

25 February 2015

Charter Hall Group

Half Year Results
6 months to 31 December 2014



Agenda



David Harrison
Joint Managing Director



David Southon
Joint Managing Director



Paul Altschwager
Chief Financial Officer

1	1HY15 Results Summary
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2	Property Investments
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3	Property Funds Management
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4	Financial Result
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5	Outlook and Guidance
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6	Additional Information
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1HY15 Results Summary

1

Key achievements

1HY15 Results Summary¹

**OEPS growth
10.6% on pcg**

**DPS growth
10.0% on pcg**

**Total
Securityholder
Return of 30%²**

**\$2.0bn in
transactions**

\$1.4bn of acquisitions
\$0.6bn of divestments

**Australian FUM
up 10.4% to
\$12.7bn**

**\$944m gross
equity inflows**

\$741m net equity inflows

1. Figures and statistics on this slide are for 1HY15 being the 6 months to 31 December 2014 with the prior corresponding period ('pcg') being the 6 months to 31 December 2013
2. Total securityholder return is based on the 12 months to 31 December 2014. Source: UBS and S&P/ASX

Solid organic growth in Australian platform

1HY15 Results Summary

- **Increase in operating earnings per security (OEPS) to 13.74cps, up 10.6%**
 - Statutory profit after tax of \$39.9m, up from \$28.6m
 - Operating earnings of \$48.4m¹, up 27.1% on pcg
 - Distribution of 12.1cps, up 10.0% on pcg
- **Property Investments (PI) operating earnings up 22.8% to \$28.4m**
 - Property Investment yield stable at 7.6%, despite WACR falling by 40bps to 7.17%
 - Charter Hall co-invested a further \$164m, partially funded by \$88m of recycled capital
- **Property Funds Management (PFM) operating earnings up 27.4% to \$21.3m**
 - Secured \$944m of gross equity flows and \$741m of net inflows post investor equity returns
 - Australian FUM increased by 10.4% to \$12.7bn for the six month period
 - Property Funds Management EBITDA margin increased from 36.1% to 39.7%

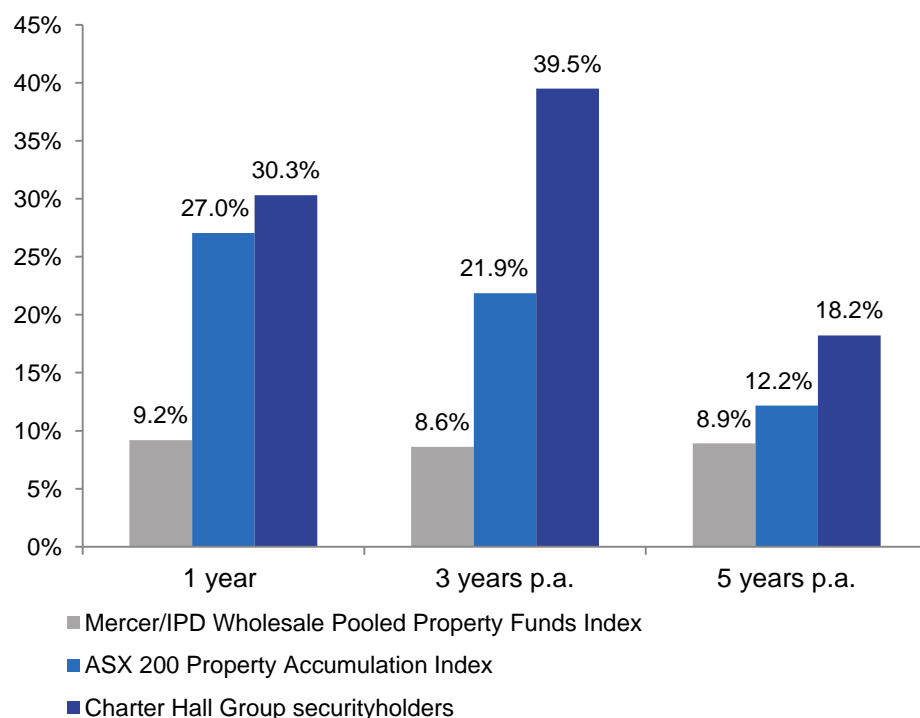
1. Operating Earnings of \$48.4m includes non-cash security based benefit expense of \$1.3m (1HY14: \$1.8m) which is not allocated to the PFM or PI segments

Total securityholder returns

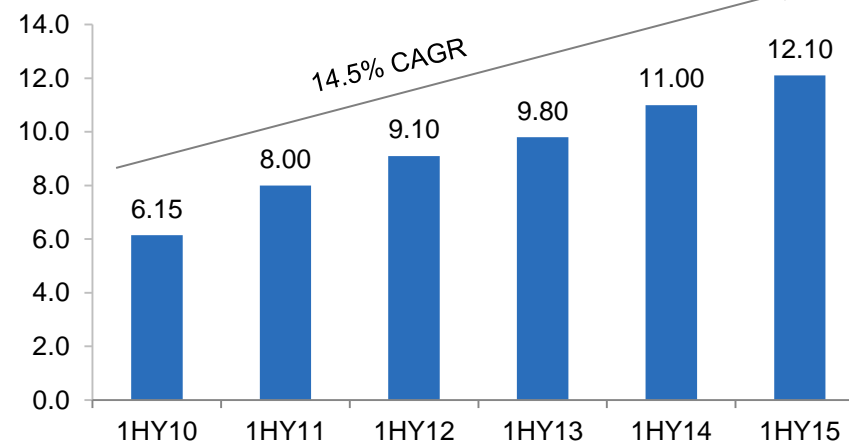
1HY15 Results Summary

- Total securityholder return for 1 year to 31 Dec 2014: 30.3%
- Best performance in A-REIT 200 index over 3 years: 39.5% pa¹

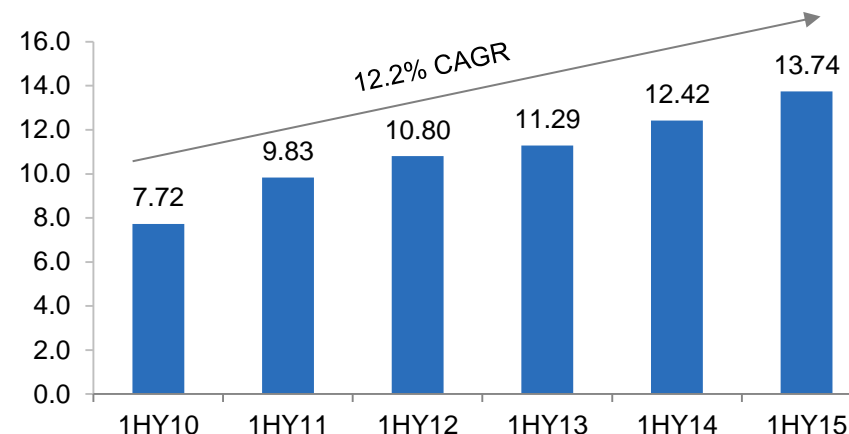
**Total performance over 1, 3 and 5 years (% pa)
to 31 Dec 2014¹**



Distribution per security growth



Operating earnings per security growth²



1. Source: IPD, UBS and S&P/ASX

2. Operating earnings per security prior to and including 1HY13 restated to include non-cash security based benefits expense

Consistent delivery on strategy

1HY15 Results Summary

	ACCESS	DEPLOY	MANAGE	INVEST
	Access to multiple equity sources <div> <div>6 Months</div> <div>\$944m gross equity raised</div> </div> <div> <div>3 Years</div> <div>\$4.4bn gross equity raised</div> </div>	Creating value through attractive investment opportunities <div> <div>6 Months</div> <div>\$2bn transactions \$1.4bn acquisitions \$0.6bn divestments</div> </div> <div> <div>3 Years</div> <div>\$8.3bn transactions \$5.8bn acquisitions \$2.5bn divestments</div> </div>	Property funds management, asset management, leasing & development services <div> <div>6 Months</div> <div>\$12.7bn FUM 270 properties 2,264 tenants 284 leasing deals</div> </div> <div> <div>3 Years</div> <div>\$4.3bn FUM growth 113 additional properties</div> </div>	Investing alongside our capital partners <div> <div>6 Months</div> <div>\$795m of property investments with 7.17% WACR² and 8.8% discount rate</div> </div> <div> <div>3 Years</div> <div>WALE¹ increased by 3yrs to 9.5yrs</div> </div>

1. WALE is the Weighted Average Lease Expiry for the Property Investments portfolio which is measured by all tenants remaining leases in years, weighted by each tenant's gross income as a proportion of the total potential gross income for the portfolio

