZ determine that the issue of any Units to the Goodman Group may adversely affect the Trust or Unitholders, to make a cash payment instead of issuing a Unit. The amount of that payment, per Unit, will be equal to the greater of \$1.00 (subject to adjustment as described below) and the average of the daily

volume-weighted average trading price of Units over the five trading days prior to the payment date. If, for any reason, any Units are not issued when required, GMT will be deemed to have elected to make a cash payment for these Units.

If, prior to the issue of Units to the Goodman Group, GMT makes an offer of Units by way of a rights issue, then the issue price of the Units yet to be issued will be reduced by an amount determined as follows:

$$\frac{[P-(S+D)]}{N+1}$$

- P = the average of the daily volume-weighted average trading prices of Units on the five trading days prior to the ex date of the rights issue.
- S = the subscription price for a Unit under the rights issue.
- D = the amount of any unpaid distribution due on the underlying Units in Goodman Property Trust (except those Units to be issued under the rights issue).
- N = the number of units which must be held to receive a right to one new Unit.

If, prior to the issue of Units to Goodman Group, GMT makes any bonus issue, any issue of Units by way of capitalisation of profits or reserves, or issues any other Units, or undertakes any Unit consolidation, subdivision, buyback, repurchase or redemption, reduction or return of capital or a capital distribution, or any amalgamation, arrangement, compromise or other reconstruction affecting Units, or any adjustment to the terms of Units, but excluding (in all cases) a rights issue, then GNZ or Goodman Group may require that an independent expert determine whether an amendment is required to the issue price of \$1.00 (and/or the number of Units to be issued on a given date), and/or the cash amount referred to above, to ensure that the future performance of the Goodman Acquisition Agreement will place GMT and the Goodman Group in the same overall economic position as if the event had not occurred. Any determination by the expert will be binding. This may result in Units being issued to Goodman Group at a lower price (so that Goodman Group receives a greater number of Units), or a greater cash amount being paid to Goodman Group, to ensure that Goodman Group is not adversely affected by such an event. However, these provisions will not apply to issues of Units pursuant to the Goodman Acquisition

or the Fisher Acquisition or pursuant to a distribution reinvestment or unit purchase plan, or where the issue price of a Unit is not less than the lower of the net asset value of GMT (at a date within 30 business days before the issue) and the market value of a Unit (being the weighted-average of Unit prices on the five trading days preceding a date which is within 30 business days before the issue).

Warranties

The Goodman Acquisition Agreement contains very limited covenants, undertakings and warranties. The principal warranty is that title to the shares in HDL will pass to GMT on settlement. The agreement does not contain warranties on other matters (for example, as to assets, taxation, contracts, litigation and liabilities of HDL).

The total liability of Goodman Group to Goodman Nominee in respect of all claims in respect of the warranties may not exceed an amount equal to the purchase price, and no claim may be made by Goodman Nominee unless and until the aggregate of all claims exceeds \$2.0 million, provided that once that threshold is reached the full amount of all such claims may be claimed. Any claim for breach of those warranties must be made within 18 months of settlement.

Transfers

If Goodman Group wishes to sell any of the Units issued to it, GMT (subject to limitations) will be required to assist Goodman Group to comply with securities laws. Until the third anniversary of the settlement of the Goodman Acquisition, the Goodman Group may not sell, transfer or otherwise dispose of any of the Units issued pursuant to the Goodman Acquisition, or any of the Units it currently holds in the Penrose Trust if that would cause the Penrose Trust to hold less than 10% of all Units. GMT may consent to earlier transfers.

Other

The Goodman Acquisition Agreement may be cancelled by a non-defaulting party in the event of a material default by another.

The obligations of Tallina and TCL are guaranteed by GFM.

The obligations of Goodman Nominee are guaranteed by GMT.

the transaction agreements continued+

GMT Ownership

The following table shows Goodman Group and Fisher's respective interests in GMT, under the various acquisition and equity raising assumptions.

GMT Ownership

	Total Units on issue million	Units held by GMG	Units held by Fisher
	1,015	17.2%	-
Institutional Placement of \$60.0 million	1,074	17.2%	-
Goodman and Fisher Acquisition consideration	1,167	19.0%	4.8%
Deferred Issue Units	1,205	21.5%	4.6%
Unit Purchase Plan of \$20.0 million	1,225	21.2%	4.6%

Note: Assumes the Institutional Placement, Acquisitions and Unit Purchase Plan were completed with respective issue prices of \$1.015625, \$1.00 and \$1.00 per Unit.

Services Agreements

HDL and HBPL are a party to development and project management agreements and property service agreements with GPS.

These agreements were (except for the property services agreement with HBPL) entered into in 2006 and 2007, with summaries of the agreements included in explanatory memoranda sent to Unitholders in those years. The property services agreement with HBPL was entered into in 2011, and was on the same terms (except for the commencement date) as an earlier agreement also summarised in one of those explanatory memoranda. In each case, GNZ also made a statement that the fees under the HDL agreements, and the gross cost to GMT under the HBPL agreements, respectively, in any financial year would not exceed 0.5% of the "Average Market Capitalisation" (as defined in the Listing Rules 9.1.1)

of GMT. The Listing Rules now provide that the relevant threshold is 1% of an issuer's "Average Market Capitalisation").

On settlement of the Acquisitions, it is proposed that these agreements are terminated and that the New Services Agreements be entered into. The New Service Agreements would be on the same terms as the current agreements, except that the commencement date would alter (and any consequential amendments would be made), and Fisher would be removed as a party. For the New Service Agreements, unless expressly approved by Unitholders by ordinary resolution, the aggregate fees in any financial year under the New Service Agreements for HDL, and under the New Service Agreements for HBPL, in each case will not exceed 1% of the "Average Market Capitalisation" of GMT at the announcement of the Acquisitions.



risk factors+

The following section identifies the risk factors associated with the Acquisitions.



+06



risks factors continued+

The risk factors associated with the Acquisitions are largely comparable in nature to those faced by the Trust in its ordinary course of business. An overview of these and other risks is outlined below. This overview is not intended to be an exhaustive list of all risks associated with the Acquisitions or GMT.

General business risks

Economic activity

The Trust's business and its performance are subject to changes in the New Zealand economy at large, including but not limited to customer demand, inflation, interest rates, exchange rates and the government's regulatory and fiscal policy. It is possible that a downturn in the New Zealand economy, or within GMT's customer base, could have a material adverse impact on GMT's performance. In addition, movements in New Zealand and international stock markets and changes in economic conditions or interest rates may affect prices at which the Units trade.

Regulatory issues and changes in law

As a business with operations in New Zealand, GMT and GNZ are exposed to government regulatory policies that could have a direct bearing on business operations. GMT and GNZ believe that they currently comply with the applicable regulations. However, no assurance can be given that current laws and regulations or the adoption of new laws and regulations, particularly those related to the property market and tenancy, may not have a material adverse effect on GMT's operations, financial performance or prospects.

Taxation

Changes in tax law, or changes in the way tax law is interpreted, have the potential to impact on returns. Changes to the rates of income tax applying to individuals, companies and/or trusts similarly will impact after-tax Unitholder returns. If the Trust were to lose its PIE status, this would impact after-tax Unitholder returns. This status could be lost as a result of matters outside of the control of GMT.

Insurance

GMT and GNZ arrange comprehensive material damage, business interruption and public and statutory liability insurance covering the portfolio and utilise policy specifications and insured limits customarily carried for similar portfolios in New Zealand. There are, however, types of losses (such as earthquake and volcanic eruption) that are insured but subject to

higher deductibles. Terrorism insurance is also arranged subject to certain limits and deductibles. The insurance programme is renewed annually and the scope of insurance will be dependent on a number of factors such as the continued availability of cover, the nature of the risks to be covered, extent of the proposed coverage and the costs involved.

Funding

In order to provide for future growth, GMT relies on both equity and debt funding including the refinancing of existing debt facilities. An inability to obtain the necessary funding for the Trust or a material increase in the cost of the funding through an increase in interest rates may have an adverse impact on GMT's financial strength and future performance.

Loss of key personnel

GMT's operations are reliant on the Manager retaining and attracting quality senior executives and other employees. There is no guarantee that the Manager will be able to retain these employees, or that suitable replacements will be hired in the event of their departure or that it will be able to prevent them from competing with the Manager in the event of their departure.

Property market risks

The past performance of GMT's assets does not guarantee their future performance. Any deterioration of the New Zealand property markets could adversely affect the value of GMT's properties. GMT will be subject to the prevailing property market conditions in New Zealand. Adverse changes in market sentiment or market conditions may impact GMT's ability to acquire, manage or develop assets, as well as the value of GMT's assets. These impacts could lead to a reduction in earnings or the carrying value of assets.

Changes in the value of and income from properties

Returns from investment in property assets largely depend on the rental generated from the property and the expenses incurred in the operation, including the management and maintenance of the property as well as changes in the market value of the property.

Rental income and/or the market value of individual properties and the Trust may be adversely affected by a number of factors, including:

- (a) the overall conditions in the national and local economy such as changes to growth in gross domestic product, employment, inflation and interest rates;
- (b) local real estate conditions, such as changes in the demand and supply for industrial assets or space;
- (c) the bankruptcy or closure of major customers;
- (d) the perception of prospective customers regarding attractiveness and convenience of assets;
- (e) the ability to obtain leasing and rental terms in line with expectations;
- (f) unforeseen capital expenditure;
- (g) supply of new properties and other investment assets; and
- (h) investor demand/liquidity in investments.

Changing work practices

The demand from customers to rent the Trust's properties may be adversely affected by changing work practices, such as a greater number of people working from home, reducing the need for office space.

Changing needs of corporate customers

GMT's property portfolio attracts many leading corporate businesses, including large logistics operators, as key customers. There is a risk that changes in the transport sector could lead to greater fragmentation, with existing logistics customers requiring less warehouse space in future. While this could increase renewal risk on larger facilities it is expected that these premises could be reconfigured and marketed to other industry sectors.

Acquisition of properties

A key element of GMT's future strategy involves the acquisition of properties to enhance its property portfolio. While it is GMT's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions. These risks could include unexpected problems or other latent liabilities such as the existence of asbestos or other hazardous materials or

environmental liabilities. Depending on the nature and structure of the acquisition, there may also be risks associated with integration of businesses, including financial and operational issues as well as employee related issues.

Development risks

The Trust is involved in the development of industrial and business space properties. Development risks include industrial disputes, inclement weather, labour and supply shortages, cost overruns, construction difficulty or default by the construction contractor or customer. There are also risks associated with land development, infrastructure and below ground services which may not be fully quantified until site works commence. Regulatory risks associated with planning approvals and changes in planning legislation could also affect GMT's ability to complete a development in a timely manner. GMT's cost of developing such properties could be adversely affected if these risks were to eventuate. There is also the risk that customers will not be obtained for the development space or the development does not proceed for other reasons.

Transaction risks

Acquisitions conditional

The Acquisitions are conditional on a number of factors, including all necessary consents being obtained under the OIA. If these conditions are not satisfied in respect of the Acquisitions, they will not proceed. Funds raised by the Institutional Placement and Unit Purchase Plan would then be used to meet transaction costs and repay indebtedness of GMT and, once identified and secured, to fund other investment opportunities.

Limited warranties

The Acquisitions will involve the acquisition by GMT (through its wholly-owned subsidiaries) of the remaining shares in of HDL and HBPL. When acquiring a company, there is a risk that the company may be subject to liabilities or claims, or other adverse events, as a result of activities that have taken place prior to the date of the acquisition, and this risk exists for the Acquisitions.

For the Acquisitions, GMT is only obtaining a warranty as to title to the shares and interests passing to GMT. GMT will therefore not have warranty protection against adverse events which occur (except as concerns

risks factors continued+

title). GNZ is comfortable with this position given its knowledge of HDL and HBPL, but there remains a risk that its knowledge of matters is incomplete, or that its judgement on matters proves to be incorrect.

Valuations and costs to complete

The HDL and HBPL property valuations have been carried out by independent valuers in accordance with NZ GAAP. The HDL and HBPL properties have been valued on an “as if complete”, basis which means that the HDL and HBPL properties have been valued on the basis that all future development has been completed and the estimated costs of such development have been deducted from the estimated value of the property.

The purchase price of the Acquisitions has been calculated in accordance with these valuations. There is a risk that adverse market conditions, or external forces (eg labour or raw materials), could reduce a property’s value on completion and/or increase the estimated development costs. If this were to occur, it could lead to a reduction in earnings or the carrying value of GMT property and assets.

Alteration to issue price

As discussed in section 5, the issue price of Units pursuant to the Goodman Acquisition (or cash price to be paid if Units are not to be issued) may be altered in the event of a rights issue or other corporate activity being undertaken by GMT. This may result in Units being issued to Goodman Group at a lower issue price (and the Goodman Group receiving more Units) or Goodman Group receiving a higher cash payment. These consequences would be taken into account by GNZ in proposing any such corporate activity.

Cash payment

As discussed in section 5, the Independent Directors of GNZ may elect in limited circumstances to pay part of the purchase price under the Goodman Acquisition in cash, instead of issuing Units.

