

nzx release+

GMT Partners with Singapore's GIC

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Release Immediate

Goodman (NZ) Limited, the Manager of Goodman Property Trust ("Trust" or "GMT"), has announced the introduction of GIC as a new capital partner in an expanded joint venture investing in Auckland's Viaduct Quarter. This is GIC's first real estate investment in New Zealand.

GIC, Singapore's sovereign wealth fund, is partnering with GMT, to co-invest in Auckland's rapidly developing Viaduct Quarter. The joint venture, which includes GMT's existing Viaduct property interests, has a mandate to grow to NZ\$500 million over time.

The partnership will initially own a portfolio of assets valued at NZ\$313 million. GIC will acquire a 49% interest in these assets while GMT will retain a 51% share. All future investments will be undertaken on the same basis.

Keith Smith, Chairman of Goodman (NZ) Limited said "The benefits of GMT's close relationship with Goodman Group, one of the world's largest integrated property groups, have facilitated the introduction of GIC into the New Zealand market and a broadening of GMT's investment strategy in the Viaduct".

Greg Goodman, Chief Executive Officer of Goodman Group said "We are pleased to be partnering with GIC, one of the world's largest investment funds, and look forward to extending our involvement in the regeneration of Auckland's Viaduct Quarter."

Goh Kok Huat, President of GIC Real Estate, said "As a long-term investor, GIC looks to establish strategic partnerships with leading market players. Goodman has strong asset management expertise and has a good pulse on the New Zealand market. We believe there will be good investment opportunities that allow the joint venture to grow further, particularly in the Viaduct Quarter."

A summary of the initial transaction, which remains subject to certain conditions including Overseas Investment Office approval, is included in the Appendix to this announcement.

Investment Strategy

John Dakin, Chief Executive Officer of Goodman (NZ) Limited said "The Viaduct Quarter is a proven investment location that presents exciting new opportunities with local government initiatives and private development transforming the former marine and industrial areas into a world-class, mixed-use waterfront precinct."

GMT identified the Viaduct Quarter as a strategic investment location over eight years ago, acquiring the Air New Zealand building and a 50% interest in Viaduct Corporate

Centre¹ in 2006. These initial investments were extended with the purchase of the new Fonterra building currently being developed by Goodman Group and Fletcher Building.

The investment strategy of the new partnership will continue this commercial focus, building a portfolio of high quality, campus style office properties, leased to major customers on long term leases.

Through its relationship with Goodman Group, the joint venture has options to purchase future office developments in the Viaduct Quarter and subject to meeting strict investment hurdles, it is anticipated that the partnership's property portfolio could grow to NZ\$500 million over time.

Benefits to GMT

The new partnership is expected to provide a range of benefits for GMT including,

1. Capacity to reinvest in a growing market segment
2. Access to new office stock in a progressive location
3. Increased asset and customer diversity
4. Greater mix of ownership tenures in an expanded portfolio

John Dakin, said, "The introduction of a like-minded partner gives GMT the capacity to expand its investment in the Viaduct Quarter, enhancing the overall portfolio, without the requirement for any significant new funding."

GMT's gearing reduces as a result of the initial transaction and the Trust has reaffirmed its FY15 distributable earnings guidance, of 9.1 cents per unit before tax. Forecast cash distributions of 6.45 cents per unit, are also unchanged.

Introducing GIC

GIC is a leading global investment firm with well over US\$100 billion in assets under management. Established in 1981, the firm manages Singapore's foreign reserves and is uniquely positioned for long-term and flexible investments across a wide range of asset classes, including real estate, private equity, equities and fixed income. GIC has investments in over 40 countries and has been investing in emerging markets for more than two decades. Headquartered in Singapore, GIC employs over 1,200 people across 10 offices in key financial cities worldwide. For more information: www.gic.com.sg.

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¹ The entity that owns the Vodafone, KPMG and Microsoft/HP office buildings located along Viaduct Harbour Avenue.

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About Goodman Property Trust:

GMT is an externally managed unit trust, listed on the NZX. It has a market capitalisation of around \$1.3 billion, ranking it in the top 15 of all listed investment vehicles. The Manager of the Trust is a subsidiary of the ASX listed Goodman Group. Goodman Group are also the Trust's largest investor with a cornerstone unitholding of 17.6%.

GMT is New Zealand's leading industrial and business space provider. It has a substantial property portfolio with a value in excess of \$2.0 billion that accommodates around 260 customers. The Trust holds an investment grade credit rating of BBB from Standard & Poor's, with its debt facilities rated at BBB+.

Appendix 1 - Joint Venture Ownership

Existing Viaduct Investments

The following table shows the property values of GMT's existing Viaduct investments, on a proportionate ownership and total value basis.

Property Asset	GMT Ownership	Existing Investment Structure \$m		
		GMT	JV Partner	Total
Air New Zealand Building	100%	\$ 64.00	-	\$ 64.00
Fonterra Building (under development)	100%	\$ 93.20	-	\$ 93.20
Viaduct Corporate Centre Limited ⁽¹⁾	50%	\$ 78.10	\$ 78.10	\$ 156.20
Total Viaduct Portfolio		\$ 235.30	\$ 78.10	\$ 313.40

GIC as investment partner

The introduction of GIC as a co-investment partner results in GMT holding a 51% interest in all the viaduct assets, reducing its proportionate ownership share from \$235.30 million to \$159.83 million.

Property Asset	GMT Ownership	New Investment Structure \$m		
		GMT	GIC	Total
Air New Zealand Building	51%	\$ 32.64	\$ 31.36	\$ 64.00
Fonterra Building (under development)	51%	\$ 47.53	\$ 45.67	\$ 93.20
Viaduct Corporate Centre Limited ⁽¹⁾	51%	\$ 79.66	\$ 76.54	\$ 156.20
Total Viaduct Portfolio		\$ 159.83	\$ 153.57	\$ 313.40

^[1] The entity that owns the Vodafone, KPMG and Microsoft/HP office buildings located along Viaduct Harbour Avenue.

Key Transaction Terms

- + The transaction, which will proceed by:
 - GMT acquiring an additional 1% of the shares (GMT already holding 50% of the shares) in Viaduct Corporate Centre Limited (VCCL) (the owner of the KPMG Building, Microsoft/HP Building and Vodafone Building) and GIC acquiring the remaining 49% of the shares in VCCL;
 - VCCL acquiring the Air New Zealand Building from GMT; and
 - VCCL acquiring the Fonterra Building from GMT upon completion in early 2016,
 is conditional on:
 - the approval of the Overseas Investment Office; and
 - certain approvals of the freehold landowner of the Air New Zealand and Fonterra Buildings.
- + The joint venture arrangements between GMT and GIC contain provisions which would reasonably be expected to be contained in a commercial joint venture arrangement including, in particular, agreement by GMT to provide GIC with the opportunity to co-invest with GMT in future opportunities in the Viaduct area.
- + Goodman Group will provide services to the new joint venture.
- + GMT, as the existing investor in the properties forming the portfolio, has provided warranties and assurances to GIC, as the incoming investor in the portfolio of the type reasonably expected in connection with a property portfolio joint venture of this type.
- + VCCL has obtained committed terms from Westpac to provide extended funding to the company from completion of the transaction.

Appendix 2 – Location map



Appendix 3 – Viaduct Asset Images

Artist's impression of the Fonterra Building



Air New Zealand Building



Vodafone Building



KPMG Building



Microsoft/HP Building

