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Goodman European Partnership notes S&P's credit ratings upgrade

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Release Immediate

Goodman European Partnership (GEP) notes the corporate credit ratings upgrade assigned by credit ratings agency Standard and Poor's (S&P) from BBB to BBB+ stable outlook.

S&P commented that the upgrade reflects its view that GEP's interest coverage will be significantly stronger than its peers over the next years following a recent successful equity raise with its existing partners and following a substantial reduction in GEP's average cost of debt to less than 1.8% as a result of its refinancing of a €500 million bond with two new bonds for a total amount of €650 million and with a blended coupon of 1.25%. S&P further highlighted GEP's high quality real estate portfolio, lowered gearing target and solid e-commerce fundamentals as a rationale for the ratings upgrade.

Emmanuel Van der Stichele, Director Investment Management GEP said: "We are pleased with this ratings upgrade by S&P, which reflects the strong financial position of GEP following recent capital initiatives, including a successful repeat bond issuance in October 2016 and an equity raise with GEP's existing partners, completed in May 2017. This upgrade also recognizes the active asset management of the Partnership, aimed at creating value through continuously enhancing the quality and selectively growing the portfolio. This positive ratings action underwrites GEP's leading position in the European logistics market and the Partnership's ability to generate high, stable long-term returns from a modern high quality investment portfolio."

Benefiting from Goodman's specialist logistics expertise, strong corporate governance, a property portfolio with an average age of 6.4 years, valued at €2.9 billion, GEP is one of the largest and highest quality unlisted pan-European real estate investment vehicles in Europe. GEP aims to deliver stable, income-driven returns to its investment partners, through its investment in over 110 prime logistics real estate assets, totaling in excess of 4.3 million sqm of logistics space across 10 continental European countries.

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About Goodman European Partnership ("GEP" - legal name: Goodman European Logistics Fund, FCP-FIS)

GEP is a €2.9 billion pan-European investment vehicle with a portfolio of over 110 assets in 10 countries and boasts strong performance metrics as demonstrated by a stabilised portfolio with 97.1% occupancy rate and a portfolio weighted average lease expiry (WALE) to first break of 5.0 years (as per 31 March 2017).

About Goodman

Goodman is an integrated property group that owns, develops and manages logistics and business space across Continental Europe, the United Kingdom, the Asia-Pacific region, North America and Brazil. The Group invests in industrial estates and warehouse and distribution centers.

Goodman also offers a range of listed and unlisted investment vehicles, including its flagship European managed partnership: Goodman European Partnership. Through prudent investment management, quality assets and active property management, the Partnership provides its capital partners with stable income returns derived from investments in logistics assets.

With total assets under management of €24.7 billion and 378 properties under management, Goodman is the largest industrial listed property group on the Australian Stock Exchange, and one of the largest listed specialist fund managers globally. Its market insight and dedicated local teams create sound investment opportunities and develop properties and environments that meet each client's individual requirements.

With more than 1,100 staff in 18 countries and 30 offices, Goodman has the global reach to meet customers' needs as their businesses expand or evolve. In Europe, Goodman is active in Germany, the Netherlands, Belgium, Luxembourg, France, Spain, Italy, Poland, the Czech Republic, Hungary, Slovakia and the UK.

For more information please visit: ce.goodman.com or www.gep.eu