Early payment

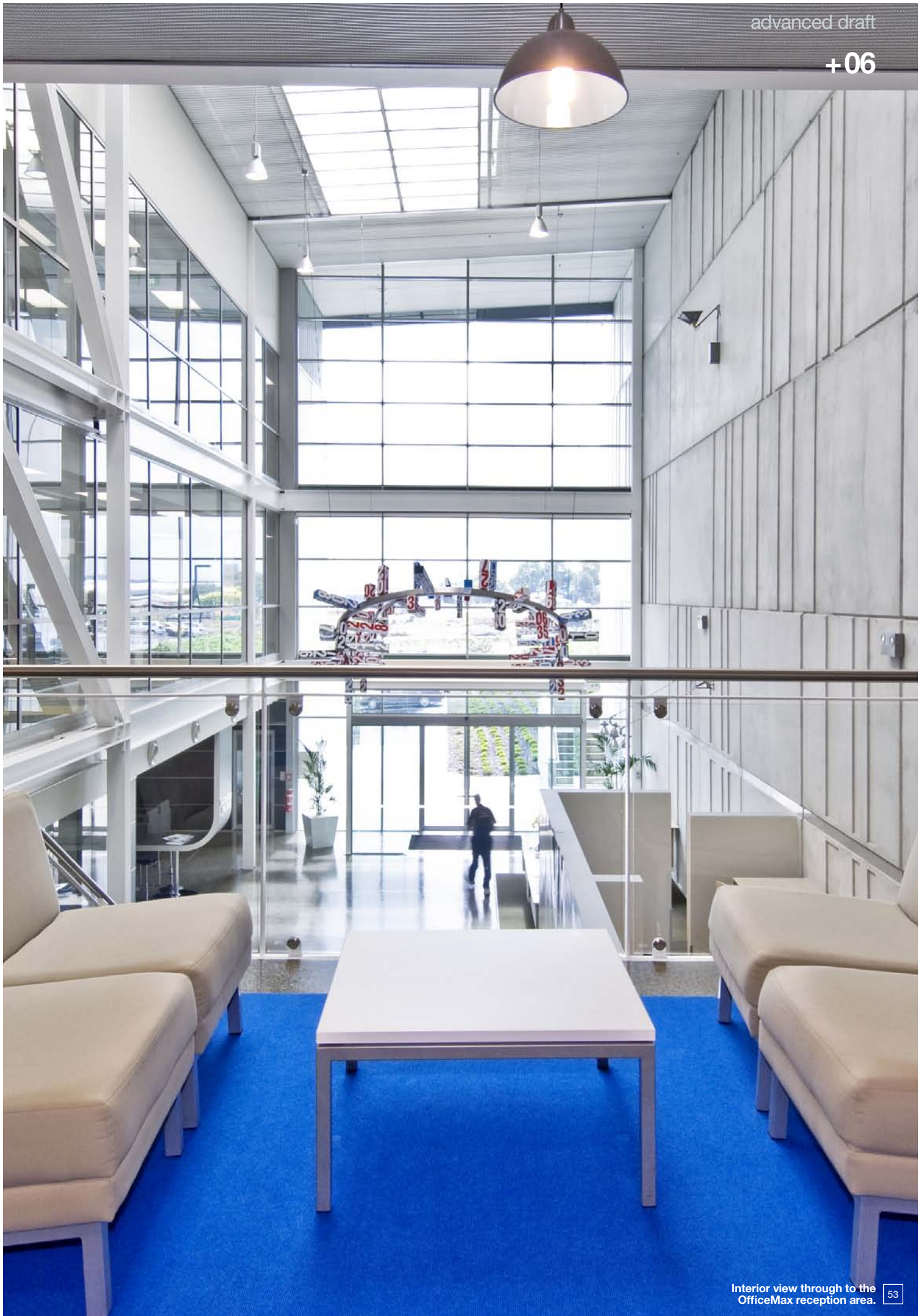
One-half of the purchase price under the Goodman Acquisition is intended to be paid three years after settlement of the acquisition. However, as described in section 5, Goodman Group may elect to require that it be paid earlier in certain circumstances.

These circumstances include if notice is given of an offer for 50% or more of the Units, or if a Goodman Group entity is not (or will not be) manager of GMT. This early payment requirement may deter offers being made for Units, or proposals to remove the manager of GMT, and could be triggered by a voluntary resignation of a manager.

Other risks

Future distribution payments

There can be no assurance that any distributions will be paid or as to the level to which those distributions will be imputed, as actual events might differ from the assumptions used in assessing the ability of GMT to pay and impute those distributions. There can be no assurance that future distribution payments will be made under the PIE regime as GMT’s PIE status could be lost by events outside of GNZ’s control.





+07

glossary continued+

The following table contains a glossary of the terms used in the offer document.

Acquisition(s)

means each of the Fisher Acquisition and the Goodman Acquisition.

Appraisal Report

means the report prepared by the Independent Appraiser which is an annexure to this Explanatory Memorandum.

Associated Person

has the meaning given to that term in the Listing Rules.

Deferred Issue Units

means the Units to be issued to Goodman Group at a later date as more particularly described in section 5.

Directors

means the directors of GNZ, being the Independent Directors and Gregory Goodman, Phil Pryke and John Dakin.

Explanatory Memorandum

means this Explanatory Memorandum dated 19 November 2012 incorporating the Notice of Meeting.

Fisher

means any or all of the Fisher Estate, Fisher Nominees or Fisher Highbrook.

Fisher Acquisition

has the meaning ascribed in section 5.

Fisher Acquisition Agreement

means the agreement for the sale and purchase of shares in HDL, shares in HBPL, and Fisher's interest in the HBPL Properties, with Goodman Nominee being the purchaser, and Fisher being the vendor.

Fisher Estate

means the estate of the late Sir Woolf Fisher.

Fisher Highbrook

means Fisher Highbrook Limited.

Fisher Nominees

means Fisher Nominees Limited.

GFM

means Goodman Funds Management Limited (ABN 48 067 796 641) (as responsible entity of the Goodman Industrial Trust (ARSN 091 213 839)).

Goodman Property Trust

means the Goodman Property Trust, a unit trust established under the Unit Trusts Act 1960 pursuant to the Trust Deed.

GNZ or Manager

means Goodman (NZ) Limited, as manager of GMT.

Goodman Acquisition

has the meaning ascribed in section 5.

Goodman Acquisition Agreement

means the agreement for the sale and purchase of shares in HDL with Goodman Nominee being the purchaser, and TCL being the vendor.

Goodman Group

means Goodman Limited (ABN 69 000 123 071), Goodman Industrial Trust (ARSN 091 213 839) and Goodman Logistics (HK) Limited (company number 1700359; ARBN 155 911 149) and their controlled entities.

Goodman Nominee

means Goodman Nominee (NZ) Limited.

GMT or Trust

means the Goodman Property Trust, a unit trust established under the Unit Trusts Act 1960 pursuant to the Trust Deed.

GPAL

means Goodman Property Aggregated Limited.

GPS

means Goodman Property Services (NZ) Limited.

HBPL

means Highbrook Business Park Limited, a nominee company which holds legal title to the HBPL Properties for Fisher and GMT pursuant to the terms of the Joint Venture Agreement.

HBPL Properties

means the properties co-owned by Fisher as to 25% and GMT as to 75% and held by HBPL.

HDL

means Highbrook Development Limited.

Highbrook Portfolio

means the properties at Highbrook Business Park owned by HDL together with the HBPL Properties.

Independent Appraiser

means Deloitte.

Independent Directors

means Keith Smith, Susan Paterson, Leonie Freeman and Peter Simmonds.

Institutional Placement

means the offer of Units to institutional and other suitably qualified investors to raise approximately \$60.0 million described in section 3.

Listing Rules

means the listing rules of NZX Limited.

Meeting

means the extraordinary meeting of Unitholders to be held in the Kingston Room of Rydges Hotel, 59 Federal Street, Auckland at 11.00am on 7 December 2012.

New Services Agreements

means the development management services agreement and property services agreement, between HBPL and GPS, and the development and project management agreement, and property services agreement between GPS and HDL, to be entered into on settlement of the Acquisitions.

Notice of Meeting

means the notice of meeting dated 19 November 2012 issued by GNZ for the purpose of convening the meeting.

OIA

means the Overseas Investment Act 2005.

PIE

means Portfolio Investment Entity; GMT elected into the PIE regime in 2007.

Related Parties

has the meaning given to that term in the Listing Rules.

Resolution

means the resolution to be considered by Unitholders at the Meeting.

Tallina

means Tallina Pty Limited (ABN 68 090 716 895) (as trustee of the Highbrook Trust (ABN 45 160 103 617)).

TCL

means The Trust Company Limited (ABN 59 004 027 749) (as custodian for and agent of Tallina).

Transaction

means the Acquisitions together with the Institutional Placement and Unit Purchase Plan Offer.

Trust Deed

means the trust deed dated 23 April 1999 providing for the establishment of the GMT (as amended from time to time).

Underwriter

means Macquarie Securities (NZ) Limited and Craigs Investment Partners Limited.

Unit

means a unit in the Goodman Property Trust.

Unit Purchase Plan

means the unit purchase plan proposed to be offered to Unitholders resident in New Zealand as described in section 3. It is assumed \$20.0 million will be raised and the offer will be capped at \$30.0 million.

Unitholder(s)

means the person for the time being registered as the holder of a Unit, and includes persons jointly registered.

Voting and Proxy Form

means the voting and proxy form accompanying the Notice of Meeting and Explanatory Memorandum.

WALT

means weighted average lease term.

Deloitte.

Appraisal Report

In respect of Goodman Property Trust's proposed acquisition of:

+ Shares in Highbrook Development Limited; and

+ Shares in, and property assets held by, Highbrook Business Park Limited

from Goodman Group and the Estate of the late Sir Woolf Fisher.

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Abbreviations and Definitions

ASX

the securities exchange conducted by ASX Limited

Capital Raising

the issue of approximately \$60 million of GMT units to institutional and other appropriately qualified investors on 13 November 2012 and the issue of up to \$30 million of GMT units via a Unitholder Purchase Plan announced on the same date.

CBD

central business district

CBRE

CBRE Limited

Colliers

Colliers International Consultancy and Valuation Pty Limited

Deferred Issue Units

37.3 million GMT units to be issued in December 2015 to Goodman Group as part of the consideration for the Goodman Acquisition

Development Agreement

the Development and Project Management Agreement dated 19 November 2004 between GPS and HDL

DPU

cash distribution per unit

DRP

distribution reinvestment plan

EPU

distributable earnings per unit

Fisher

means the estate of the late of Sir Woolf Fisher, through Fisher Highbrook Limited and its nominee company Fisher Nominees Limited

Fisher Acquisition

the acquisition from Fisher of the remaining 25% interest in HBPL (together with the 25% interest in the properties held by HBPL) that GMT does not already own and a 25% interest in HDL.

FY

the financial years ended 31 March

GMT

Goodman Property Trust

GNZ

Goodman (NZ) Limited

Goodman Acquisition

the acquisition of a 25% interest in HDL from Goodman Group

Goodman Group

Goodman Limited, Goodman Industrial Trust and Goodman Logistics (HK) Limited, operating together as a stapled group

GPS

Goodman Property Services (NZ) Limited

ha

hectares

HBPL

Highbrook Business Park Limited

HDL

Highbrook Development Limited

Highbrook Business Park or Highbrook

Highbrook Business Park located on the Waiouru Peninsula in Auckland

Independent Directors

the directors of GNZ not associated with Goodman Group or Fisher

Listing Rule(s)

NZSX Listing Rule(s)

LPE

listed property entity

NLA

net lettable area excluding canopies and yards

Non-associated Unitholders

GMT's unitholders other than those associated with Goodman Group or Fisher

NTA

net tangible assets

NZX

NZX Limited

NZX Main Board

the main board equities security market operated by NZX

PIE

portfolio investment entity

Transaction

together, the Fisher Acquisition and the Goodman Acquisition, and the proposed consideration

Trust Deed

Goodman Property Trust – Unit Trust Deed, dated 23 April 1999, including amendments up to 12 June 2008

WALT

weighted average lease term

\$

New Zealand dollars

A\$

Australian dollars

1. Introduction

1.1 Background

Goodman Property Trust

Goodman Property Trust (“GMT”) is a unit trust listed on the main board equity security market (“NZX Main Board”) operated by NZX Limited (“NZX”). GMT had a market capitalisation of \$1.035 billion as at 30 September 2012. GMT’s audited statement of financial position as at 30 September 2012 recorded total equity of \$952.0 million and total investment and development properties of \$1.642 billion.

Goodman (NZ) Limited (“GNZ”) holds the rights to manage GMT. GNZ is a wholly-owned subsidiary of Goodman Group.

Goodman Group

Goodman Group is an integrated property group that owns, develops and manages industrial and business properties globally. Goodman Group comprises Goodman Limited, Goodman Industrial Trust, and Goodman Logistics (HK) Limited and is traded as a stapled security on the Australian Stock Exchange (“ASX”). Goodman Group is the largest industrial property group on the ASX, with a market capitalisation of A\$5.89 billion as at 30 September 2012.

Goodman Group invests in business parks, office parks, industrial estates and warehouse and distribution centres. As at 30 June 2012 it had 389 properties and total assets under management of A\$20.0 billion.

Highbrook Business Park

Highbrook Business Park (“Highbrook”) is an industrial and commercial business park located on the Waiouru Peninsula, 20 minutes from the Auckland central business district. It covers an area of 106 hectares and approximately half of the site is already developed. Upon completion, Highbrook is expected to contain approximately 530,000m² of net lettable area (“NLA”) and up to 15,000 people are expected to be employed in the park.

The Highbrook Business Park is owned by Highbrook Development Limited (“HDL”) and Highbrook Business Park Limited (“HBPL”).

Highbrook Development Limited

Highbrook Development Limited owns approximately 91 hectares (“ha”) of land zoned for medium intensity commercial, light industrial and retail development within Highbrook. HDL was incorporated in August 1998 and was owned by the estate of the late Sir Woolf Fisher (“Fisher”). In November 2004 Goodman Group purchased a 75% stake in HDL and in 2007 GMT purchased a 50% stake from Goodman Group.