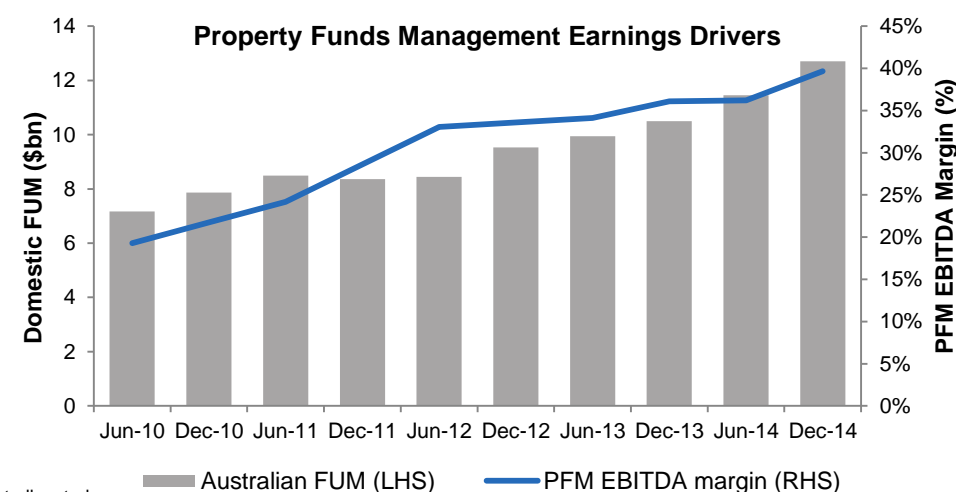
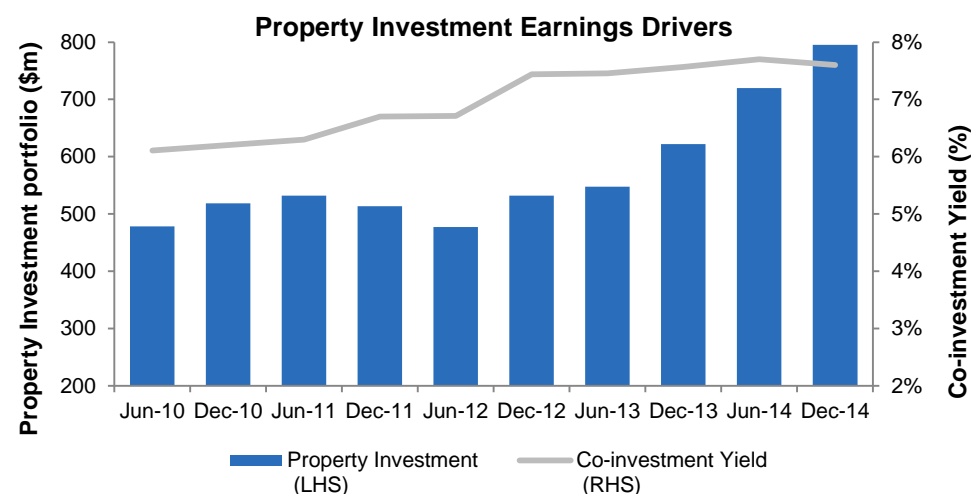
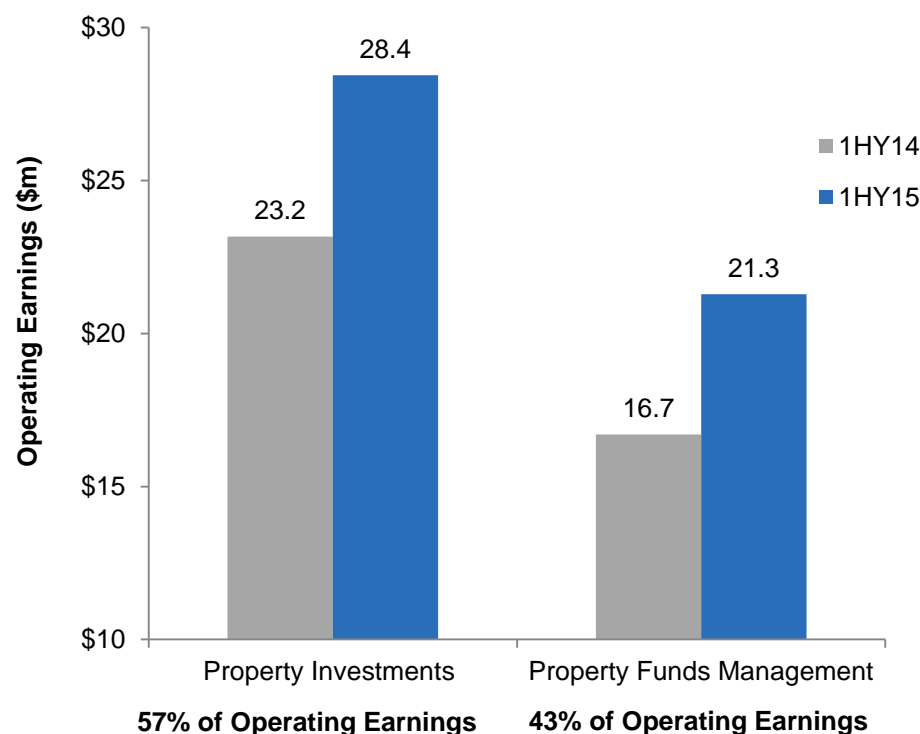
2. WACR is Weighted Average Cap Rate for the Charter Hall Group Property Investments portfolio and is weighted by individual co-investment value as a proportion of total property investments

Operating earnings composition

1HY15 Results Summary

Operating earnings of \$48.4m¹, up 27.1% pcp from \$38.1m

- 57% of operating earnings from property investments
- Property investments growth of 22.8% pcp
- Property funds management growth of 27.4% pcp



1. Operating Earnings of \$48.4m includes non-cash security based benefit expense of \$1.3m (1HY14: \$1.8m) which is not allocated to any of the segments described above. Graphs are shown based on Operating Earnings pre the security based expense

Property Investments

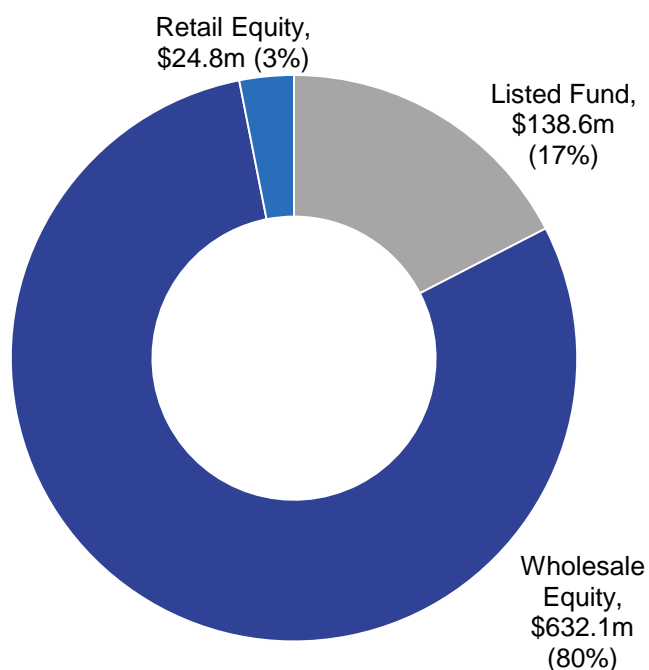
2

PI earnings grow by 22.8% to \$28.4m

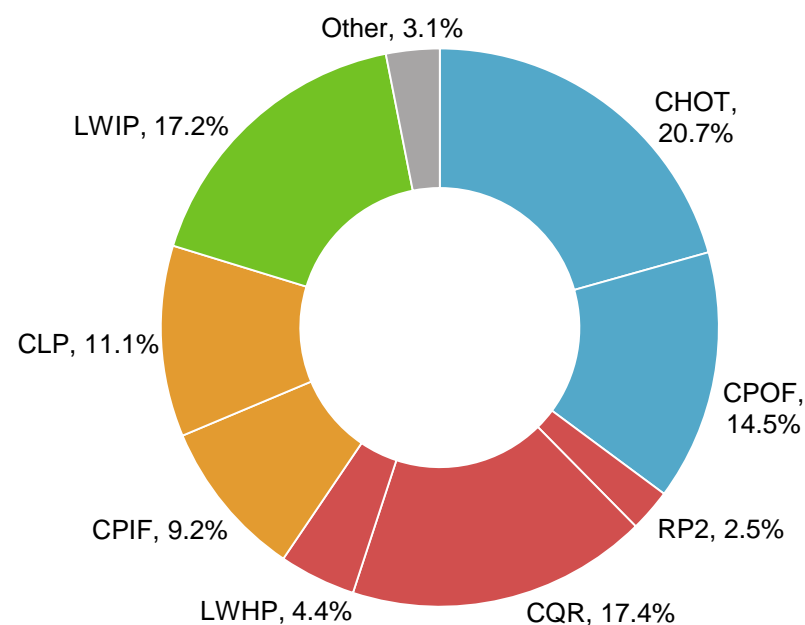
Property Investments

- Charter Hall Group's balance sheet investments increased by \$75m to \$795m
- Portfolio WALE¹ increased by 1.9 years to 9.5 years during 1HY15, following investment into LWIP
- Occupancy increased 0.8% to 97.6%
- WACR reduced 40bps to 7.17%², with 29bps on a like for like basis

**% of CHC Property Investment Portfolio
By Fund Type**



**% of CHC Property Investment Portfolio By
Fund**



1. Portfolio WALE calculated as the sum of each fund's WALE by gross income multiplied by its % of the Property portfolio
2. Refer to slide 28 for NTA and Cap Rate bridge

