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Goodman realises Singapore business for S\$282 million

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Release Immediate

Goodman Group has today announced the sale of its 40% share of the joint venture management company in Singapore and its 6.8% stake in the Singapore listed A-REIT. The transaction brings to a close a very successful venture and clears the way for Goodman and Ascendas to pursue their own interests in the region.

In 2002, Goodman and Ascendas formed a joint venture which successfully floated the first Singapore listed REIT specialising in business space. The venture brought together Goodman's funds management experience in this sector with the local expertise of Ascendas. The A-REIT business has since grown substantially and delivered strong returns to investors. Assets Under Management (AUM) grew from S\$545 million to over S\$3.4 billion and the units have delivered a total return in excess of 26% per annum over the period.

Since the formation of the joint venture, Goodman and Ascendas have both grown their respective businesses substantially making it an appropriate time for each party to stand alone. Goodman will be handing over a very strong platform to Ascendas who will now hold 100% of the management company and 26.8% of the units in A-REIT.

The price of the management company (S\$110 million) and the units (S\$172 million or \$1.90 per unit) have been determined at fair market values. Goodman will use the proceeds from the sale to retire debt, reducing gearing by around 150 basis points.

Mr Gregory Goodman, Group Chief Executive Officer, Goodman Group said "The parties have collaborated well to generate a rewarding outcome for all stakeholders and we are confident that A-REIT is in a very strong position. We are also confident that the experience that we have gained in the market, coupled with the relationships we have built with our global customers and investment clients, will provide us with an opportunity to re-enter the market over time."

The profit (over cost) from the sale of the management is in excess of S\$90 million and the profit on the sale of the units is in excess of S\$60 million pre-tax. These profits will be over and above operating income for the Group which is forecast to be 34.0 cps for FY08.

For further information, please contact Goodman:

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