Highbrook Business Park Limited

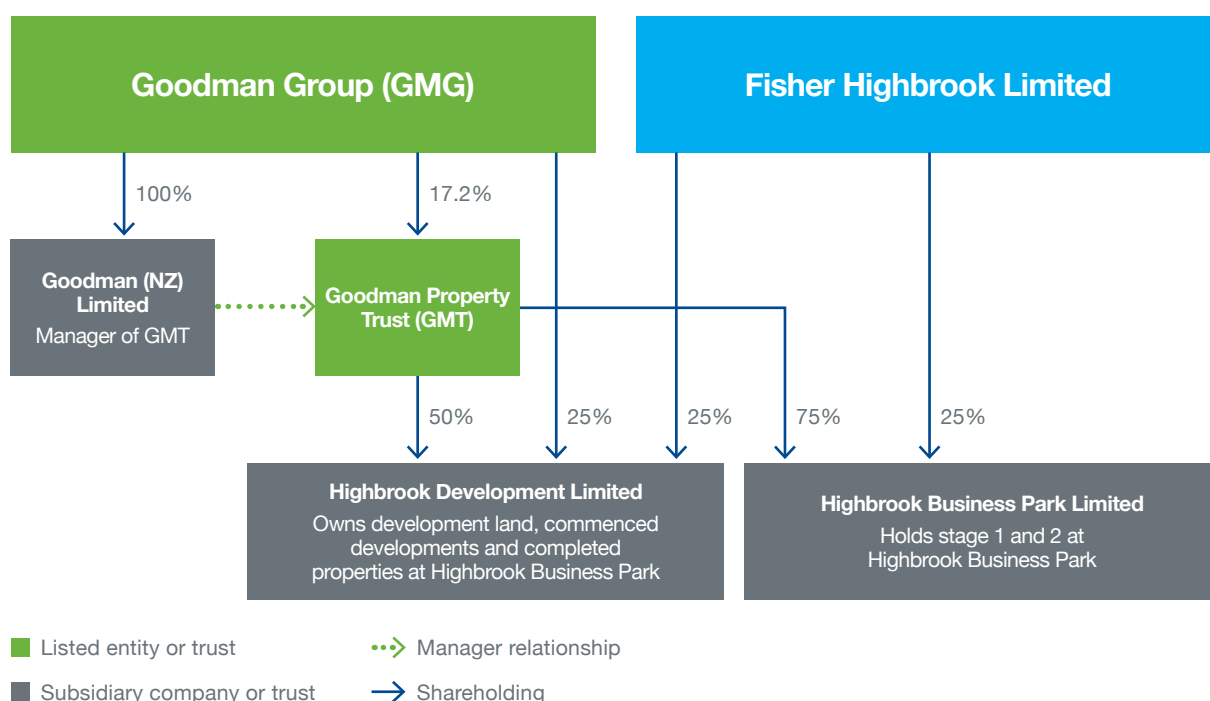
HBPL holds the stage 1 and 2 properties of Highbrook on behalf of GMT (75%) and Fisher (25%). HBPL was incorporated in February 2006 and acquired the properties from HDL in that year.

Estate of the late Sir Woolf Fisher

Interests associated with the estate of the late Sir Woolf Fisher initially owned all the land in the Highbrook Business Park. Today, the Fisher family, via a holding company, Fisher Highbrook Limited owns 25% of HDL, and 25% of HBPL and the properties held by HBPL.

Structure of Relationships

The following chart summarises the current relationships between the entities mentioned above:



1.2 Proposed Transaction

On 13 November 2012, GNZ announced that GMT intends to acquire:

- a) the 25% interest in HDL held by Goodman Group (“the Goodman Acquisition”); and
- b) the 25% interests held by Fisher in HDL and HBPL (together with the 25% interest in the properties held by HBPL) (“the Fisher Acquisition”);

The proposed consideration is:

- a) for the Goodman Acquisition, 37.3 million GMT units to be issued at the completion of the Transaction and 37.3 million GMT units to be issued in December 2015 (“Deferred Issue Units”); and
- b) for the Fisher Acquisition, \$56.0 million in cash and 56.0 million GMT units.

The Goodman Acquisition and the Fisher Acquisition, and the proposed consideration are together referred to here as the “Transaction”. The Goodman Acquisition and the Fisher Acquisition are interdependent, so that neither will proceed unless both of them proceed, and they will complete contemporaneously.

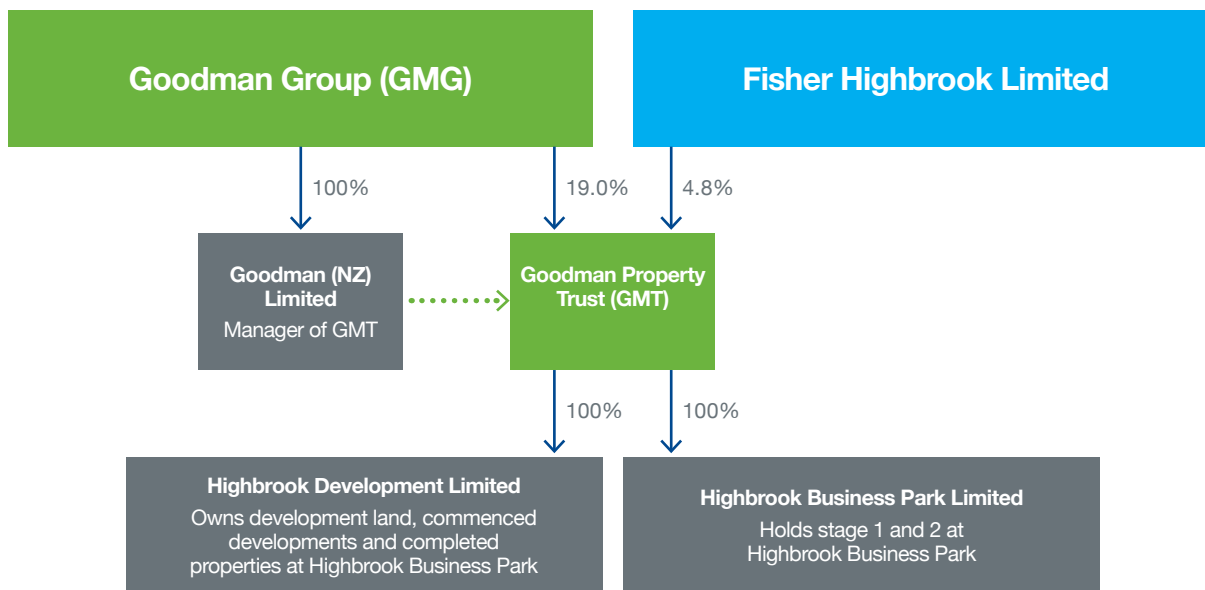


1.3 Capital Raising

Separately, GMT has raised approximately \$60 million via the issue of GMT units to institutional and other eligible investors and intends to raise up to \$30 million via a Unitholder Purchase Plan (together, the “Capital Raising”). The Capital Raising provides the funds for the cash component of the Transaction consideration and the repayment of up to \$30m of debt. However the Capital Raising is not part of the Transaction, is not dependent on the Transaction being approved by GMT unitholders, and does not require an Appraisal Report.

1.4 Post Transaction Ownership Structure

The following chart summarises the ownership structure after the proposed Transaction and the Capital Raising.



- Listed entity or trust
- Subsidiary company or trust
- ⋯➔ Manager relationship
- ➔ Shareholding

1.5 Regulatory Requirements

In the NZSX Listing Rules (the “Listing Rules”), and using the terms as defined therein, Listing Rule 9.2.1 stipulates that an Issuer shall not enter into a Material Transaction involving a Related Party without first obtaining approval of the transaction by way of an ordinary resolution from unitholders not associated with the Related Party.

In the context of the Transaction, Goodman Group and Fisher are deemed to be Related Parties of GMT.

The Transaction represents a Material Transaction under the Listing Rules. A Material Transaction with a Related Party is defined by Listing Rule 9.2.2 and includes the acquisition or disposal of assets having an aggregate gross value in excess of 10% of the average market capitalisation of the Issuer.

The policy intent behind Listing Rule 9.2.1 is to prevent a party with influence over an Issuer from exerting that influence to procure the entry by the Issuer into a transaction with the Related Party on terms which unfairly transfer value from the Issuer or its other security holders to the Related Party. If a Material Transaction with a Related Party is proposed, it must be approved by ordinary resolution of unitholders not associated with the Related Party and an independent Appraisal Report must be provided for the benefit of such unitholders. Listing Rule 9.2.5 requires that the notice of meeting in respect of a Material Transaction with a Related Party be accompanied by an Appraisal Report.

In addition, Listing Rule 6.2.2 requires a notice of meeting to be accompanied by an Appraisal Report when:

- a) *the resolution is required by Listing Rule 7.5; or*
- b) *in the case of an issue is intended or is likely to result in more than 50% of the Securities to be issued being acquired by Directors or Associated Persons of Directors of the Issuer.*

Listing Rule 6.2.2(b) applies because Goodman Group and Fisher are Associated Persons of Directors of GNZ.

Listing Rule 7.5 requires an ordinary resolution when an issue results in an Associated Person (who also holds more than 1% of the voting rights of the Issuer) “*materially increasing their ability to exercise, or direct the exercise of (either then or at any future time) effective control of that Issuer*”. Goodman Group’s unitholding in GMT increases from 17.2% (as at 30 September 2012) to a maximum of approximately 21.2% as a result of the Transaction (including the Deferred Issue Units as if they were issued upon completion of the Transaction and assuming \$20 million is raised via the Unit Purchase Plan). GNZ has taken a conservative approach and is seeking unitholder approval as if Listing Rule 7.5 does apply. This also results in a requirement for an Appraisal Report under Listing Rule 6.2.2 (a).

Accordingly, the directors of GNZ not associated with Goodman Group and Fisher (the “Independent Directors”) have requested Deloitte to prepare an Appraisal Report stating whether the consideration and the terms and conditions of the Transaction are fair to the unitholders not associated with Goodman Group or Fisher (the “Non-associated Unitholders”) pursuant to Listing Rules 9.2.5 and 6.2.2.

Deloitte has been approved by NZX to prepare the Appraisal Report. In reaching our conclusions we have relied upon property and land valuation reports prepared by Colliers International Consultancy and Valuation Pty Limited (“Colliers”) and CBRE Limited (“CBRE”).

We note that the relevant Listing Rules require unitholder approval by ordinary resolution. An ordinary resolution requires 50% approval of the unitholders attending the meeting and entitled to vote. However GNZ is seeking approval of the Transaction by way of an extraordinary resolution which requires 75% approval of the unitholders attending the meeting and entitled to vote. This is because GNZ cannot be certain that the issue of the Deferred Issue Units in December 2015 will at that time comply with GMT’s Trust Deed which prohibits issuing units at prices below the lower of net asset value per unit and the market value of a unit, each determined around the time of the issue of the units. Therefore an extraordinary resolution is sought under the Trust Deed to approve the price at which the Deferred Issue Units will be issued.

1.6 Purpose of the Report

Deloitte issues this Appraisal Report to the Independent Directors to assist, and for the benefit of, the Non-associated Unitholders in forming their own opinion on whether to vote in favour of or against the resolution relating to the Transaction. This Appraisal Report is not to be used for any other purpose without Deloitte’s prior written consent.

We note that each unitholder’s circumstances and objectives are unique. It is not possible to report on the fairness of the Transaction in relation to each unitholder. This Appraisal Report is therefore necessarily general in nature.

2. Basis of Evaluation and Opinion

2.1 Basis of Evaluation

Listing Rule 1.7 requires an Appraisal Report to consider the “fairness” of a transaction or proposal. The term “fair” has no legal definition in New Zealand either in the Listing Rules or in any statute dealing with securities or commercial law. Furthermore, overseas regulations provide minimal guidance in respect of how fairness should be determined in the context of a material transaction with a related party.

Guidance Note Number 10 issued by the New Zealand Institute of Chartered Accountants (“Guideline on Independent Chartered Accountants Reporting as Experts to Shareholders”) states “the expression of an opinion as to fairness will generally involve an assessment as to whether a transaction or proposal is just, impartial and equitable”.

For the purposes of this report, we consider that the Transaction will be fair, having regard to the interests of the Non-associated Unitholders, if the Non-associated Unitholders are likely to be better off if the Transaction proceeds than if it does not. Accordingly, we have compared the proposed consideration for the Goodman Acquisition and the Fisher Acquisition with the assessed value of the securities and assets acquired. Because the two acquisitions are inter-dependent, we have made this assessment on an aggregate basis. We have also considered the impacts of the Transaction on GMT’s key financial and operational metrics.

Finally, we have considered the fairness of certain terms of the Goodman Acquisition which could result in the Deferred Issue Units changing in number, being issued early or being paid in cash, and we have considered whether Goodman Group’s level of control over GMT materially increases as a result of the Transaction.

Our opinion should be considered as a whole. Selecting portions of the evaluation without considering all the factors and analysis together could create a misleading view of the process underlying our opinion.

2.2 Deloitte’s Opinion of the Transaction

In our opinion, after having regard to all relevant factors, the terms and conditions of the Transaction are fair to the Non-associated Unitholders.

The basis for our opinion is set out in more detail in section 6. In summary the key factors we have taken into account in forming our opinion are as follows:

We estimate that the value of the consideration offered is a fair price for the shares in HDL and the proportion of the properties held by HBPL to be acquired.

- + Based on the value of the properties (which have been independently assessed by expert property valuers), and the value of the companies’ other assets and liabilities, we estimate the value of 50% of the shares of HDL and 25% of the properties held by HBPL to be \$184.6 million (as at 30 September 2012). After transaction costs of \$1.9 million, the net value of the acquired interests is \$182.7 million.
- + The consideration is a combination of cash (\$56.0 million), units to be issued at completion of the Transaction (93.3 million units) and units to be issued in three years (37.3 million units). We estimate the total fair value of the consideration (based on the unit price as at 30 September 2012 of \$1.02) to be \$182.1 million.

The Transaction will (marginally) increase GMT's net tangible assets ("NTA") per unit, and is not expected to impact GMT's distributable earnings per unit ("EPU") and cash distributions per unit.