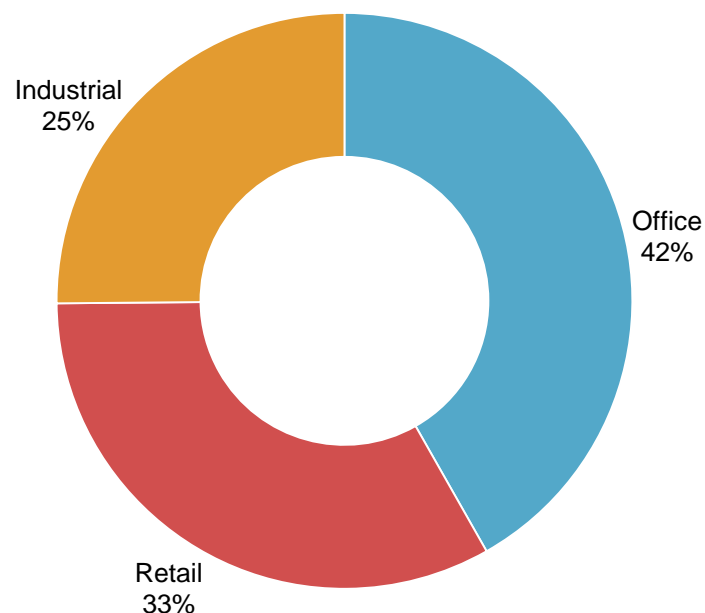
Enhanced portfolio quality

Property Investments

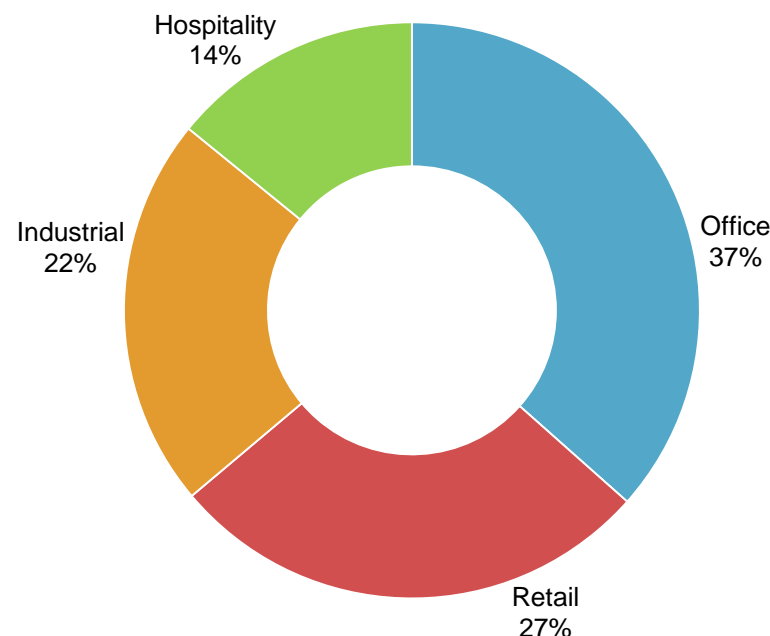
In line with our strategy, Charter Hall Group has continued to focus on reweighting its Property Investments towards a more diversified portfolio

- Property Investment portfolio has increased its exposure to long WALE industrial, hospitality and retail assets
- Diversification of the portfolio has been further enhanced with an investment in LWIP

**Property Investments by Sector
30 June 2014**



**Property Investments by Sector
31 December 2014**

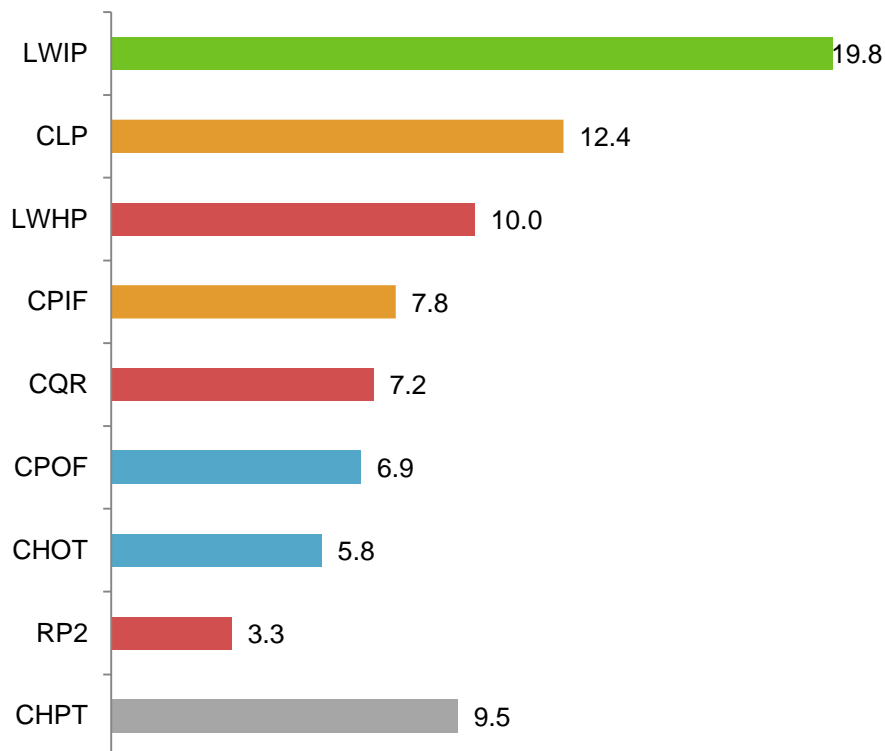


Portfolio WALE and lease expiry

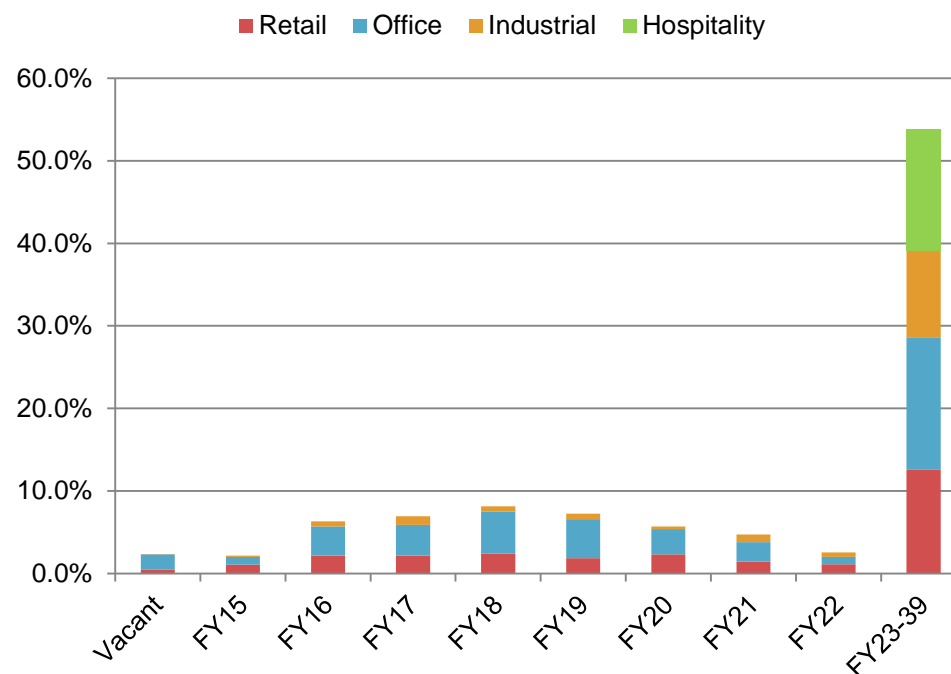
Property Investments

- CHC Portfolio composition and upcoming lease expiries actively managed
 - Property Investment portfolio WALE increased from 7.6 years to 9.5 years during 1HY15
 - 54% of leases expiring in 8 years or more

Fund WALE and Portfolio WALE¹



Lease Expiry Profile by Sector



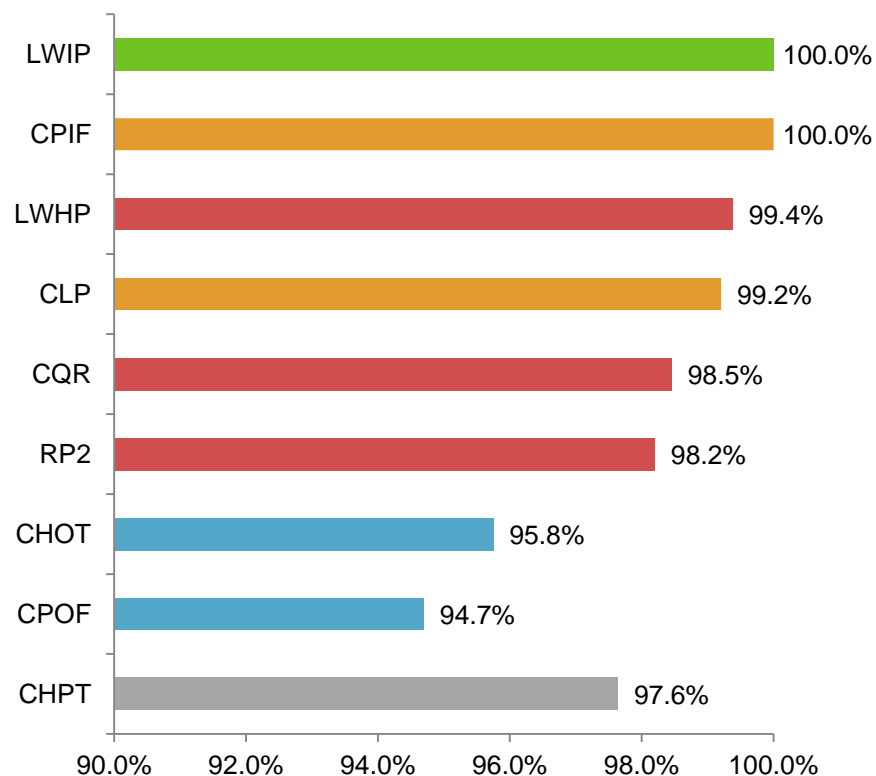
1. Portfolio WALE calculated as the sum of each fund's WALE by gross income multiplied by its % of the Property portfolio

