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J-REP secures high quality logistics portfolio

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Release Immediate

J-REP has secured a portfolio of 14 high quality logistics properties across Japan. The portfolio has been sourced from both on-market acquisitions and J-REP managed assets.

By securing the portfolio for the long term J-REP can build a more substantial presence in the market which places it well in regard to its goal to grow its funds management platform.

The acquisition of the portfolio of logistics properties will be funded via an equity investment by J-REP of ¥24.1 billion (A\$267 million). A non recourse ¥45 billion (A\$499 million) syndicated debt facility has been secured with a four year term, arranged by the Development Bank of Japan and other local financial institutions. In addition, both Goodman Group and Macquarie Group, have each provided a 50% share of a ¥10.5 billion (A\$116 million) credit facility on an arms length basis.

Mr Greg Goodman, Group CEO, Goodman Group said, "This transaction represents excellent progress since the formation of our Japanese alliance in May 2007 between J-REP and Macquarie Goodman Asia (the JV between Macquarie Group and Goodman Group). Securing this high quality portfolio is a significant milestone in establishing a robust Japanese unlisted fund management platform for institutional investors. Following the sale of our A-REIT investment, we will continue to focus on unlisted funds".

The transaction is consistent with the Group strategy and financial targets as previously outlined for the year ended June 2008.

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J-REP is the TSE (Mothers) listed specialist logistics property services company which Goodman effectively owns a 25% interest in (via a ¥15 billion (A\$166 million) capital injection in May 2007 through MGA which is a 50:50 JV with Macquarie Group).

At the time of writing, the AUD:JPY exchange rate was 1:90.2.

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