- + GMT's NTA per unit will likely (marginally) increase as a result of the Transaction, because the units issued as part consideration for the Transaction are being issued at a premium to NTA per unit (i.e. at \$1.00 per unit versus NTA of \$0.93 per unit).
- + The Transaction has no material impact on EPU in the current financial year (on a full year pro forma weighted average issued units basis).
- + GNZ does not expect the Transaction to have any impact on GMT's cash distribution per unit. The increase in non-cash yielding development land, and the lower earnings yield on Highbrook's properties compared to GMT's overall portfolio, are largely offset by the Deferred Issue Units which will not be issued, and will therefore not receive distributions, for the next three years.
- + The high quality of Highbrook's assets is reflected in the lower capitalisation rates applied by Colliers and CBRE in their valuations (on average 7.5% for Highbrook versus 8.4% for GMT's total portfolio). In our view, to be able to secure full ownership of the high quality (and therefore lower yielding) Highbrook properties while maintaining EPU and distributions per unit is a good outcome for GMT's unitholders.

The Transaction will have a positive impact on GMT's key property portfolio metrics.

- + The Transaction will increase the weighted average lease term ("WALT") of GMT's overall portfolio from 5.4 years to 5.6 years. Highbrook's WALT is 7.1 years. A longer WALT reduces risk by providing longer term cashflow certainty. The Transaction will reduce the average age of GMT's portfolio.
- + The Transaction will increase GMT's exposure to the Highbrook Business Park properties and their tenants. We believe the benefits of greater exposure to these high quality assets and tenants outweigh any concerns regarding the increased geographic or tenant concentration.

Development land will increase from 9.6% to 12.3% of total assets.

- + The proportion of development land in GMT's portfolio has fallen from a peak of 12.2% (by value) following the acquisition of 50% of HDL in 2007 to 9.6% currently. The Transaction will increase GMT's development land to 12.3%.
- + While property development involves risk, we view the increased exposure to Highbrook development land as a positive, because of GMT's track record of successful development at Highbrook and the potential for further development to enhance GMT's EPU and NTA.
- + GMT expects to be able to create assets on the development land that will generate higher yields than completed assets it could acquire for the same investment cost.

Ownership of 100% of HDL and HBPL will give GMT greater control of the assets and the development, and may allow for cost savings.

- + The Transaction will allow GMT to have full control of the development schedule, giving GMT greater certainty and increased flexibility as to the timing of development. In strengthening property market conditions, and with GMT's access to capital, there is potential to accelerate development at Highbrook. There is also the potential for cost savings from the simplification of the Highbrook organisational structure and combining debt facilities.



Goodman Group's control of GMT is not materially increased by the Transaction, and the terms related to the Deferred Issue Units are fair.

- + We do not believe that the increase in Goodman Group's unitholding in GMT as a result of the Transaction (from 17.2% to a maximum of approximately 21.2%) has any material effect on Goodman Group's level of control on GMT. Goodman Group can influence GMT not only via its shareholding, but also via GNZ and GPS and their respective fund management and development and property services contracts. These arrangements are in turn subject to, or overseen by, the Trust Deed, the Unit Trusts Act 1960, Independent Directors and the Listing Rules. The change in Goodman Group's shareholding in GMT is not material in this context and does not cross the 25% threshold that would allow it to block extraordinary resolution and potentially to entrench its management rights.
- + The terms of the Goodman Acquisition which could result in the Deferred Issue Units changing in number, being issued early or being paid in cash all have a reasonable commercial rationale and are fair to the Non-associated Unitholders.

2.3 Adequacy of Information

We have obtained all the information that we believe is necessary for the purpose of preparing this Appraisal Report.

In our opinion, the information set out in the Explanatory Memorandum and this Appraisal Report is sufficient to enable GNZ's Independent Directors and the Non-associated Unitholders to understand all the relevant factors and to make an informed decision in respect of the Transaction.

2.4 Implications of Resolution Not Being Approved

In the event that the resolution in respect of the Transaction is not approved, GMT will remain a 50% owner of HDL and a 75% owner of HBPL and the properties it holds as nominee. GMT's exposure to these assets will not increase and it will not be able to access the benefits of the Transaction.

The Capital Raising has decreased the gearing of GMT and in the absence of the Transaction the gearing would remain below GMT's target gearing range of 35% to 40%. This lower gearing would result in a lower earnings per unit, at least in the short term. However, this situation would not be expected to persist long term as in this circumstance we understand GNZ would amend its capital management programme, which might include the suspension of the distribution reinvestment plan ("DRP") for a longer period. This would result in the gearing ratio increasing due to greater use of debt to fund development activities. GNZ estimates that, in this situation, gearing would return to the target range within 12 months.

2.5 Acceptance or Rejection of Resolution

Voting for or against the resolution in respect of the Transaction is a matter for individual unitholders based on their own views as to whether the Transaction is fair. Unitholders should consult their own professional advisers if appropriate.

3. Overview of the Listed Property Sector

3.1 Listed Property Entities

Listed property entities (“LPEs”) allow investors to purchase an interest in a professionally managed portfolio of real estate. Units or shares in LPEs can be traded on the NZX Main Board and therefore have greater liquidity than direct investments in property.

The types of LPEs currently listed on the NZX Main Board include:

- + office – investing in large and medium scale office buildings and office parks, generally in or around cities;
- + industrial – investing in warehouse, industrial parks and estates;
- + retail – investing in shopping centres, malls, cinemas and other shopping related real estate;
- + health – investing in hospitals and medical centres; and
- + diversified – investing in a mixture of office, industrial, retail and/or health centre assets.

LPEs provide an opportunity for investors to hold stakes in investment-grade property portfolios, with professionals maintaining and improving the buildings, retaining tenants and actively managing the property portfolio and capital structure so as to maximise risk-adjusted returns. Investors evaluate LPEs by reference to distributions and movements in unit prices, and by assessing the security of the LPE’s income stream, the quality of the individual properties and tenants, the length of tenant leases, rental yields and the quality of the management.

LPEs are a commonly accepted form of investment for risk averse, yield-focused investors seeking a liquid property exposure.

3.2 Property Classes

Office Property

The major asset classes within the office property sector include:

- + prime central business district (“CBD”) office buildings;
- + fringe CBD office buildings; and
- + suburban office buildings.

Prime CBD office buildings are regarded as having a more stable income than the fringe CBD office buildings and are characterised by major corporate tenants with long lease profiles. These properties are keenly sought after by LPEs and institutional investors, resulting in correspondingly lower yields. The key determinants of office property demand are the size and growth of the white collar workforce, which are affected by levels of economic growth and business profitability.



Industrial Property

The major asset classes within the industrial property sector include:

- + prime grade industrial buildings, which usually comprise both large warehouse and modern office components;
- + secondary grade industrial buildings, which comprise warehouse and basic office components;
- + unit estate industrial buildings, which are predominantly warehouse with office components;
- + high tech industrial buildings, which are typically complexes with a significant office component and are usually located within a specialised precinct;
- + warehouse industrial sites, which are typically described as storage facilities;
- + distribution industrial sites, which are usually conventional warehouse accommodation greater than 20,000 square metres; and
- + specialised industrial sites, which are generally constructed for a special purpose and as such the improvements are unlikely to be of value for another purpose beyond the current use.

The larger prime grade industrial properties are considered to have more stable income streams than secondary grade industrial properties and are characterised by blue chip tenants with long lease profiles. As a consequence, these properties are keenly sought after by LPEs, institutional investors and high net worth investors, resulting in correspondingly lower yields. The demand for industrial property depends largely on the nature of business accommodation and requirements within subcategories of the market, but general economic conditions and the growth in manufacturing production are major influences.

Retail Property

The major asset categories within the retail property sector include:

- + prime central business district (CBD) retail properties in the highest pedestrian flow locations in CBD shopping centres or arcades;
- + secondary CBD retail properties in the fringe CBD retail precincts in lower pedestrian flow locations;
- + regional retail properties;
- + neighbourhood retail properties; and
- + bulk retail properties, which are typically standalone large format retail stores often as part of a cluster of similar properties providing “destination shopping” for consumers.

The prime CBD retail properties and regional retail properties have historically been keenly sought after by investors and have had correspondingly lower yields. However, over the last decade bulk retail properties have become a popular format with consumers, retailers and investors. This increased popularity has resulted in bulk retail properties securing a greater number of blue chip tenants with long term lease profiles and a significant decrease in yields. The performance of the retail property sector is strongly influenced by consumer confidence, household expenditure and by consumer shopping preferences.

Development Property

Development property includes bare land earmarked for future development and partially completed buildings. LPEs and institutional investors have increased the amount of development undertaken partly as a result of a lack of high-quality completed assets available for purchase at acceptable yields.

Development properties tend to be purchased at higher implied yields due to the greater risks associated with this asset type, including the risk of construction cost and time over-runs, and uncertainty regarding securing tenants and the rental levels achieved.

The benefits of undertaking developments relate primarily to the value uplift achieved if the property is completed and tenanted successfully. Development also gives LPEs control over the quality and type of property to be included in their portfolio.

3.3 Sector Value Drivers

The key drivers affecting the value of property assets and the security of their income streams include:

- + interest rates;
- + economic and employment growth, which drives the level of demand for the various types of property in each region;
- + changes in infrastructure, particularly new road networks, which can alter the underlying dynamics of existing markets;
- + the supply of new property to the market;
- + the cost of construction; and
- + government (including local government) or legislative initiatives.

3.4 Critical Success Factors

Factors that are critical to the success of LPEs generally include:

- + the fund's strategy;
- + acquiring or developing high quality properties at favourable prices and yields;
- + identifying demographic, business and social trends, and securing properties at locations that benefit from these trends;
- + active management of the property portfolio, including managing and developing existing properties to maintain growth, and acquiring new properties with attractive growth prospects;
- + maintenance and growth of distributions to investors. Entities in the property sector with consistent increases in distributions tend to be rewarded by further investment and unit (or share) price growth;
- + maintenance of appropriate debt levels and financial risk management policies. Gearing (debt to total assets) of 25% to 40% has become common in the LPE sector;
- + management of portfolio lease profiles, specifically focused on extending the WALT of the portfolio and smoothing the lease expiry profile; and
- + maintenance of relationships with significant tenants, focusing on achieving high retention and occupancy rates.



3.5 Industry Participants

There are currently 3 listed property trusts and 7 property companies listed on the NZX Main Board. Information on the size of each entity is set out in the following table.

New Zealand Listed Property Entities

\$ millions	Total Assets ¹	Market Cap ²	NTA ¹	Share Price Premium to NTA
Kiwi Income Property Trust	2,159.7	1,097.4	1,072.7	2.3%
Goodman Property Trust	1,674.3	1,035.4	935.1	10.7%
Precinct Properties New Zealand Limited	1,350.4	977.1	877.2	11.4%
Argosy Property Limited	929.3	504.5	488.4	3.3%
DNZ Property Fund	674.0	390.1	381.0	2.4%
Vital Healthcare Property Trust	580.8	366.7	287.4	27.6%
Property For Industry Limited	361.9	259.0	237.3	9.2%
CDL Investments NZ Limited	101.6	112.8	101.0	11.7%
NPT Limited	158.1	93.1	87.2	6.8%
Augusta Capital Limited	104.0	60.1	59.8	0.6%

1. As at the entity's most recent balance date

2. As at 30 September 2012

Source: Bloomberg

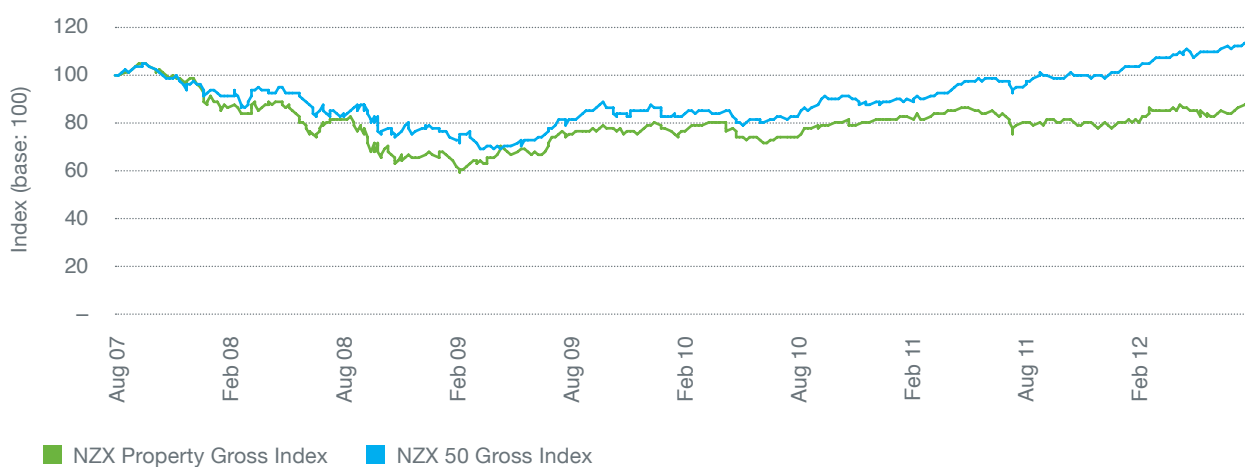
GMT has typically traded at a premium to NTA. This is in part due to its existing development pipeline, the value of which is not fully reflected in the accounts until the developments are completed.

3.6 Property Index

The market capitalisation of GMT as at 30 September 2012 represented 19.9% of the NZX Property Gross Index based on free float market capitalisation (it would have been 21.2% if the index was weighted on total capitalisation).

The following chart shows the performance of the NZX Property Gross Index compared with the NZX Main Board 50 Gross Index from August 2007 to September 2012.