Top tenants by gross income

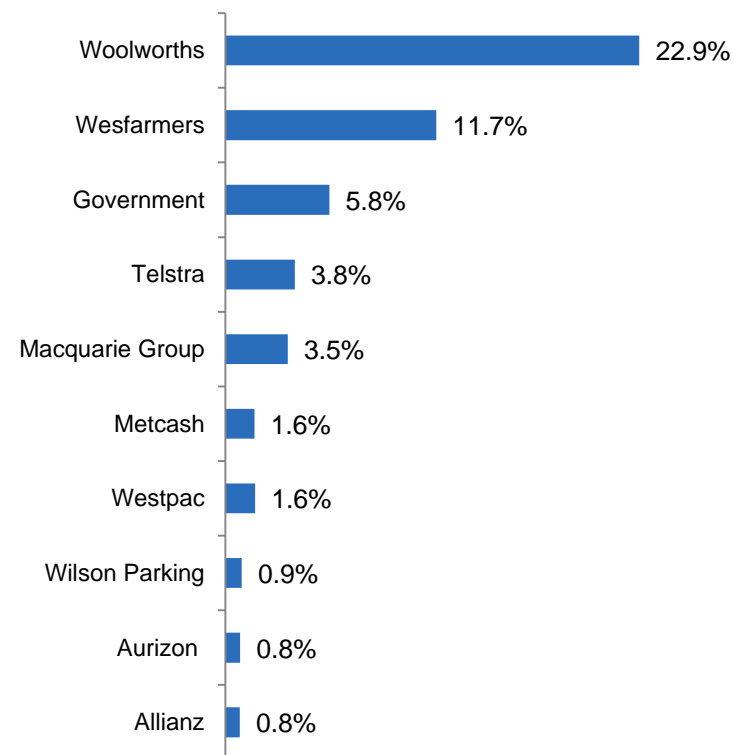
Property Investments

- Property Investments portfolio has high occupancy at 97.6%
- Focus on quality of tenant covenants

Occupancy by Gross Income²



Top 10 Tenants by Gross Income¹



1. Top tenant classification: Top tenant classifications refer to companies and their subsidiaries or related companies. Government tenant classification refers to all Government and Government related tenants

2. Portfolio occupancy calculated as the sum of each fund's occupancy by gross income multiplied by its % of the Property portfolio

Property Funds Management

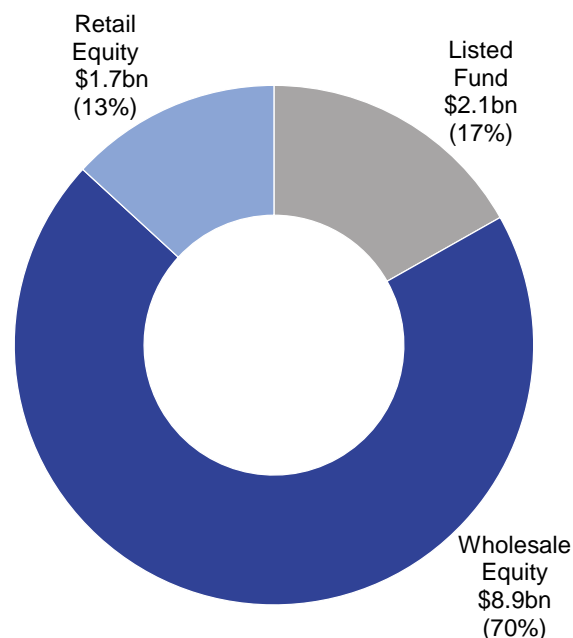
3

Well diversified funds management portfolio

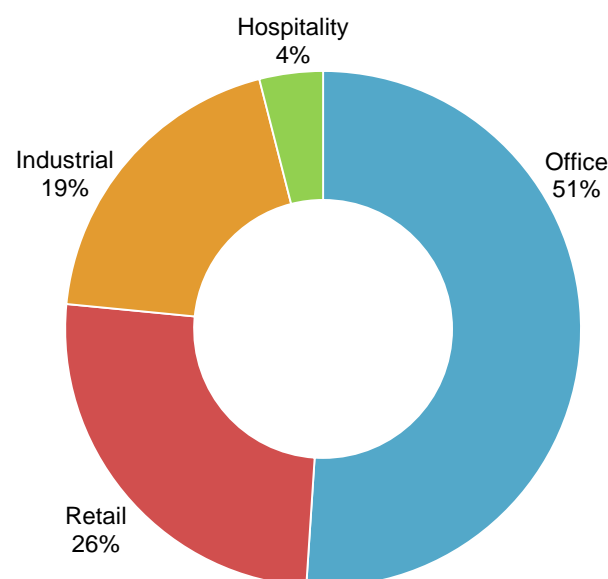
Property Funds Management

	Portfolio Size (\$bn)	No. of properties	No. of tenants	Gross income (\$m)	WALE (years)	Occupancy (%)	Average cap rate (%)
Dec 14	12.7	270	2,264	1,081	8.1	97.5%	7.30%
Jun 14	11.5	209	2,289	1,000	7.3	96.8%	7.68%

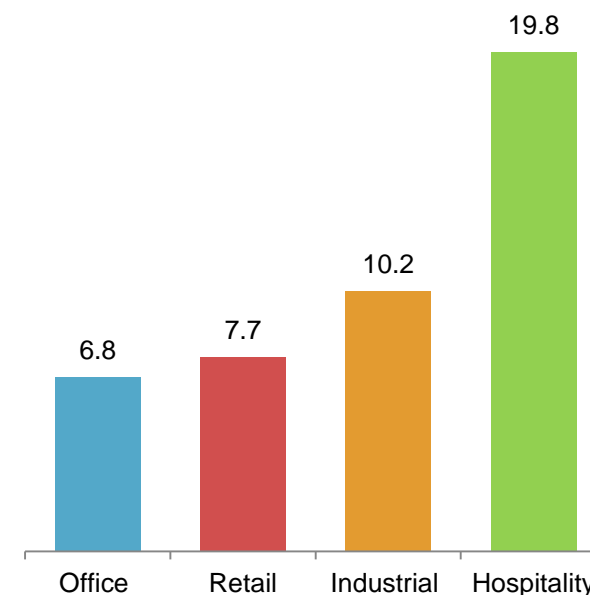
Diversification by equity source



Asset type diversification¹



WALE by sector



1. LWIP is allocated between the Hospitality sector (82%) and Retail sector (18%)

Office sector activity

Property Funds Management

6 months to 31 December 2014

- \$6.5bn in Office funds under management with \$220m of acquisitions and \$462m of divestments
- \$220m acquisition of the University of Western Sydney's new office campus in Parramatta's CBD, Sydney, with a 15 year WALE (50% CPOF and 50% DOF)
- Completed 93 leasing agreements across 179,172sqm increasing office portfolio WALE from 6.2 to 6.8 years
- Office occupancy improved by 0.5% to 95.9% during 1HY15 (4.1% Office portfolio vacancy relative to national office vacancy rate of 10.8%¹)
- Major leasing renewals including 20 years to Westpac at Kogarah (CPOF), 10 years to government at Cannington (PFA) and 13,000sqm renewal to Macquarie at No.1 Martin Place, Sydney (CHOT)
- Major new leasing deals include 11,000sqm to APRA and LinkedIn at No.1 Martin Place, Sydney (CHOT), 7,900sqm to Collection House at BoQ HQ, Brisbane fringe



Artist impression, UWS Parramatta Campus, NSW

Sector overview	31 Dec 2014	30 Jun 2014	Change
FUM	\$6.5bn	\$6.5bn	0
No. of properties	47	55	(8)
Gross income	\$569m	\$586m	(\$17m)
Occupancy	95.9%	95.4%	0.5%
WALE	6.8yrs	6.2yrs	0.6yrs
Cap Rate	7.25%	7.67%	(0.42%)
CHC co-investment	\$291m	\$301m	(\$10m)

1. Source: PCA all office (National) vacancy rate

Retail sector activity

Property Funds Management

6 months to 31 December 2014

- Total Australian retail FUM has increased by 11.9% to \$3.3bn during 1HY15 with Charter Hall now managing 108 retail assets throughout Australia
- Total 183 leasing deals over 42,816sqm with occupancy rising 0.1% and remaining strong at 98.6%
- Established and expanded LWHP with additional wholesale equity commitments of \$235m. Current GAV of \$400m with growth capacity for a further \$300m
- RP1 has expanded its portfolio to \$518m upon completion of the announced Brickworks Woolworths Marketplace acquisition



Artist impression, Brickworks Woolworths Marketplace, Adelaide SA

Sector overview ¹	31 Dec 2014	30 Jun 2014	Change
FUM	\$3.3bn	\$2.9bn	\$0.4bn
No. of properties	108	96	12
Gross income	\$279m	\$238m	\$41m
Occupancy	98.6%	98.5%	0.1%
WALE	7.7yrs	8.0yrs	(0.3yrs)
Cap Rate	7.23%	7.61%	(0.38%)
CHC co-investment	\$218m	\$238m	(\$20m)

1. Australia only

Industrial sector activity

Property Funds Management

6 months to 31 December 2014

- Industrial FUM has grown 18% to \$2.5bn during 1HY15
- Occupancy close to 100% with 8 leases totaling 78,738sqm during the half. WALE at 10.2 years
- Acquisition of the 6 asset \$171.4m Inghams portfolio with assets allocated to CLP, DIF2 and CPIF with WALEs ranging from 20 to 25 years
- CPIF, Australia's strongest performing wholesale unlisted property fund¹, completed its first Review Event and achieved a first close capital raising of \$329m
- CLP continues to grow, with the acquisition of 4 assets during the half, with GAV at \$820m (up from \$608m)
- DIF2 now fully invested with Charter Hall Direct launching DIF3 in December 2014



136 Horrie Miller Drive, Perth WA

Sector overview	31 Dec 2014	30 Jun 2014	Change
FUM	\$2.5bn	\$2.1bn	\$0.4bn
No. of properties	71	58	13
Gross income	\$200m	\$176m	\$24m
Occupancy	99.7%	99.4%	0.3%
WALE	10.2yrs	9.9yrs	0.3yrs
Cap Rate	7.62%	7.88%	(0.26%)
CHC co-investment	\$174m	\$181m	(\$7m)

