



12 April 2013

The Manager  
Company Notices Section  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

### **GOODMAN GROUP EMPLOYEE EQUITY OFFERS**

In accordance with Listing Rule 3.10.3, we advise of a grant of Performance Rights under the Group's Long Term Incentive Plan (**LTIP**) in connection with the acquisition of the remaining 50% of the Goodman Japan business.

#### **Offer of Performance Rights under the LTIP**

##### **1. Class of Securities**

Performance Rights in respect of Goodman Group stapled securities (**Stapled Securities**) pursuant to offers to Eligible Employees (as defined in the LTIP rules) under the LTIP approved by Securityholders at the Annual General Meeting held on 16 November 2012. Each Performance Right is a right to be issued a Stapled Security without payment.

##### **2. Number of Securities**

The grant is in respect of 397,351 Performance Rights with effect on 12 April 2013.

##### **3. Principal terms of the Performance Rights Offer**

The following is a summary of the principal terms of the Performance Rights Offer.

On each of three vesting dates (see below), each participant will be issued Stapled Securities equal to 1/3 of the total number of Performance Rights granted to that participant subject to the following conditions:

- The participant remaining an Employee of Goodman Group on the relevant vesting date, or having ceased as an Employee of Goodman Group before one or any of the relevant vesting dates in "Special Circumstances" (as defined in the LTIP rules) (unless the Board determines otherwise).
- Goodman Group meeting the performance hurdles set out below.

Under the LTIP, 75% of each grant will be tested against an Earnings per Security (EPS) hurdle and 25% of each grant will be tested against a relative Total Securityholder Return (**TSR**) hurdle. The performance hurdles in respect of each grant will be tested in respect of the period 1 July 2012 to 30 June 2015 (the **Performance Testing Period**).

#### **Goodman Group**

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Goodman Funds Management Limited | ABN 48 067 796 641 | AFSL Number 223621  
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EPS is defined as annual operating profit (as determined by the Board) divided by the number of Stapled Securities on issue.

In respect of the 75% portion of each Tranche tested against EPS, nil will vest unless the cumulative EPS achieved by Goodman over the 3 year testing period of 1 July 2012 to 30 June 2015 exceeds the EPS Targets established for each year by the Board. If the cumulative Target is met or exceeded, 100% of this portion will vest.

The Board determined that the Target EPS for FY13 is 32.3 cents per security. The Target EPS for FY14 and FY15 will be advised around the commencement of each of those financial years.

TSR is based upon security price movements on ASX plus distributions paid in respect of those securities, as determined by the Board. Vesting of 25% of each Tranche of a participant's Performance Rights will be based upon the TSR achieved by Goodman over the three year period 1 July 2012 to 30 June 2015 as compared to the TSR achieved by companies in the S&P/ASX 200 for that same period in accordance with the following formula:

TSR Performance in Performance Testing Period Compared to ASX 200	Proportion of Performance Rights subject to TSR hurdle vesting
Less than the 51st Percentile	0%
At 51st Percentile	50%
Greater than 51 <sup>st</sup> Percentile but less than 76 <sup>th</sup> Percentile	50% plus additional 2% for every 1% increase in percentile rank
At 76th Percentile or above	100%

The three vesting dates applicable to the grant of Performance Rights are:

- 2 September 2015 for Tranche 1;
- 1 September 2016 for Tranche 2; and
- 1 September 2017 for Tranche 3.

Subject to satisfaction of the vesting conditions and the LTIP rules, the Board has determined that a Performance Right does not require exercise. Upon vesting, participants will automatically become entitled to be issued Stapled Securities on the applicable vesting date.

**4. Issue Price**

No consideration is payable on the grant of the Performance Rights or, following vesting, on the delivery of the Stapled Securities.

**5. Purpose of the Issue**

Remuneration of executives in connection with the acquisition of the remaining 50% of the Goodman Japan business.

Yours faithfully





Carl Bicego  
**Company Secretary**