NZX Property Gross Index vs NZX50 Gross Index



Source: Bloomberg

From September 2007 to August 2009 the NZX Gross Property Index exhibited negative returns of approximately 13% per annum due to the impact of the global financial crisis. From September 2009, as the markets recovered from the financial crisis, the NZX Gross Property Index's compound annual growth rate has been approximately 4%. Overall, the NZX Main Board 50 Gross Index has outperformed the NZX Gross Property Index since late 2007.



4. Profile of Goodman Property Trust

4.1 Background

GMT is a listed property trust that invests in high quality industrial and commercial properties throughout New Zealand. GMT aims to provide unitholders with an attractive and reliable income stream. Proactive portfolio management and the growth of GMT's development and acquisition programmes aim to deliver income and capital growth to GMT's unitholders in the long term.

In May 1999, GMT made an initial public offering of 145 million units at \$1.00 per unit and subsequently listed on the NZX Main Board on 3 June 1999. Since listing, GMT has seen its property portfolio grow from \$194 million to almost \$1.642 billion as at 30 September 2012.

GMT's investment strategy is focused on properties in the following categories (and holding land in order to develop properties in these categories):

- + business parks;
- + industrial estates;
- + warehouse/distribution centres; and
- + office parks.

4.2 Property Portfolio

As at 30 September 2012, GMT's property portfolio had a book value (based on fair market value) of approximately \$1.642 billion, comprising approximately \$1.445 billion of investment property and approximately \$196.6 million of development property including development land of \$163.2 million. Major property assets include:

- + Highbrook Business Park (East Tamaki, Auckland);
- + The Gate Industry Park (Penrose, Auckland);
- + Central Park Corporate Centre (Greenlane, Auckland);
- + M20 Business Park (Manukau, Auckland);
- + Westney Industry Park (Mangere, Auckland);
- + Savill Link (Otahuhu, Auckland);
- + Show Place Office Park (Christchurch);
- + 50% interest in Viaduct Corporate Centre (CBD, Auckland);
- + Millennium Centre (Eilerslie, Auckland); and
- + Air New Zealand House (CBD, Auckland).

4.3 Management of GMT

Fund Management

GNZ, owned by the Goodman Group, is the manager of GMT.

The role of the manager is to manage GMT for the benefit of GMT's unitholders in accordance with its Unit Trust Deed (the "Trust Deed") and the law. Ultimate responsibility for corporate governance resides with the board of directors of GNZ.

Under the Trust Deed, the manager receives a fee for the management of the Trust. The fee is comprised of two components: a base fee and a performance fee.

The annual base fee component is equal to 0.50% of the book value of GMT's assets up to \$500 million, and 0.40% per annum of the book value of assets greater than \$500 million.

The performance fee is calculated annually and is determined by reference to the Trust's unit performance (including gross distributions and movements in the unit price), relative to the performance of the Trust's New Zealand listed real estate peers.

The calculation of the fund manager's base fee is reviewed by the Trust's auditors as part of the annual audit. By a separate specific engagement each year, the Trust's auditors also review the calculation of the manager's performance fee (if any).

The manager is also entitled to be reimbursed for costs properly incurred on behalf of the Trust.

Property Management

GMT's properties are managed by Goodman Property Services (NZ) Limited ("GPS"), a wholly-owned subsidiary of Goodman Limited.

GPS is contracted to provide the following services:

- + finding tenants for existing premises, including advertising and negotiating leases;
- + renewing leases including negotiating terms;
- + acquisition and redevelopment of property;
- + financial management including annual budget and business plan, financial operation and payment of outgoings;
- + lease management including rent, rent reviews, property inspections and subleases and assignments;
- + services management including contract reviews and tenders;
- + repairs and maintenance including major repairs and wear and tear;
- + management reporting both monthly and annually; and
- + management of external legal representation.

GPS receives a property management fee based on gross receipts, and charges agency fees at the rates previously approved by unitholders.



4.4 Financial Performance

The table below summarises GMT's recent financial performance.

GMT's Recent Financial Performance

\$ millions	31 March 2011 12 months (audited)	31 March 2012 12 months (audited)	30 Sept 2012 12 months (audited)
Rental income	116.4	121.3	62.7
Service charge income	21.1	23.8	12.1
Total revenue	137.5	145.1	74.8
Service charge expenses	(21.1)	(23.8)	(12.1)
Property operating expenses	(7.7)	(10.0)	(5.1)
Net rental and related income	108.7	111.3	57.6
Net change in value of property investments	(24.8)	(19.5)	–
Gain on disposals and business combinations	0.8	–	0.1
Gain/losses on derivatives and hedge contracts	(9.6)	(6.7)	(3.1)
Other administrative expenses	(7.6)	(8.5)	(4.6)
Finance costs	(24.5)	(23.1)	(12.4)
Taxation	(6.3)	(13.0)	(6.0)
Net profit attributable to unitholders	36.7	40.5	31.6
Net rental income growth per annum	2.4%	2.4%	
Weighted average number of units (000s)	887,382	961,088	1,007,890
Distributable earnings before tax per unit (cents)	8.74	8.41	4.07
Effective tax rate on distributable income	(0.6%)	7.7%	7.6%
Distributable earnings after tax per unit (cents)	8.79	7.78	3.73
Percentage of after tax income distributed	88.1%	80.4%	83.7%
Cash distributions per unit for the period (cents)	7.74	6.25	3.13

Source: GMT Annual Reports, 30 September 2012 interim financial statements

Rental income comprises gross lease rent revenue offset by amortisation of capitalised lease incentives. FY12 rental income includes \$9.0 million (\$8.7 million in FY11) in relation to Highbrook Business Park.

Service charge income relates to service fees paid to GMT by tenants for recoverable property service costs. Service charge expenses include amounts paid to GPS for the provision of property services.

Property operating expenses relate to property servicing costs which are not recoverable from the tenant. FY11 and FY12 property operating expenses include \$1.3 million and \$1.2 million respectively, in relation to Highbrook Business Park.

Key matters to consider when reviewing GMT's financial performance are:

- + The increase in revenue between FY11 and FY12 was primarily generated from recently completed development projects.
- + During FY11 and FY12 underlying cash operating profits were relatively stable, but net profit attributable to unitholders was impacted by property devaluations of \$24.8 million and \$19.5 million respectively. The devaluations are unrealised and had no impact on distributable earnings.
- + Distributable earnings before tax, on a per unit basis, decreased slightly from FY11 to FY12 as a result of GMT raising over \$63 million of new equity through the DRP.
- + Distributable earnings after tax was adversely impacted by higher effective tax rates following the removal of building depreciation deductions from 1 April 2011.
- + Cash distributions per unit declined from FY11 to FY12 due to the above two points, and from the decision to amend the distribution policy to reduce the payout ratio from around 90% to around 80% as part of a strategy to further strengthen GMT's balance sheet.



4.5 Financial Position

The table below summarises GMT's recent financial position.

GMT's Financial Position

\$ millions	31 March 2011 (audited)	31 March 2012 (audited)	30 Sept 2012 (audited)
Current assets	12.8	12.2	9.7
Investment and development property	1,576.0	1,629.5	1,641.6
Derivative financial instruments	5.5	9.6	11.5
Intangible assets	6.9	6.9	6.9
Deferred tax asset	16.8	16.1	10.0
Total Assets	1,618.0	1,674.3	1,679.8
Trade and other payables	(42.6)	(38.0)	(28.6)
Interest bearing liabilities	(582.6)	(584.8)	(583.0)
Current tax payable	–	(1.4)	(1.5)
Derivative financial instruments	(37.3)	(44.3)	(47.6)
Deferred tax liabilities	(63.4)	(70.7)	(67.1)
Total liabilities	(725.9)	(739.2)	(727.8)
Net Assets	892.1	935.1	952.0
NTA (\$m)	885.2	928.2	945.1
NTA per unit (cents)	94.8	92.9	93.1
Net IBD/total assets	36%	35%	35%
Units on issue (millions)	933.4	999.0	1,015.1

Source: GMT Annual Reports, 30 September 2012 interim financial statements

Key matters to consider when reviewing GMT's financial position are:

- + there were no new acquisitions of investment or development properties during FY12, with the net increase in investment and development property (\$53.5 million) mainly due to capitalisation of development costs on new developments undertaken during the year, offset in part by the downward adjustment in the fair value of investment property of \$19.5 million; and
- + the FY12 capital management initiatives included underwriting the DRP, raising \$63.4 million of new equity. The new equity was used to fund development.

4.6 Cash Flows

A summary of GMT's recent cash flows is set out below:

GMT's Cash Flows

\$ millions	31 March 2011 (audited)	31 March 2012 (audited)	30 Sept 2012 (audited)
Net cash flow from operating activities	69.0	77.2	39.5
Net cash flow used in investing activities	(70.4)	(78.9)	(23.2)
Net cash flow from financing activities	52.2	38.2	7.2
Distributions paid to unitholders net of reinvestments	(49.0)	(37.1)	(25.1)
Net increase/(decrease) in cash held	1.8	(0.6)	(1.6)
Opening cash balance	2.4	4.2	3.6
Closing cash balance	4.2	3.6	2.0

Source: GMT Annual Reports, 30 September 2012 interim financial statements

Key matters to consider when reviewing the cash flows are:

- + net cash flow from operating activities represents the rental income and associated operating expenses;
- + net cash flow from investing activities represents the purchase, development, and sale of properties; and
- + net cash flow from financing activities represents the cash generated from equity issues and movements in bank debt.



4.7 Capital Structure and Unitholders

As at 30 September 2012 GMT had 1,015 billion units on issue. The name of, number of units held by, and percentage holding of, the ten largest unitholders as at 2 April 2012 are set out below:

Top 10 Unitholders as at 2 April 2012

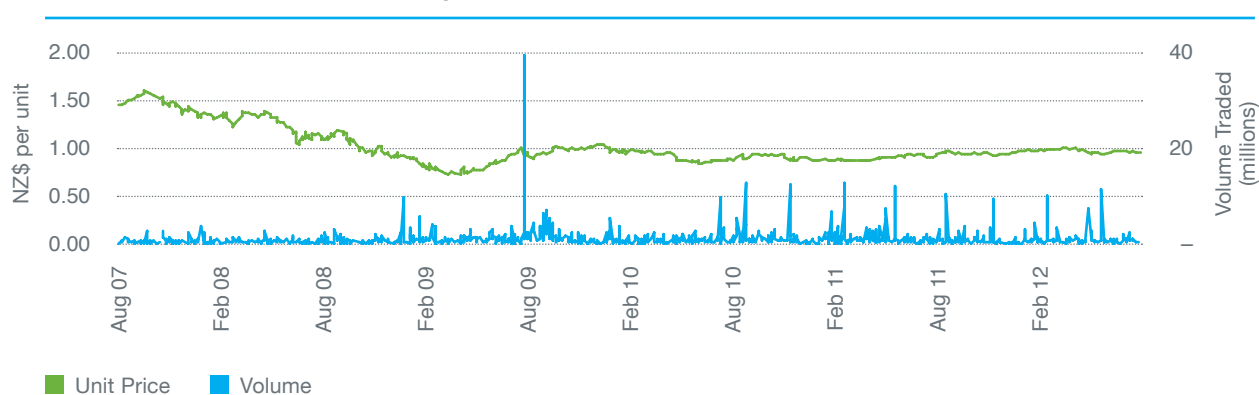
Unitholder	No. of units	% of total units
Trust Company Limited	171,656,120	17.2%
Accident Compensation Corporation	62,187,685	6.2%
HSBC Nominees (New Zealand) Limited A/C	47,684,343	4.8%
HSBC Nominees (New Zealand) Limited	47,350,182	4.7%
Investment Custodial Services Limited	41,782,750	4.2%
BT NZ Unit Trust Nominees Limited	32,959,860	3.3%
FNZ Custodians Limited	32,913,718	3.3%
Custodial Services Limited	29,734,103	3.0%
Premier Nominees New Zealand Limited	29,363,425	2.9%
National Nominees New Zealand Limited	17,440,199	1.8%
Total top 10 unitholders	513,072,385	51.4%
Other unitholders	485,975,396	48.6%
Total units on issue	999,047,781	100.0%

Source: GMT Annual Report

Trust Company Limited holds the 17.2% interest in GMT on behalf of Goodman Group.

4.8 Unit Trading History

GMT Unit Price and Volume History



Source: Bloomberg

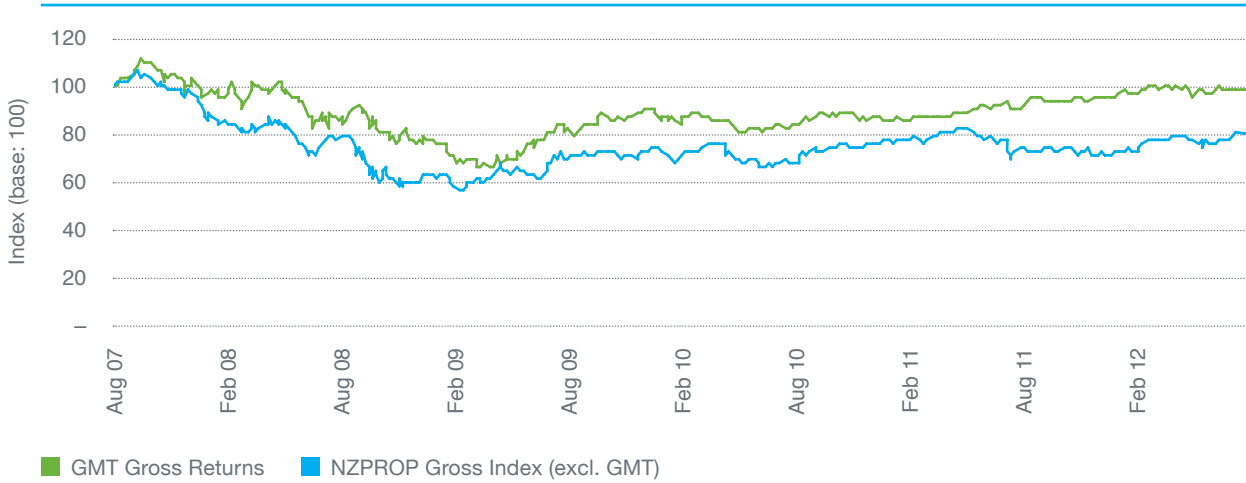
The chart above shows the unit price history and the trading volume for GMT from August 2007 to September 2012. We note the following:

- + GMT's units have traded between \$0.79 and \$1.60 since August 2007. They closed at \$1.02 on 30 September 2012. The downward trend over the period from late 2007 to early 2009 reflects the effect of the global financial crisis.
- + GMT's unit price started recovering from early 2009 (increasing from its lowest unit price of \$0.79 in April 2009).
- + In August 2009 Goodman Group sold 93 million units in GNZ, reducing its stake from 28% to 17%. The volume represented by this transaction is not fully shown in the chart above, due to the scale.