1. Source: 3 year return to 31 December 2014 IPD/Mercer Total Pooled Property Funds Index – multi asset funds

Hospitality sector activity

Property Funds Management

6 months to 31 December 2014

- Established the Group's first investment in the Hospitality sector via a new wholesale partnership, LWIP (Long WALE Investment Partnership) which is a 50/50 JV between Charter Hall and HOSTPLUS
- LWIP acquired a \$603m² portfolio of 54 high quality hospitality assets, leased to the ALH Group subject to initial lease terms of 20 years plus options with annual CPI rental increases
- The ALH Group is the market leader in the Australian hotel sector and is 75% owned by Woolworths Limited and 25% by Mathieson Group
- A new long WALE asset sector for Charter Hall and its wholesale partners to continue to allocate capital into the future



Magnums Hotel, Airlie Beach Qld

Sector overview	31 Dec 2014
FUM	\$0.5bn ¹
No. of properties	44 ¹
Gross income	\$34m
Occupancy	100%
WALE	19.8yrs
Cap Rate	6.66%
CHC Investment	\$112m ¹

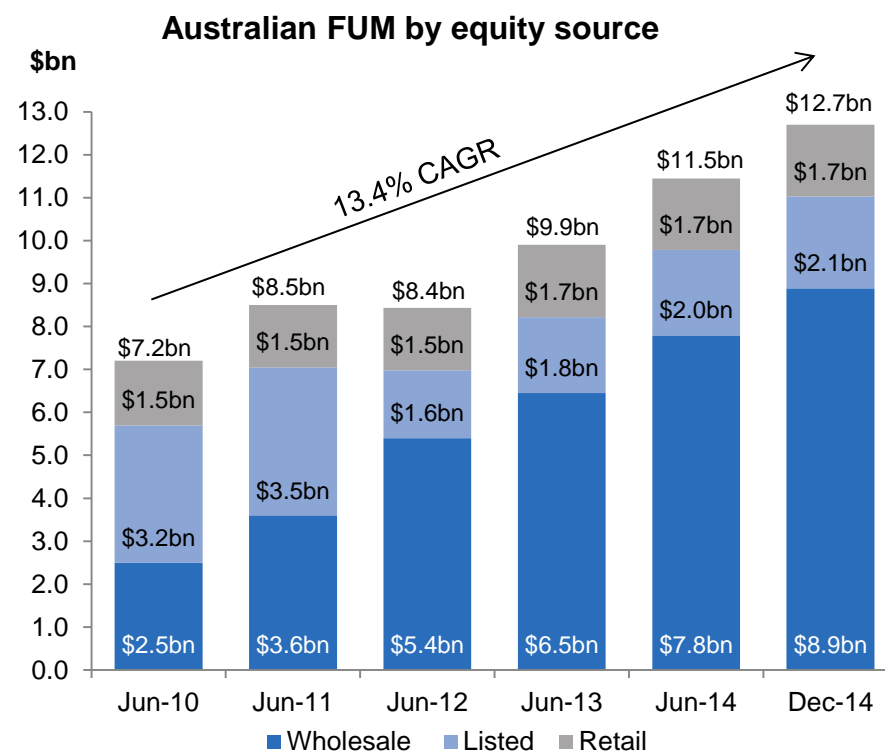
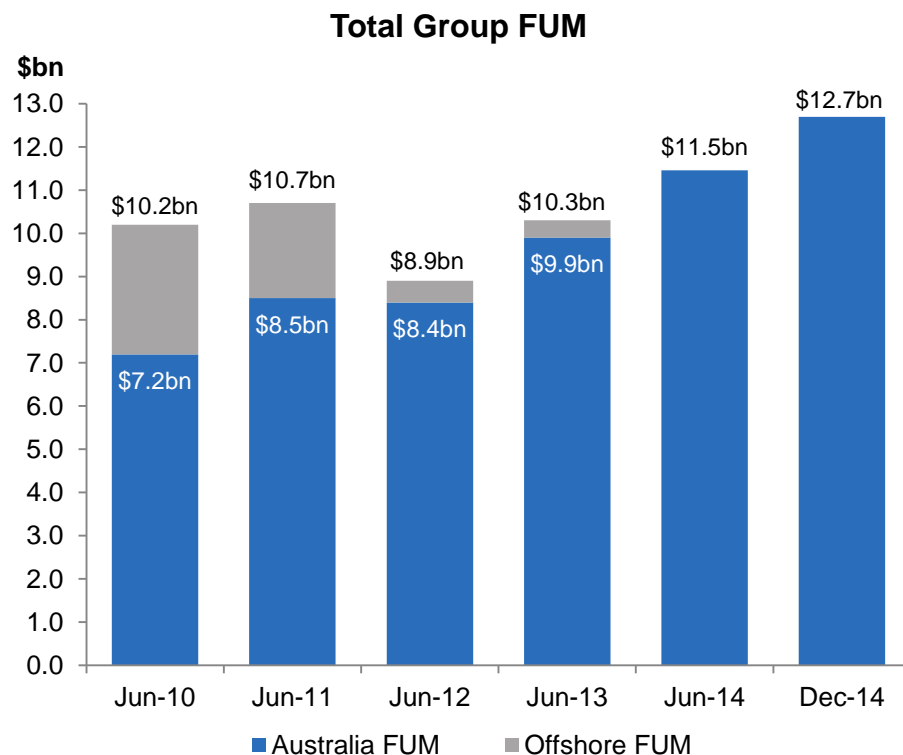
1. LWIP's FUM, number of properties and CHC co-investment is allocated between Hospitality sectors (82% Hotels) and Retail sector (18% Dan Murphy's and BWS outlets)

2. LWIP Cap Rate based on acquisition cost was 6.81% and subsequently revalued at a Cap Rate of 6.66%

Australian FUM growth of 10.4% drives earnings

Property Funds Management

- FUM growth driven by activity in the Industrial, Retail and new Hospitality sector
 - Australian property FUM has increased \$1.2bn, or 10.4% during 1HY15 to \$12.7bn
 - 13.4% CAGR in domestic FUM since June 2010



Secured inflows across the funds platform

Property Funds Management

- Diversified equity sources
- Secured \$0.9bn in gross equity flows² (\$0.7bn net) during 1HY15 across all equity sources

	FY13 (\$m)	FY14 (\$m)	1HY15 (\$m)
Wholesale Pooled Funds	147	651	364
Wholesale Partnerships	599	261	472
Listed Funds	142	260	26
Direct Funds ¹	288	277	82
Gross equity secured (Australian FUM)	1,176	1,449	944
Net equity secured (Australian FUM)	1,003	987	741

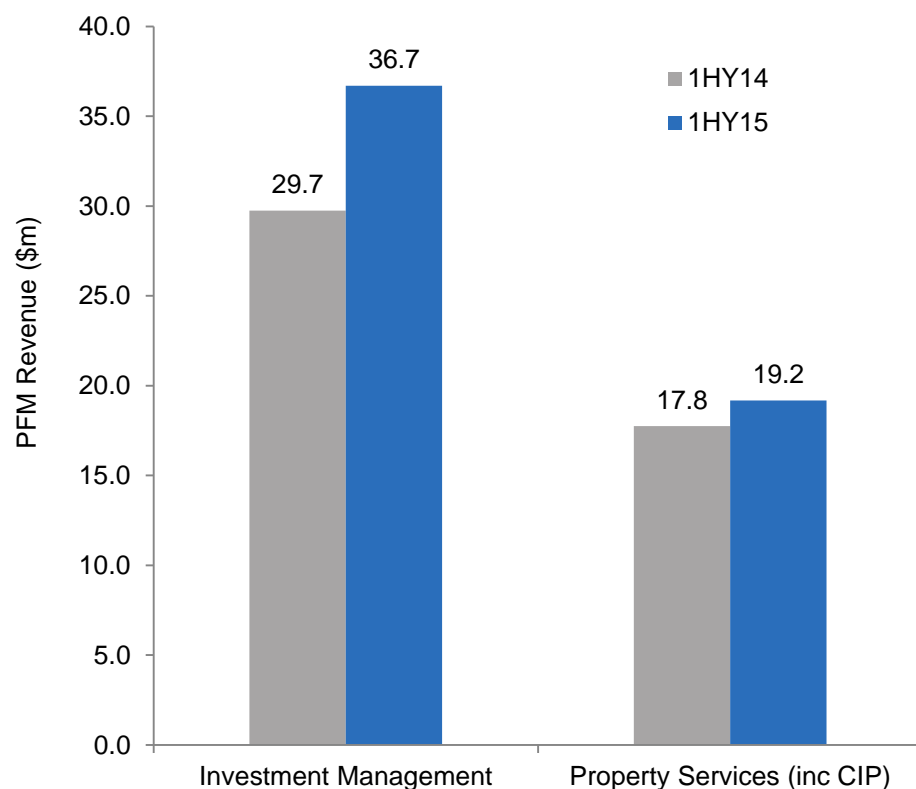
1. Funds and syndicates for retail, SMSF and high net worth investors

2. Equity flows includes equity received or returned only and excludes undrawn equity commitments

PFM EBITDA growth of 29.3%

Property Funds Management

- PFM EBITDA margin on revenue has increased from 36.1% to 39.7%



\$m	1HY15	1HY14	Growth
Revenue	55.9	47.5	17.6%
Net operating expenses	(33.7)	(30.4)	11.0%
Property funds management EBITDA¹	22.2	17.1	29.3%
EBITDA margin on revenue	39.7%	36.1%	+358bps

1. PFM Operating Earnings is \$21.3m (slide 4). PFM EBITDA is before \$0.9m of depreciation expense

Development adding to fund performance

Property Funds Management

- Redevelopment opportunities undertaken to enhance both income yield and total returns
- In-house development skills are a core competency
- \$1.6bn development pipeline includes major office projects at 570 Bourke Street Melbourne and 333 George Street Sydney, a variety of shopping centre expansions and industrial sites

Development activity (current projects underway)	On completion value
Retail	\$384m
Office	\$778m
Industrial	\$449m
Total	\$1,611m¹



Artist impression of 333 George Street, Sydney NSW



Artist impression of 570 Bourke Street, Melbourne VIC

1. \$1.2bn included in FUM at 31 December 2014

Financial Result

4

Profit and Loss by segment

Financial result

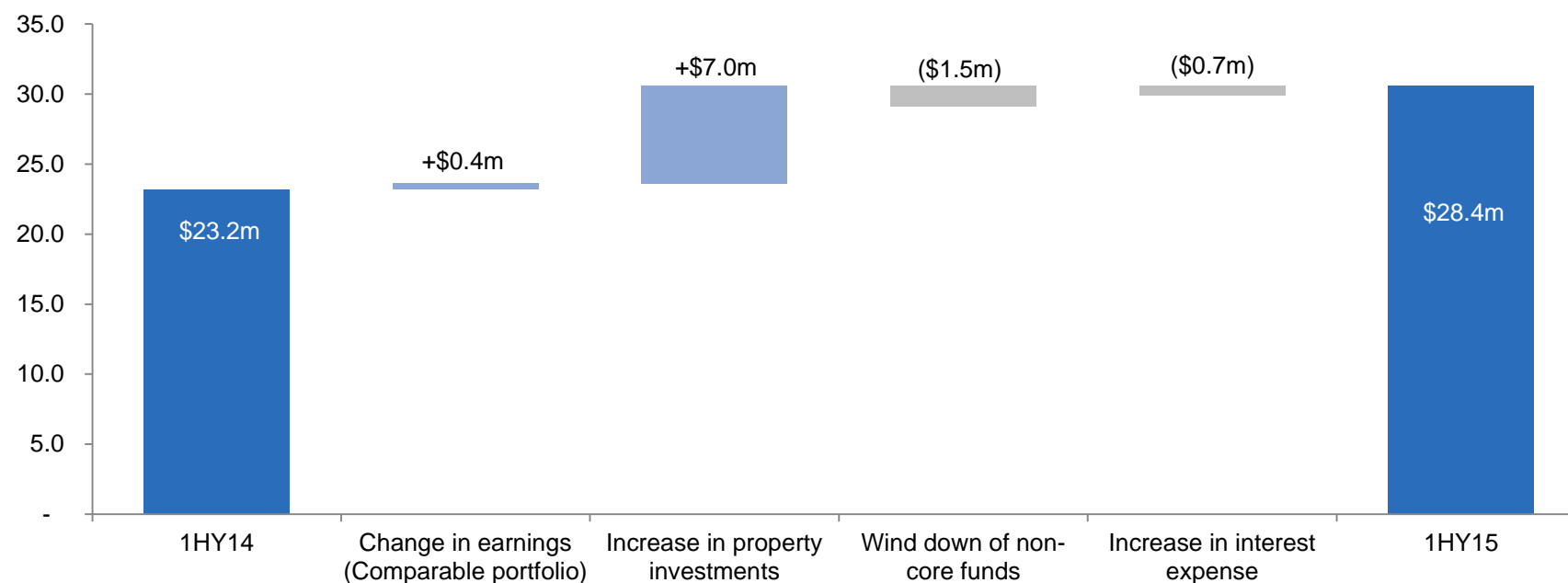
- 27.1% growth in Operating Earnings to \$48.4m
- PI operating earnings up 22.8% to \$28.4m
 - increased investments in LWIP, CLP, CQR and LWHP
 - property investment income yield stable at 7.6%
- PFM earnings increased by 27.4% to \$21.3m with strong revenue growth in all areas
- Non operating items comprise mainly non-cash management rights amortisation and MTM of derivatives
- OEPS growth of 10.6% to 13.7cps and DPS growth of 10.0% to 12.1cps

\$m	1HY15	1HY14	Change %
Property investment	28.4	23.2	22.8%
Property funds management	21.3	16.7	27.4%
Security based benefits expense	(1.3)	(1.8)	(27.8%)
Operating earnings	48.4	38.1	27.1% ▲
Property valuations (net)	4.0	(2.6)	
Amortisation of management rights	(5.1)	(4.2)	
MTM of derivatives	(7.3)	1.3	
Other non-operating items	(0.1)	(4.0)	
Non-operating items	(8.5)	(9.5)	
Profit after tax	39.9	28.6	39.6% ▲
OEPS (cps)	13.7	12.4	10.6% ▲
DPS (cps)	12.1	11.0	10.0% ▲
Payout ratio	88.0%	88.6%	

Property Investments earnings growth of 22.8%

Financial result

- Operating earnings from property investments up 22.8% to \$28.4m
 - \$0.4m earnings growth from investments held for a comparable period
 - \$7.0m contribution from increased investments in LWIP, CLP, CQR and LWHP
 - \$1.5m reduction in investment earnings due to the continued wind down of non-core funds



Property Funds Management earnings up 27.4%

Financial result

- PFM operating earnings up 27.4% to \$21.3m
- PFM EBITDA margin has expanded by 3.6% to 39.7%
- Investment Management revenue growth of \$7m or 23.4% driven by
 - \$4.9m increase in transactional revenue
 - \$2.1m increase in fund management fees attributable to the impact of prior year FUM growth now generating recurring fees
- Property Services revenue growth of \$1.4m or 8% driven by
 - \$2.0m contribution from CIP, an increase of \$0.7m
- Expenses up \$3.3m primarily driven by FUM growth of 10.4% over the past 6 months and continued reinvestment in improved capabilities

\$m	1HY15	1HY14	Change %
Investment Management	36.7	29.7	23.4%
Property Services	19.2	17.8	8.0%
Total PFM revenue	55.9	47.5	17.6%
Net operating expenses	(33.7)	(30.4)	11.1%
PFM EBITDA	22.2	17.1	29.3%
Depreciation	(0.9)	(0.4)	103.5%
Income tax	0.0	0.0	-
PFM operating earnings	21.3	16.7	27.4%
PFM EBITDA margin on revenue	39.7%	36.1%	+3.6%
Net Operating Expenses / Average FUM	56bps	58bps	(2bps)

Balance Sheet Capacity

Financial result

- Strong balance sheet maintained
 - \$151m investment in LWIP
 - Continued capital recycling including \$55m of LWHP
 - Property Investments represent 94% of net tangible assets
- \$100m available liquidity at 31 December 2014
- Deferred tax asset recognised at 31 December 2014 relating to carry forward tax losses
- The PFM platform is expected to be in a tax payable position during FY17

\$m	31 Dec 14	30 June 14
Cash	12	50
Property Investments	795	720
Development investments	45	47
Deferred tax assets	8	8
Other tangible assets	50	73
Intangibles	83	88
Total assets	993	986
Borrowings	1	-
Other liabilities	64	69
Total liabilities	65	69
Total equity	928	917
NTA (\$m)	845	829
NTA per security	2.38	2.38
Balance sheet gearing (net of cash)	0.0%	0.0%
Look-through gearing ¹	37.2%	31.0%
Available liquidity (\$m)	100 ²	139

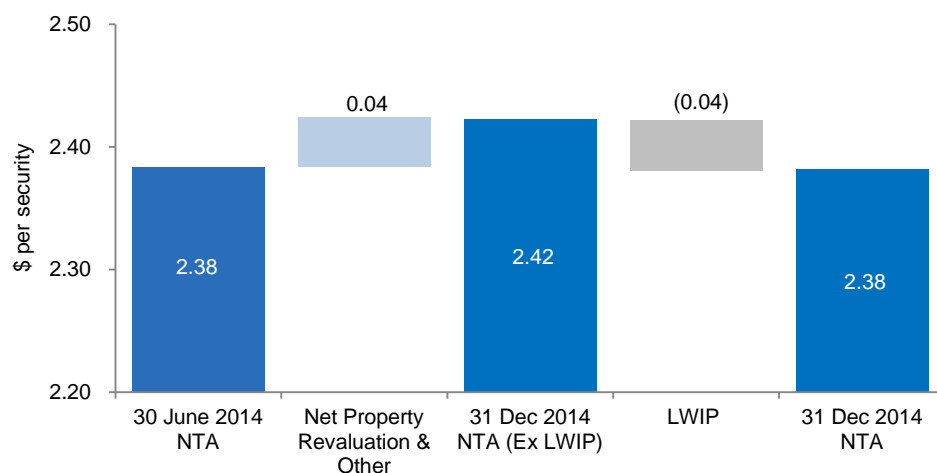
1. Calculated by incorporating Charter Hall's proportional share of total assets (net of cash) and debt (net of cash) of the funds in which it invests

2. Available liquidity at 31 December 2014 excludes \$25m of CHC corporate debt facility expiring August 2015

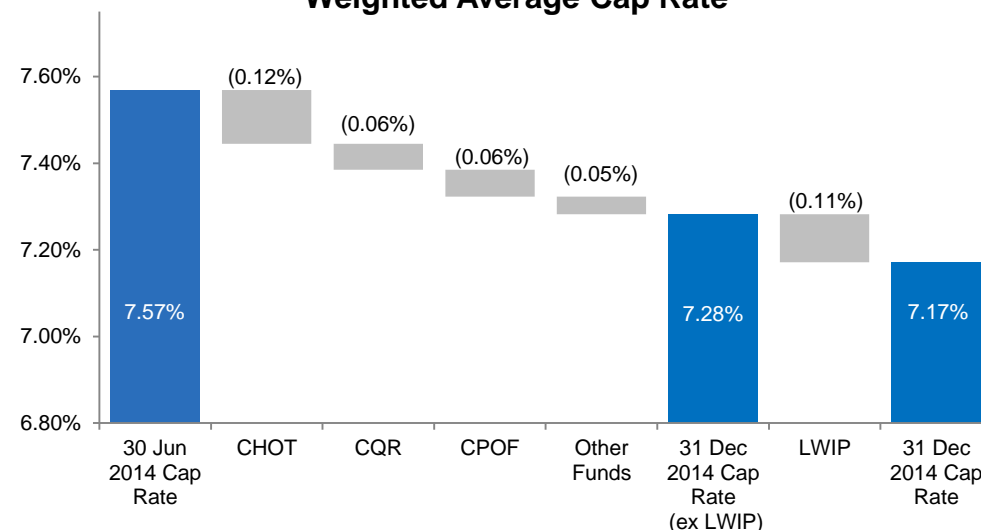
NTA per security and Cap Rate bridge

Financial result

NTA (\$ per security)