As can be seen in the following chart, GMT has outperformed the NZX Gross Property Index since August 2007.

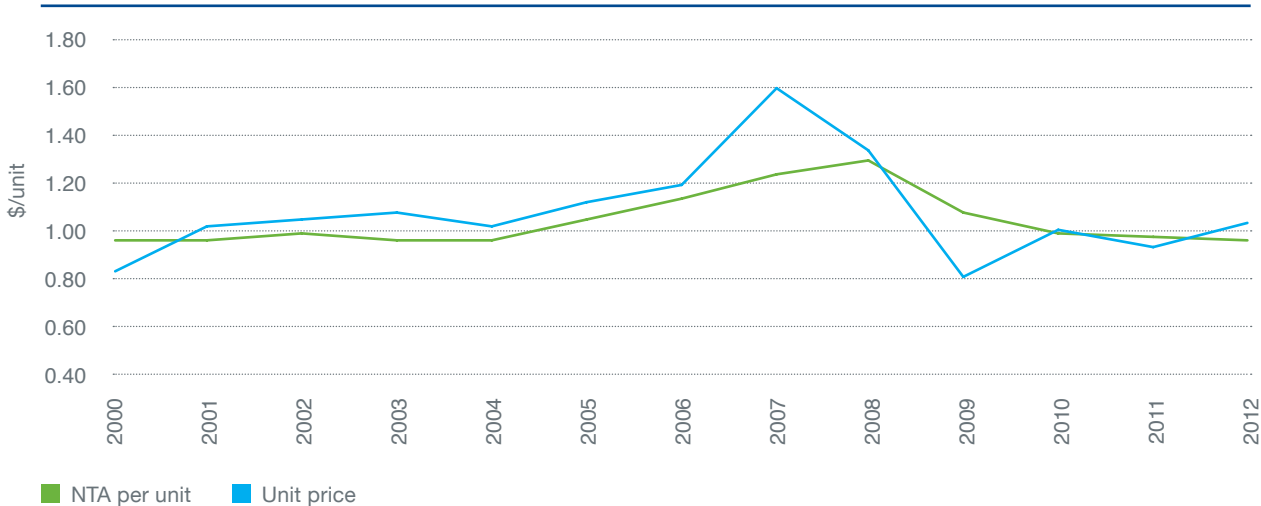
GMT Gross Returns vs NZPROP Gross Index (excl GMT)



Source: Bloomberg

The chart below shows that GMT’s units traded at a premium to NTA per unit from 2001 until 2008. Unit prices declined to levels below NTA per unit during 2008 and 2009, as the stock market reacted more strongly than property valuers to the impacts of the global financial crisis on property values. Unit prices have generally been on an upward trend since 2009. As at 30 September 2012 GMT’s unit price traded at a premium to NTA (the unit price was \$1.02 compared to an NTA per unit of \$0.93).

NTA Per Unit vs Unit Price – 2000 to 2012



Source: Bloomberg and GMT annual reports

5. Profile of HDL and HBPL

5.1 Background

Development of Highbrook began in August 2004 after Goodman Group purchased a 75% interest in HDL from Fisher. The business park is now almost 50% developed with over 240,000 square metres of industrial and office assets constructed. The major features of the development include:

- + an integrated mixed use business park;
- + high quality design parameters;
- + large scale developments for high quality tenants;
- + direct access to Auckland's Southern Motorway;
- + proximity to Auckland City and the airport;
- + extensively landscaped business park, with high levels of amenity provided on site; and
- + access to the latest voice and data telecommunication services.

Of the 155 ha of land originally held by Fisher:

- + 40 ha is parkland held by the Highbrook Park Trust, which is jointly controlled by the Auckland Council and HDL. The parkland will vest with the Auckland Council in August 2015;
- + approximately 9 ha is or will be used for common infrastructure such as roading;
- + 91 ha is or will be developed by HDL as medium density commercial, distribution, light industrial and retail properties; and
- + 16 ha, comprising eight completed developments, is owned separately by HBPL which holds these developments on behalf of GMT (75%) and Fisher (25%). GMT's interests in these properties were acquired in March 2006 for \$74.1 million and November 2006 for \$26 million.

5.2 Property Portfolios

The tables below show HDL's and HBPL's property portfolios as at 30 September 2012:

HDL Property Portfolio as at 30 September 2012

Asset	NLA (m ²)	Value (\$m)	Occupancy (%)	WALT (years)
Completed Developments				
OfficeMax	18,901	37.7	100%	7.8
CourierPost	21,593	35.5	100%	8.3
PaperLinx	16,973	29.1	100%	5.4
GEON	10,047	20.1	100%	9.3
Datam	7,326	17.7	100%	7.7
Corporate Express	7,789	15.1	100%	8.4
The Ford Building	3,976	15.0	100%	5.2
Viridian	6,528	14.0	100%	8.8
The Crossing Offices	3,847	13.6	100%	2.3
Contract Logistics	8,065	12.8	100%	4.3
Schneider Electric	5,800	12.7	100%	6.5
Blackwoods Paykels	6,074	11.0	100%	8.8
IBM	5,187	11.0	100%	8.6
NALCO	5,927	11.0	100%	9.5
Just Group	6,430	10.5	100%	5.9
Steel and Tube	5,678	10.2	100%	6.8
Scalzo	4,960	8.3	100%	9.6
Stanley Black & Decker	3,506	6.4	100%	7.9
The Junction Units	2,868	5.2	100%	4.0
Plytech	2,379	4.6	100%	9.1
Lollipops Childcare	3,910	4.5	100%	7.9
Z Energy Ground Lease	2,584	3.0	100%	10.1
Big Chill Distribution	–	0.8	100%	14.4
Vodafone	70	0.2	100%	30.6
Total completed portfolio	160,416	309.7	100%	7.3
Commenced developments				
The Crossing stage 1	9,800	11.3	51%	6 to 15
Panasonic	7,500	10.2	100%	10.0
	17,300	21.5	64%	6 to 15
Development land		162.7		
Total HDL	177,716	493.9	95%	7.2

Source: GNZ Management, Colliers valuation reports

HBPL Property Portfolio as at 30 September 2012

Asset	NLA (m²)	Value (\$m)	Occupancy (%)	WALT (years)
DHL	31,631	52.0	100%	5.9
NZ Post	16,406	41.1	100%	9.7
Highbrook Drive Multi Units	9,856	15.9	96%	2.6
Cotton Soft	6,422	12.5	100%	8.5
McPherson's	7,516	12.2	100%	6.0
Big Chill Distribution	2,026	7.7	100%	14.4
BMW	4,943	8.3	100%	4.6
Kerwyn Ave Units	4,455	7.7	100%	5.7
Total HBPL	83,256	157.2	99.6%	7.0

Source: GNZ Management, CBRE Valuation Reports



5.3 Competitors

GMT has very few competitors who are able to undertake developments on the scale of Highbrook. The only sizable competitor to Highbrook in Auckland, with a large block of development land in a relatively central location, is Auckland International Airport Limited.

There are other competitors who would be able to offer design and build solutions to potential tenants of Highbrook (e.g. Kiwi Income Property Trust, DNZ Property, Argosy, Property For Industry) however not within a large, centrally located business park such as Highbrook.

GMT's LPE competitors can offer vacant existing properties to potential tenants of Highbrook. Also, other properties within the GMT portfolio may compete with Highbrook for tenants, although the nature of the property offerings differs in each location. These include:

- + M20 Business Park, a business park located in Manukau's industrial precinct;
- + Savill Link, an industrial estate located in Otahuhu;
- + Westney Industry Park in Mangere;
- + Gateside Industry Park in Penrose; and
- + Central Park Corporate Centre, an office park located in Greenlane.

5.4 Management of HDL

Project Development

In November 2004, HDL appointed GPS to project manage the development of the Highbrook Business Park assets it owns. The terms and conditions of the arrangement are set out in the Development and Project Management Agreement dated 3 October 2008 (the "Development Agreement"). In summary the material terms of the contract are:

- + GPS is contracted to provide the following services:
 - project management of the development of properties, buildings, infrastructure, engineering and other associated works, as determined by HDL;
 - assistance to HDL in the acquisition and/or disposal of parts of the Highbrook estate if required; and
 - assistance to HDL in the procurement of leases.
- + GPS receives a fee of 3.5% of the investment value (other than the value of the land) for development management, and up to 1.5% of design and construction costs for project management (subject to annual market review); and
- + if the Acquisitions proceed, the agreement will be replaced with a new agreement on the same terms with such agreement expiring in December 2017. If the Acquisitions do not proceed, then GPS may, at its option extend the existing agreement for a further five years on the same terms and conditions.

Property Services

In November 2007 HDL appointed GPS as the exclusive agent to manage the Highbrook properties owned by HDL (the "Property Services Agreement"). The material terms of the contract and the services provided mirror those for GMT's property services agreement with GPS described in section 4.3.

5.5 HDL Financial Performance

The table below summarises HDL's recent financial performance.

HDL Financial Performance

\$ millions	31 March 2011 12 months (audited)	31 March 2012 12 months (audited)	30 Sept 2012 6 months (audited)
Rental income	20.8	22.7	11.8
Service charge income	2.9	3.1	1.8
Total revenue	23.7	25.8	13.5
Service charge expenses	(3.2)	(3.2)	(2.0)
Property operating expenses	(0.2)	(0.1)	(0.1)
Net rental and related income	20.3	22.5	11.4
Gain on disposal of investment property	0.1	–	–
Net change in value of property investments	6.0	2.6	3.3
Fair value of interest rate derivatives	(3.3)	(2.1)	(0.9)
Other administrative expenses	(0.1)	(0.2)	(0.1)
Net finance costs	(10.8)	(8.9)	(4.1)
Taxation	(0.0)	(0.5)	(0.4)
Net profit attributable to unitholders	12.3	13.4	9.2

Source: HDL 2012 annual report, 30 September 2012 interim financial statements

HDL is still in the development-intensive stage in its progression from land owning company to completed business park. As such, development expenditure will continue for several years before abating and is being capitalised, while in the statement of financial performance interest expense and property management and servicing costs will continue to be the dominant cost items.



5.6 HDL Financial Position

A summary of HDL's recent financial position is set out below:

HDL Financial Position

\$ millions	31 March 2011 (audited)	31 March 2012 (audited)	30 Sept 2012 (audited)
Cash	0.9	0.9	0.8
Trade and other receivables	0.7	1.5	1.7
Investment property	269.3	292.8	309.7
Development property	170.7	176.5	184.2
Derivative financial instruments	–	0.6	0.8
Deferred tax asset	12.6	12.7	12.5
Total Assets	454.2	484.9	509.7
Trade and other payables	(4.4)	(6.4)	(5.0)
Interest bearing liabilities	(163.5)	(173.0)	(187.7)
Derivative financial instruments	(13.7)	(16.4)	(17.5)
Deferred tax liabilities	(7.2)	(8.4)	(8.9)
Total liabilities	(188.8)	(204.2)	(219.1)
Net Assets	265.4	280.7	290.7

Source: HDL 2012 annual report, 30 September 2012 interim financial statements

All HDL investment and development properties are valued by independent valuers Colliers. The carrying amount of investment property is the fair value based on market values, which are estimated using the capitalisation and discounted cash flow methods. Development land is valued based on recent comparable transactions.

5.7 HDL Shareholders

HDL is jointly owned by interests associated with Fisher (25%), Goodman Group (25%), and GMT (50%).

Highbrook Development Limited Ownership

	Shares	%
Goodman (Highbrook) Limited (GMT)	47,698,614	50.0
The Trust Company Limited (GMG)	23,849,307	25.0
Fisher Highbrook Limited (Fisher)	15,635,000	16.4
Fisher Nominees Limited (Fisher)	8,214,307	8.6
Total HDL	95,397,228	100

Source: Companies Office 30 September 2012

Goodman (Highbrook) Limited is a subsidiary of GMT. The Trust Company Limited holds its shares as the custodial trustee of the Highbrook Trust, a wholly owned sub-trust of Goodman Industrial Trust part of the Goodman Group. Fisher Highbrook Limited and Fisher Nominees Limited are associated with Fisher.

The HDL Shareholders' Agreement contains typical clauses in relation to governance and control, change-in-control rights, pre-emptive rights, and "drag along" and "tag along" rights. We note that a mechanism exists to require a fair value to be determined for any transfer of shares between parties under the change of control rights as well as, in certain circumstances, the pre-emptive rights and in the event of default or deadlock. Fair value is determined under the shareholders agreement as the appropriate percentage of the value for all shares in HDL, such that no consideration of control issues, or any adjustment to reflect a premium for control or discount for lack of control shall be made.

5.8 Ownership and Management of HBPL

HBPL is a joint-venture between GMT (75%), through Goodman Nominee (NZ) Limited, and Fisher (25%), through Fisher Highbrook Limited.