Weighted Average Cap Rate¹



- NTA per security uplift of 4cps primarily due to cap rate compression in existing property investment portfolio offset by a net (4cps) reduction relating to LWIP due to the impact of acquisition costs
- WACR has reduced by 40 basis points
 - Existing Property Investments cap rate compression of 29 basis points
 - 20 year WALE LWIP investment then reduces the WACR by a further 11 basis points

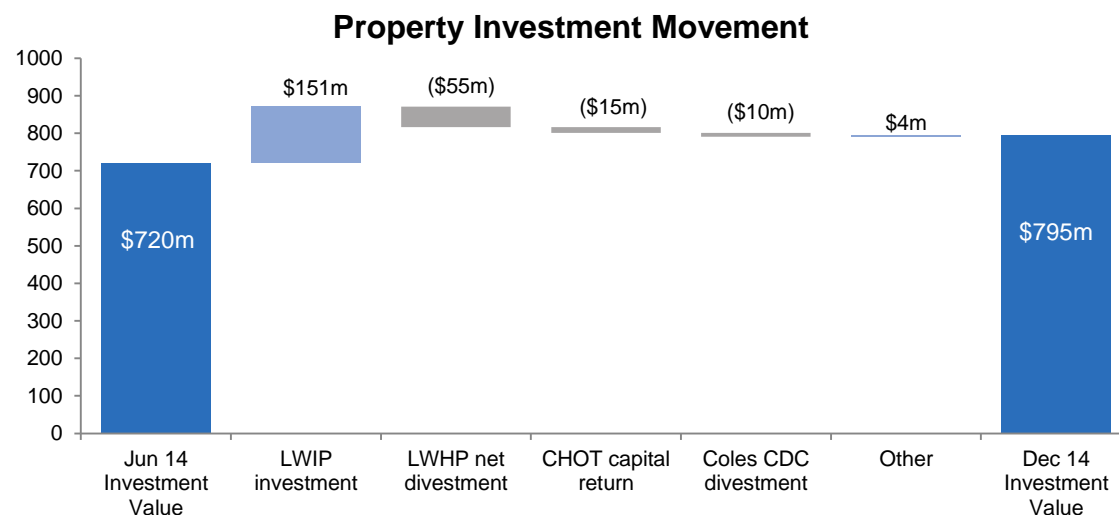
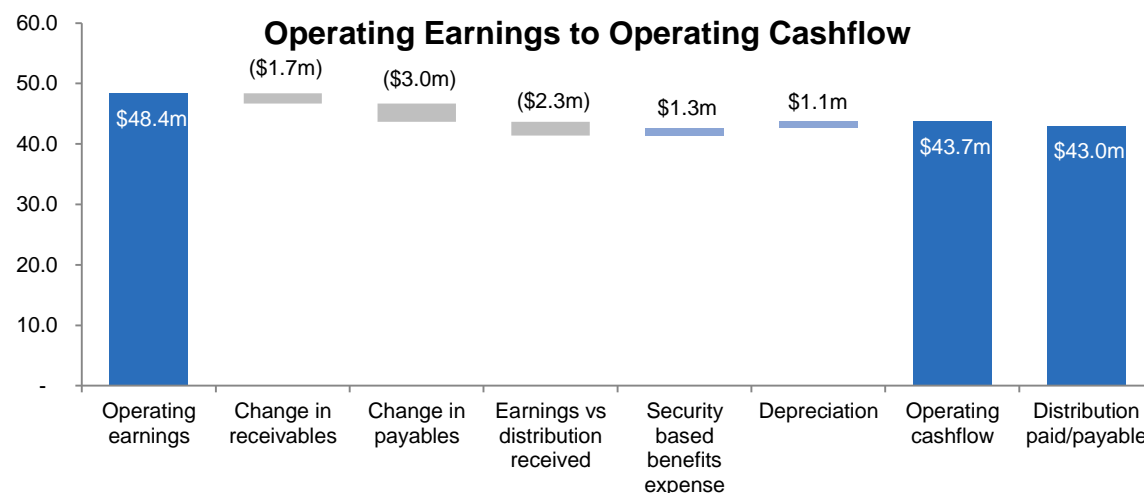
1. WACR is Weighted Average Cap Rate for the Charter Hall Group Property Investments portfolio and is weighted by individual co-investment value as a proportion of total property investments

CHC Cashflow

Financial result

- 1HY15 distribution covered by operating cashflow
- DRP participation of 44.6% will retain approximately \$19m

- \$151m investment in new LWIP fund
- \$10m sell down of Coles CDC (DIF3)
- \$55m net divestment in LWHP
- The net movement in Property Investment in 1HY15 was \$75m



Outlook and Guidance

5

FY15 outlook and earnings guidance

Outlook and guidance

- The Australian property yield spread to bond yields and the cost of debt remains attractive for domestic and offshore investors
- Charter Hall continues to focus on investing in assets with strong tenant covenants and long leases, delivering sustainable income and capital growth for investors

Our guidance is as follows:

- Absent unexpected events, our FY15 guidance is 7-9% growth on FY14 operating earnings per security
- The distribution payout ratio is expected to be between 85% and 95% of operating earnings per security



Additional Information

Additional information

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Charter Hall Group

Group overview

Property Funds Management Platform

\$12.7bn FUM

- Investment management
- Transaction services
- Capital management

FUM	\$12.7bn
No. of properties	270
Gross income	\$1.1bn

- Asset management
- Property management
- Development management
- Technical services

Charter Hall Group Property Investment

\$795m co-investments

OFFICE
\$291m
(37% of portfolio)

RETAIL
\$218m
(27% of portfolio)

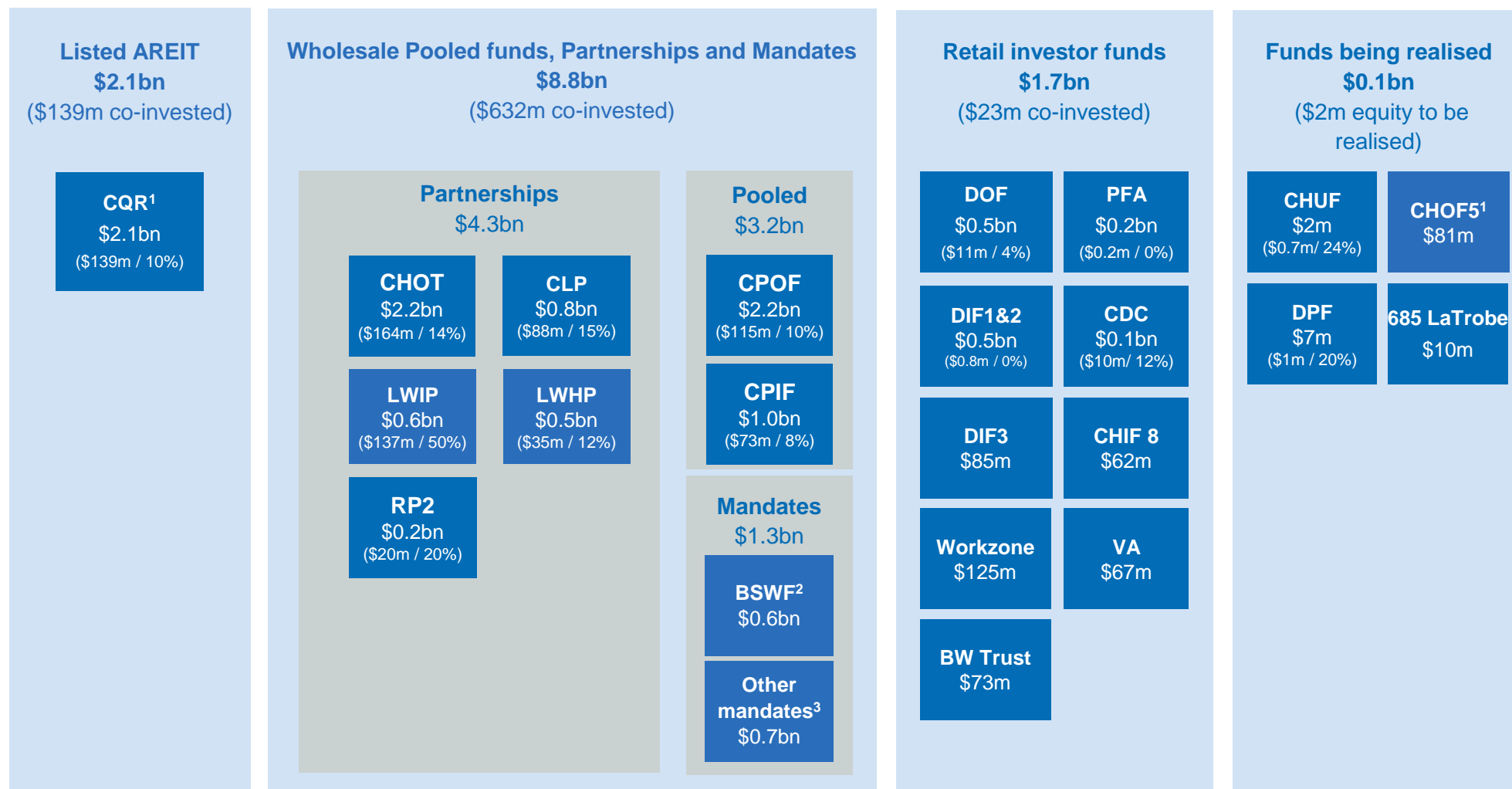
INDUSTRIAL
\$174m
(22% of portfolio)