HBPL holds legal title to properties on behalf of GMT and Fisher, who are the beneficial owners of the properties. Therefore HBPL's statutory accounts do not show any revenue, expenses, assets or liabilities. In this sense the shares of HBPL have no value, and the value that GMT is acquiring in HBPL is the 25% interest in the underlying properties that are beneficially owned by Fisher.

The properties held by HBPL are managed by GPS, under property management agreements that are materially the same as the property management agreements between GMT and GPS, and HDL and GPS.

5.9 HBPL Financial Performance and Position

The properties held by HBPL have a market value of \$157.2 million (as shown in section 5.2) and generate net property income of \$11.6 million, which represents a yield of 7.4%.



6. Assessment of the Transaction

6.1 Introduction

GMT currently has:

- a) a 50% interest in HDL (with Fisher owning 25% and Goodman Group owning 25%); and
- b) a 75% interest in HBPL (with the remaining 25% owned by Fisher).

GMT intends to acquire:

- a) the 25% interest in HDL held by Goodman Group (the Goodman Acquisition); and
- b) the 25% interest in HDL and the 25% interest in HBPL (together with the 25% interest in the properties held by HBPL) held by Fisher (the Fisher Acquisition).

The proposed consideration is:

- a) for the Goodman Acquisition, 37.3 million GMT units to be issued at the completion of the Transaction and 37.3 million GMT units to be issued in December 2015.
- b) for the Fisher Acquisition, \$56.0 million in cash and 56.0 million GMT units;

6.2 Rationale for the Transaction

Fisher wishes to improve its liquidity by converting its minority investments in the unlisted entities HDL and HBPL into cash and units in GMT.

Goodman Group's strategy is to hold investments in country-specific funds (in which it owns the management rights) rather than direct investment into particular assets. Through the proposed Transaction, Goodman Group will be consolidating most of its interests in New Zealand property into a single liquid investment in GMT.

GMT's rationale for the Transaction is to gain full ownership of the flagship Highbrook Business Park, increasing its exposure to an asset that it believes will continue to perform strongly, and to achieve the other benefits of the Transaction discussed in the Notice of Meeting and considered below.

6.3 Approach to Assessing the Transaction

Deloitte's assessment of the proposed Transaction falls into four broad categories:

- a) the value of the shares being acquired relative to the value of the consideration being paid;
- b) the impact of the Transaction on GMT's financial metrics such as earnings per unit, NTA per unit, and gearing level;
- c) the impact of the Transaction on operational factors (such as portfolio weightings and average lease term) and other considerations; and
- d) the fairness of certain terms of the Goodman Acquisition relating to the Deferred Issue Units and whether Goodman Group's level of control of GMT increases materially as a result of the Transaction.

When considering whether the Transaction is fair to GMT's Non-associated Unitholders, a) above is a key assessment.

To evaluate the proposed purchase of shareholdings in HDL and HBPL, we must value the entire companies (i.e. all the assets and liabilities, not just the property assets), and also consider other factors (such as the degree of control).

As the consideration is not all cash, we must also consider the value of the non-cash components of the consideration. This includes the value of the GMT units issued to Fisher on completion and to Goodman Group on completion and in December 2015.

The effective valuation date for the Transaction is 30 September 2012. From this date the revenues and costs associated with the property interests acquired will fall to GMT (should the transaction proceed) and GMT will be exposed to any changes in the value of the properties. Therefore our assessment of the value of the acquired assets and the value of the consideration is as at 30 September 2012.

From a value perspective, the Transaction would be fair to Non-associated Unitholders if the value of the shares to be acquired is equal to or greater than the value of the consideration paid.

6.4 Value of the HDL Shares

Property assets

The Highbrook properties owned by HDL were independently valued (as at 30 September 2012) by Colliers. The table below summarises the value of these properties:

HDL Property Portfolio as at 30 September 2012

\$ millions	Value (100%)	Value to be acquired (50%)
Completed developments	309.7	154.9
Commenced developments	21.5	10.8
Development land	162.7	81.4
Total property assets	493.9	247.0

Source: GNZ Management



We have reviewed the independent valuations of the completed properties and commenced developments provided by Colliers. In doing so we have examined the methodologies applied and the market assessments and yield assumptions adopted in the valuations. We have relied upon the contract rental income information contained in those valuations and have not reviewed any lease documentation or conducted physical inspections of the properties. Colliers have applied capitalisation rates consistent with those applied to similar properties owned by GMT, after adjusting for factors such as age and lease profile of the property. Furthermore, the capitalisation rates applied by Colliers are in line with the capitalisation rates implied from recent market transactions. Colliers have assessed the market values of all the properties on a consistent basis. Colliers use the following valuation approaches for each property in deriving their valuation opinions:

- + Direct capitalisation of contract rent;
- + Direct capitalisation of market rent; and
- + Discounted cash flows.

HDL's development land consists of 50 hectares within the Highbrook area.

The development land owned by HDL was independently valued as at 30 September 2012 by Colliers. Colliers assessed the valuation using two methods:

- + a discounted cash flow of the HDL development master plan for the remaining development land; and
- + a hypothetical land subdivision approach.

Other Assets and Liabilities

Borrowings

HDL has a \$225 million banking facility, with ANZ, ASB and BNZ taking \$75 million each. As at 30 September 2012 the balance outstanding was \$187.7 million.

Working Capital

HDL's working capital balances primarily consist of receivables (being mainly rent due from customers and GST receivables), work in progress with respect to developments not yet committed to, and creditors. Net working capital at 30 September 2012 was \$0.8 million.

Derivative Financial Instruments

As at 30 September 2012, HDL held interest rate swaps which were out of the money and had a fair market value of (\$16.7) million.

Net Deferred Tax Assets

The deferred tax assets relate to recognised tax losses and the derivative financial instruments, while the deferred tax liabilities relate to differences in tax and accounting depreciation. The net balance is broadly equal to the deferred tax associated with the derivative financial instruments, which is expected to be realised within the next 2.5 years.

Value of HDL Shares

Based on the sum of the components listed above, the estimated net asset value of HDL is \$290.7 million. This calculation is shown below.

Net Asset Value HDL as at 30 September 2012

\$ millions	100%	50%
Property assets	331.2	165.6
Development land	162.7	81.4
Accrued costs to complete developments and infrastructure	(3.3)	(1.6)
Borrowings net of cash	(186.9)	(93.4)
Derivative financial instruments	(16.7)	(8.4)
Net deferred tax assets	3.6	1.8
Net asset value	290.7	145.3

Source: HDL 30 September 2012 interim financial statements, GNZ Management

In relation to using the net asset value above as a proxy for the value of shares in HDL, we note the following:

- + The properties have been valued on an individual basis and there may be additional value in the portfolio, due to Highbrook being a large, coordinated development. This value would be difficult to quantify given the lack of transaction evidence from similar sized developments. This potential additional value has not been included in the value of the property assets.
- + The net asset based valuation approach adopted ignores the cost of fund management fees that would be payable under GMT ownership. Capitalising future fund management fees would reduce the value of HDL and HBPL under GMT ownership. However those fund management fees pay for the GNZ team that has a track record of successfully coordinating the development of Highbrook.
- + Furthermore, the increased ownership of development land at Highbrook increases the potential for GMT to capture development margins over time.

These factors also apply to GMT as a whole, and we can observe how the market values the equity of GMT compared to NTA. The chart in section 4.8 shows that the units in GMT have typically traded at or somewhat above NTA. On balance we believe that the NTA is a reasonable (and possibly slightly conservative) proxy for the market value of the equity in HDL.



Finally, we have considered whether there needs to be any adjustment to the value of the stakes in HDL being purchased for issues such as control and liquidity. That is, each 25% stake does not have control and is not as liquid as a 100% stake. On balance, we do not believe any adjustment is appropriate and we have attributed to each 25% stake its pro-rata share of the total equity value, for the following reasons:

- + we understand that the current shareholders all have the same view on the value maximising development plan, and in this circumstance there is less value in control;
- + the nature of property company valuations is that they reflect the sum of their constituent property assets (and other assets and liabilities), such that there is relatively less value in control than in many other companies, and correspondingly less rationale for a discount for lack of control;
- + as noted above, minority stakes in GMT (admittedly a listed property fund) do not typically trade at a discount to NTA; and
- + the HDL Shareholders Agreement defines fair value to be without discounts for lack of control (in the context of drag-along/tag-along right and dispute resolution).

For the purpose of assessing the fairness of the Transaction, we have used a value of \$145.3 million as the value of the shares being acquired in HDL (i.e. \$72.7 million for each of the 25% stakes from Goodman Group and Fisher).

6.5 Value of the HBPL Shares and Properties

Value of HBPL Shares

HBPL has legal title to its property assets, but no beneficial interest in the properties. Rather, the properties are held by HBPL for the benefit of GMT (75%) and Fisher (25%). Also, HBPL will have no other assets or liabilities at completion. Accordingly, the shares of HBPL have no value, and the value being acquired in this instance is Fisher's 25% interest in the underlying HBPL properties.

Value of HBPL Properties

The Highbrook properties held by HBPL were independently valued (as at 30 September 2012) by CBRE.

The table below summarises the value of these properties:

HBPL Property Portfolio as at 30 September 2012

\$ millions	Value (100%)	Value to be acquired (25%)
Property assets		
Completed developments	157.2	39.3
Total property assets	157.2	39.3

Source: GNZ Management

The valuation methodologies used by CBRE, and our approach to reviewing the valuations, are the same as outlined in section 6.4 for the HDL properties.

The comments noted in section 6.4 above in relation to not applying any discounts for lack of control or liquidity are also relevant here. Therefore, for the purposes of assessing the fairness of the Transaction, we have used a value of \$39.3 million for Fisher's 25% beneficial interest in properties held by HBPL.

6.6 Value of Consideration Paid to Goodman Group

The proposed consideration to Goodman Group for its 25% stake in HDL is 37.3 million GMT units to be issued on completion of the Transaction and 37.3 million GMT units to be issued in December 2015, three years' time from initial settlement of the acquisition.

On 30 September 2012, GMT units were trading at \$1.02. The value of 37.3 million units to be issued upon completion is therefore \$38.1 million.

The unit price of \$1.02 is effectively the market's assessment of the present value (at 30 September 2012) of all forecast future distributions to the unitholder. The Deferred Issue Units are identical in all respects to other units in GMT, except that they will not be issued until December 2015 and therefore will not receive the distributions paid on GMT's units from now until December 2015. It follows that the market value of a Deferred Issue Unit on 30 September 2012 is \$1.02 less the present value of the distributions foregone over the period until December 2015.

Using reasonable assumptions regarding the rate of growth in distributions and the market's required rate of return on GMT's equity, we estimate the present value of the foregone dividends to be \$0.19 per unit, and the value of each Deferred Issue Unit to be \$0.83. The total value of the 37.3 million Deferred Issue Units is therefore estimated at \$30.9 million.

The following table summarises our analysis:

Value of Consideration to Goodman Group

\$ millions	No. of units (millions)	Value per unit	Value (millions)
On completion	37.3	\$1.02 ¹	38.1
Deferred consideration	37.3	\$0.83	30.9
Total consideration			69.0

1. Unit price at 30 September 2012
Source: GNZ Management, Deloitte analysis

6.7 Value of Consideration Paid to Fisher

The proposed consideration to Fisher for its 25% stakes in HDL and HBPL is \$56.0 million in cash and 56.0 million GMT units. As at 30 September 2012, GMT units were trading at \$1.02, giving a total value for the GMT units to be issued to Fisher of \$57.1 million. The total value of the consideration to Fisher is therefore \$113.0 million.



6.8 Value Conclusion

The following table summarises Deloitte's assessment of the value of the shares and assets to be acquired from Goodman Group and Fisher and the consideration to be paid.

Summary of Transaction Values

\$ millions	Goodman Acquisition	Fisher Acquisition	Total Transaction
Value of shareholdings acquired			
HDL net assets (2 X 25%)	72.7	72.7	145.3
HPBL properties (25%)	–	39.3	39.3
Value of interest acquired (before transaction costs)	72.7	112.0	184.6
Value of consideration paid			
Cash	–	56.0	56.0
Units	38.1	57.0	95.1
Deferred issue units	31.0	–	31.0
Total	69.0	113.0	182.1
Net benefit (before transaction costs)	3.6	(1.1)	2.6
Transaction costs			(1.9)
Net benefit (after transaction costs)			0.7

Source: GNZ Management, Deloitte analysis

As shown in the table, we estimate that the total value of the shareholdings and property acquired in the proposed Transaction (\$184.6 million or \$182.7 million net of transaction costs) exceeds the value of the consideration paid (\$182.1 million). Therefore in this key sense the terms of the Transaction are fair to the Non-associated Unitholders.

The Transaction was negotiated around an agreed effective date of 30 September 2012, and we have based the analysis above on GMT's unit price at that date. Since 30 September 2012 the trading price of GMT's units has increased from \$1.02 to \$1.06 as at 2 November 2012. This increase does not alter our view of the fairness of the Transaction, for the following reasons:

- + It is necessary to establish an effective date for the Transaction, with the parties transferring equity risk at that date. From 30 September 2012 GMT will be exposed to the earnings, costs and capital value movements of the property interests acquired, while Goodman Group and Fisher will be exposed to movements in GMT's unit price. That price might have fallen over the relevant period. Fairness can only effectively be assessed as at 30 September 2012.

- + In any event, movements in GMT's unit price are likely to have been matched by similar movements in the value of the properties acquired. The increase in GMT's unit price is consistent with increases for other LPEs and the share market generally since 30 September 2012 (i.e. the drivers are likely to be broad-based and macro-economic in nature). Also, GMT's unit price is predominately a reflection of the market's perception of the value of its underlying properties and the return from those properties. It follows that the factors that have caused GMT's unit price to rise are likely to have had a similar impact on the value of the properties being acquired, thereby maintaining the relativity between the consideration paid and the assets acquired.

6.9 Impact on GMT's Key Financial Metrics

We have also assessed the impact of the Transaction on some of the key financial metrics that can influence investors' valuations of GMT's units.

Net Tangible Assets

The Transaction is expected to increase NTA per unit due to the purchase of HDL shares and HBPL properties at their net tangible asset value, funded primarily by units issued at above GMT's NTA per unit.

Earnings and Distributions Per Unit

The Transaction is forecast to be earnings per unit neutral for the current financial year.

Due to the amount of non-cash yielding development land being acquired, and the lower yield on Highbrook's high quality assets, there is potential for the operating cash flow per unit available for distributions to decrease as a result of the Transaction. However, this potential impact is avoided by the Deferred Issue Units which do not receive a distribution for three years. GNZ believes that by 2015 sufficient developments will have taken place to generate cash flow to support the distributions on the Deferred Issue Units.

The high quality of Highbrook's assets is reflected in the lower capitalisation rates applied by Colliers and CBRE in their valuations (on average 7.5% for Highbrook versus 8.4% for GMT's total portfolio).

In our view, to be able to secure full ownership of the high quality (and therefore lower yielding) Highbrook properties while maintaining EPU and distributions per unit is a good outcome for GMT's unitholders.

Interest Bearing Debt and Leverage

The Transaction is effectively being funded entirely by equity. The cash component of the consideration is funded by the Capital Raising, and the balance of the consideration is the issuance of GMT units to Goodman Group and Fisher.

GMT's forecasts show that GMT's gearing will decrease from 35.4% to 30.7% with the Capital Raising, and then increase to 33.9% with the Transaction on a pro-forma 30 September 2012 basis.

Post-Transaction, GMT's leverage ratio will remain comfortably within the limits contained in its banking covenants and the Trust Deed, both of which require gearing to be no more than 50%.



6.10 Impact on GMT's Portfolio Metrics

Portfolio Value

The Transaction will increase the value of GMT's property portfolio by \$286 million and net asset value by \$128 million.

The following table sets out the value of the pre-Transaction and post-Transaction property portfolios. The figures in this table and throughout this section are based on the value of GMT's commenced development projects on an "as completed" basis:

Pre- and Post-Transaction Asset Values

\$ millions	Pre Transaction	Post Transaction
Completed property	1,479	1,684
Development property	163	244
Total assets	1,642	1,928
Development land area (ha)	56	83

Source: GNZ Management

Asset Profile

The following table shows GMT's pre- and post-Transaction asset class diversification by value:

Pre- and Post-Transaction Asset Diversification

	Pre Transaction	Post Transaction
Office park	31.4%	26.8%
Industrial estate	30.6%	26.1%
Business park	28.4%	34.8%
Total completed	90.4%	87.7%
Development land Highbrook	4.8%	8.1%
Development land other	4.8%	4.1%
Total development land	9.6%	12.3%

Source: GNZ Management

The impact of the Transaction on the asset diversification of GMT’s property portfolio is relatively minor, with its portfolio weightings showing moderate increases in business parks and development land, and decreases in industrial estates and office parks.

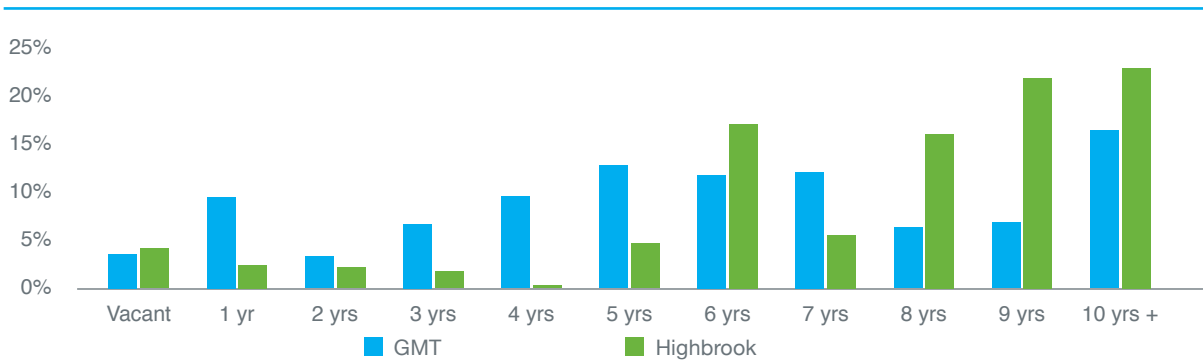
Geographic Profile

As GMT is already Auckland focused, there will be no material impact on the geographic profile of GMT as a result of the Transaction (on a national basis). Within the Auckland region, the Transaction will increase the geographic concentration on the Highbrook area. Post-Transaction the Highbrook assets will be 33.6% of the portfolio, compared with 22.2% pre-Transaction.

Lease Expiry Profile

The following chart shows GMT’s lease profile before and after the Transaction, weighted by contract income:

GMT Lease Expiry Profile



The WALT for the GMT portfolio improves from approximately 5.4 years to 5.6 years as a result of the Transaction. The Transaction maintains GMT’s WALT as one of the longest in the LPE sector.



Customer Profile

The Transaction increases the GMT's exposure to the Highbrook tenants. However these are high quality tenants, and overall GMT's customer concentration is not materially affected. GMT's top 10 customers by percentage of total portfolio income before and after the Transaction are shown in the following table:

Pre and Post Transaction Top 10 Customers

	% of portfolio rental	
	Pre-Transaction	Post-Transaction
New Zealand Post	4.5%	6.3%
Toll	3.9%	3.4%
Fletcher Building	3.7%	3.2%
Air New Zealand	3.3%	2.9%
DHL	3.1%	3.5%
Linfox Logistics	2.8%	2.4%
Vodafone	2.2%	2.0%
SCA Hygiene	2.0%	1.7%
IAG NZ	1.9%	1.7%
Frucor ¹	1.7%	
OfficeMax ¹		2.0%
Total	29.0%	29.2%

1. As a result of the Transaction, OfficeMax replaces Frucor in the top ten customers
Source: GNZ Management

Market Capitalisation and Liquidity

In addition to the impacts on GMT's portfolio metrics, the Transaction may have benefits in terms of GMT's scale and liquidity.

Following the Transaction GMT's market capitalisation will increase, which may allow GMT to consider larger investment opportunities, or provide GMT with superior access to capital markets as a result of its increased scale.

6.11 Other Matters Relating to the Goodman Acquisition

Terms Relating to the Deferred Issue Units

The transaction agreement for the Goodman Acquisition includes the following terms (more fully described in section 5 of the Notice of Meeting) in relation to the Deferred Issue Units.

- a) The number of units to be issued will be adjusted to take account of the effects of dilutive rights issues or capital restructuring (e.g stock splits or consolidations);
- b) The Independent Directors have the option to pay in cash rather than issue units; and
- c) Goodman Group can seek early payment of the Deferred Issue Units if for any reason GNZ (or another Goodman Group entity) is no longer the manager of GMT or a take-over offer is made for GMT.

We believe there is a sound commercial rationale for each of these terms, and they are fair to the Non-associated Unitholders. Considering each in turn:

- a) This term is designed to leave Goodman Group in an economically equivalent position before and after a capital restructure. This type of clause is common and fair to Goodman Group and other unitholders.
- b) The option for GMT to pay cash rather than issue units would only be exercised by Independent Directors if it is in the interests of the Non-Associated Unitholders to do so. It therefore provides flexibility and protections that are beneficial to unitholders.
- c) In a situation where the Goodman Group is no longer involved in the management of GMT, it is reasonable that Goodman Group has the ability to divest its position in GMT. To do so, it needs the ability to seek early payment of the Deferred Issue Units.

Goodman Group level of Control

We do not believe that the increase in Goodman Group's unitholding in GMT as a result of the Transaction (from 17.2% to a maximum of approximately 21.2%) has any material effect on Goodman Group's level of control on GMT. Goodman Group can influence GMT not only via its shareholding, but also via GNZ and GPS and their respective fund management and development and property services contracts. These arrangements are in turn subject to, or overseen by, the Trust Deed, the Unit Trusts Act 1960, Independent Directors and the Listing Rules. The change in Goodman Group's shareholding in GMT is not material in this context and does not cross the 25% threshold that would allow it to block extraordinary resolution and potentially to entrench its management rights.

7. Information, Disclaimer and Indemnity

7.1 Sources of Information

The statements and opinions expressed in this report are based on the following main sources of information:

- + the GMT annual reports for the years ended 31 March 2006 to 2012;
- + the GMT draft interim report for the six months to 30 September 2012;
- + corporate structure diagram prepared by GNZ;
- + valuations of the portfolio properties as at 30 September 2012 prepared by Colliers and CBRE;
- + various reports presented to the GNZ due diligence committee in respect of the Transaction;
- + the financial model prepared by GNZ in respect of the Transaction;
- + the HDL Shareholders' Agreement;
- + HDL and HBPL annual reports for the year ended 31 March 2012;
- + the HDL interim report for the six months to 30 September 2012;
- + LPE unit and share price data and property index data from Bloomberg Information Services;
- + share price and company announcement data from NZX;
- + information on the LPE industry including industry studies, financial reports and brokers' reports;
- + pre-transaction and post-transaction land use information at Highbrook provided by GNZ;
- + GMT's Draft Notice of Meeting and Explanatory Memorandum; and
- + draft sale and purchase agreements for the Goodman Acquisition and Fisher Acquisition.

During the course of preparing this report, we have had discussions with and/or received information from the management of GNZ and their property and legal advisers, including CBRE and Colliers, who undertook the valuations of the HDL and HBPL properties.

The Independent Directors of GNZ have confirmed that we have been provided, for the purpose of preparing our Appraisal Report, with all information relevant to the Transaction that is known or should have been known to them and that all the information is true and accurate in all material aspects and is not misleading by reason of omission or otherwise.

Including this confirmation, we have obtained all the information that we believe is necessary for the purpose of preparing this Appraisal Report.

In our opinion, the information set out in the Explanatory Memorandum and this Appraisal Report is sufficient to enable GNZ's Independent Directors and the Non-associated Unitholders to understand all the relevant factors and to make an informed decision in respect of the Transaction.

7.2 Reliance on Information

In preparing this report we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by GNZ and GMT and its advisers.

We have evaluated that information through analysis, enquiry and examination for the purposes of preparing this report but we have not verified the accuracy or completeness of any such information or conducted an appraisal of any assets. We have not carried out any form of due diligence or audit on the accounting or other records of GMT. We do not warrant that our enquiries would reveal any matter which an audit, due diligence review or extensive examination might disclose.

7.3 Disclaimer

We have prepared this report with care and diligence and the statements in the report are given in good faith and in the belief, on reasonable grounds, that such statements are not false or misleading. However, in no way do we guarantee or otherwise warrant that any projections or forecasts of future profits, cash flows or financial position of GMT will be achieved. Forecasts and projections are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of GMT and the directors and management of GNZ. Actual results will vary from the projections and forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatever for errors or omissions (including responsibility to any person for negligence) for the preparation of the report to the extent that such errors or omissions result from our reasonable reliance on information provided by others or assumptions disclosed in the report or assumptions reasonably taken as implicit.

Our evaluation has been arrived at based on economic, interest rate, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. We have no obligation or undertaking to advise any person of any change in circumstances which comes to our attention after the date of this report or to review, revise or update our report.

We have had no involvement in the preparation of the Explanatory Memorandum issued by GNZ on behalf of GMT and have not verified or approved the contents of the Explanatory Memorandum. We do not accept any responsibility for the contents of the Explanatory Memorandum except for this report.

7.4 Indemnity

GNZ, as manager of GMT, has agreed that, to the extent permitted by law, it will indemnify Deloitte and its partners, employees and consultants in respect of any liability suffered or incurred as a result of or directly in connection with the preparation of the report. This indemnity does not apply in respect of any fraud, negligence or breach of law by Deloitte. GNZ has also agreed to indemnify Deloitte and its partners, employees and consultants for time incurred and any costs in relation to any inquiry or proceeding initiated by any person. Where Deloitte or its partners, employees and consultants are found liable for or guilty of fraud, negligence or breach of law Deloitte shall reimburse such costs.



8. Qualifications, Independence, Declarations and Consent

8.1 Qualifications and Expertise

Deloitte is one of the world's leading professional services firms. Deloitte's Corporate Finance practice provides strategic advisory, valuation and transaction support services.

The persons involved in preparing this report are Chas Cable (MSc (Hons), BSc), Alan Dent (CA, BCA), and Simon Chapman (CFA, CA, PGDipCom, BCom).

Deloitte Corporate Finance, Mr Cable, Mr Dent and Mr Chapman have significant experience in the independent investigation of transactions and issuing opinions on the merits and fairness of the terms and financial conditions of transactions.

8.2 Independence

Deloitte is not the auditor of GMT, GNZ or Goodman Group.

Deloitte has not had any part in the formation of the Transaction. Our sole involvement has been the preparation of this Appraisal Report.

Deloitte will receive a fee for the preparation of this report. This fee is not contingent on the conclusions of this report or the outcome of the voting in respect of the Transaction. We will receive no other benefit from the preparation of this report. We do not have any conflict of interest that could affect our ability to provide an unbiased report.

8.3 Declarations

Advanced drafts of this report were provided to GNZ's Independent Directors and executive management. Certain changes were made to the drafting of the report as a result of the circulation of the drafts. However, there were no material alterations to any part of the substance of this report, including the methodology or conclusions, as a result of issuing the drafts.

Our terms of reference for this engagement did not contain any term which materially restricted the scope of the report.

8.4 Consent

Deloitte consents to the issuing of this report, in the form and context in which it has been prepared, to GMT's Unitholders. Neither the whole nor any part of this report, nor any reference thereto may be included in any other document without Deloitte's prior written consent as to the form and context in which it appears.

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