HOSPITALITY
\$112m
(14% of portfolio)

1. Figures are as at 31 December 2014

Charter Hall managed funds

FUM as at 31 December 2014



1. FUM definition includes on completion value for development assets

2. Brisbane Square Wholesale Fund (BSWF) includes 67% of Bankwest Place and Brisbane Square

3. Includes interest in 275 George St (50%) and Adelaide ATO (50%), (which are both co-owned with CPOF); Riverside Centre, 100 Skyring Road, RP1 and other assets

Charter Hall managed funds

As at 31 December 2014

	Total property assets (\$m)	Sector	Equity Source	No. of Properties	Lettable area (sqm)	Occupancy ²	Weighted average rent review	WALE ^{2,3} (in years)	Weighted average cap rate
Top Managed Funds									
CQR	2,138	Retail	Listed	78	540,018	98.5%	4.1%	7.2	7.4%
CHOT	2,148	Office	Wholesale	15	300,187	95.8%	4.0%	5.8	7.0%
CPOF	2,207	Office	Wholesale	16	332,124	94.7%	3.8%	6.9	7.2%
CPIF	1,014	Industrial	Wholesale	38	693,112	100.0%	3.3%	7.8	7.8%
CLP	820	Industrial	Wholesale	17	629,190	99.2%	3.1%	12.4	7.4%
LWIP	618	Hospitality / Retail	Wholesale	54	151,308	100.0%	2.5%	19.8	6.7%
Total Other Funds				218					
Wholesale (RP2, LWHP)	699	Retail	Wholesale	16	221,860	99.1%	3.5%	8.2	6.9%
Retail investor funds (DOF, PFA,DIF, DIF2, DIF3 CDC, Workzone, BP, Virgin, CHIF8, DIF3)	1,664	Office / Industrial / Retail	Retail	38	624,315	98.0%	3.2%	9.1	7.8%
3 rd party mandates ¹	1,302	Office / Retail	Wholesale	17	202,939	97.9%	3.1%	7.6	6.0%
Sub-total / Weighted average	12,609			289	3,695,052	97.5%	3.6%	8.2	7.2%
Assets jointly owned by CHC funds				(22)					
Sub-total / Weighted average	12,609			267	3,695,052	97.5%	3.6%	8.2	7.2%
Funds being realised (DPF, CHUF, CHOF5)	90	Office / Retail	Retail / Wholesale	3	10,462	100%	2.6%	4.3	9.3%
Direct Property (685 La Trobe St)	10								
Total / Weighted average	12,710			270	3,705,514	97.5%	3.7%	8.1	7.3%

1. Includes interest in 275 George St, BankWest Place and Brisbane Square, co-owned with CPOF; 50% of RP1, co-owned with CQR; Riverside Centre and other assets. No. of properties excludes properties already in CPOF and CQR

2. Occupancy and WALE includes income support

3. Portfolio WALE is weighted by gross income. CQR discloses WALE based on annual base rent

CHC Property Investment portfolio

As at 31 December 2014

	Ownership Stake (%)	Charter Hall Investment (\$m)	Charter Hall Investment Income (\$m)	WALE (years)	Market Cap Rate (%)	Discount Rate (%)	Average rental reviews (%)	Charter Hall Investment Yield (%)
Listed Fund		138.6	5.8					
Charter Hall Retail REIT (CQR) ¹	10.5%	138.6	5.8	7.2	7.4%	9.0%	4.1%	8.7%
Wholesale		632.1	21.8					
Charter Hall Office Trust (CHOT)	14.3%	164.3	6.1	5.8	7.0%	8.4%	4.0%	7.3%
Long WALE Investment Partnership (LWIP)	50.0%	136.5	2.6	19.8	6.7%	N/A	2.5%	7.8%
Core Plus Office Fund (CPOF)	9.8%	115.3	3.9	6.9	7.2%	8.6%	3.8%	6.7%
Core Logistics Partnership (CLP)	14.8%	88.0	3.0	12.4	7.4%	9.3%	3.1%	7.0%
Core Plus Industrial Fund (CPIF)	8.1%	73.2	3.0	7.8	7.8%	9.6%	3.3%	8.2%
Long WALE Hardware Partnership (LWHP)	12.1%	35.2	2.4	10.0	6.9%	8.9%	3.1%	7.4%
Retail Partnership No. 2 (RP2)	20.0%	19.6	0.8	3.3	7.0%	8.8%	4.6%	8.2%
Retail Investor Funds		22.6	1.2					
Direct Office Fund (DOF)	3.9%	11.2	0.4	6.5	7.6%	8.8%	3.1%	7.8%
PFA Diversified Property Trust (PFA)	0.1%	0.2	0.0	5.6	9.1%	9.7%	3.0%	9.9%
Direct Industrial Fund (DIF)	0.2%	0.3	0.0	10.8	7.5%	9.4%	3.3%	8.3%
Direct Industrial Fund No. 2 (DIF2)	0.4%	0.5	0.0	13.7	7.6%	9.4%	3.0%	8.2%
Coles RDC Fund (DIF3)	12.0%	10.4	0.8	12.2	7.5%	8.8%	2.8%	7.8%
Funds being realised		2.2	0.1					
Diversified Property Fund (DPF)	19.6%	1.5	0.1	4.3	9.3%	10.0%	2.6%	N/A
Charter Hall Umbrella Fund (CHUF)	24.2%	0.7	0.0	4.3	9.3%	10.0%	2.6%	N/A
Total²		795.5	28.9	9.5	7.2%	8.8%	3.6%	7.6%

1. CQR WALE reported based on total WALE. CQR minimum rent reviews is weighted average rent reviews of specialty tenants

2. Weighted average property statistics based on the funds where CHC has an investment

Charter Hall Office Trust (CHOT)

Property investment portfolio

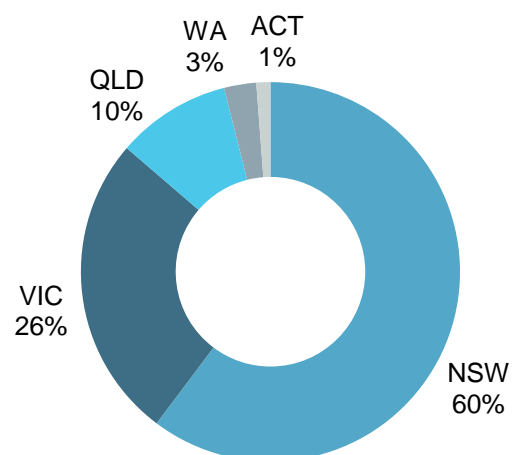
Key events during 1HY15

- Total of 44,079sqm leases executed and terms agreed on a further 26,254sqm – representing 19% of the portfolio
- Active portfolio capital management to take advantage of market cycle with divestment of 59 Goulburn Street, Sydney, Charter Grove, St Leonards and Moonee Ponds, Victoria all achieving a premium to book value
- Debt facility repricing producing a 55 bps reduction in average margin and increased weighted debt maturity from 2.4 to 3.9 years
- Top tenants include the Australian government, Macquarie, Telstra, Citigroup, Aurizon and Allianz

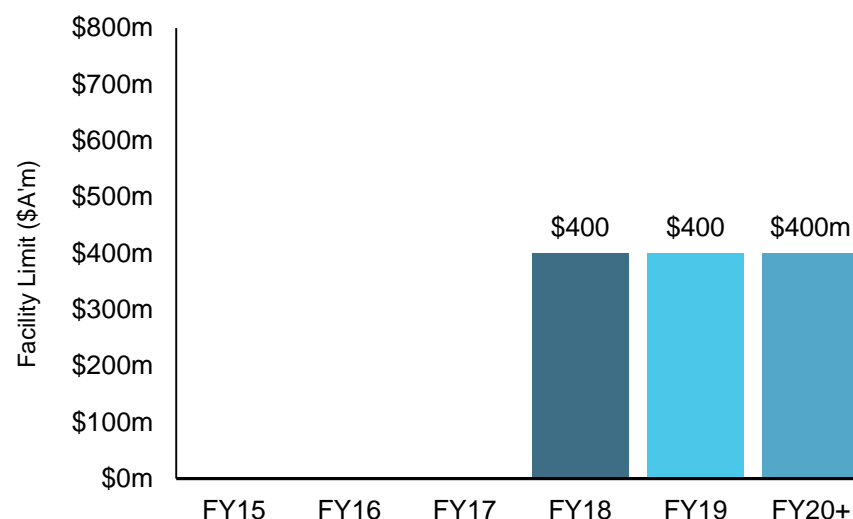
Portfolio characteristics

Portfolio characteristics	Key metrics
Gross property assets	\$2.15bn
Total debt	\$0.96bn
Gearing (look-through)	43.6%
Number of assets	15
Occupancy	95.8%
Weighted average lease expiry	5.8 years
CBD assets	87%
Prime grade assets	96%
Weighted average cap rate	7.0%
Weighted average rent review (next 12 months)	4.0%
Charter Hall co-investment	\$164m / 14.3%

Geographic allocation (by GAV)



CHOT Debt Expiry Profile (by facility limit)



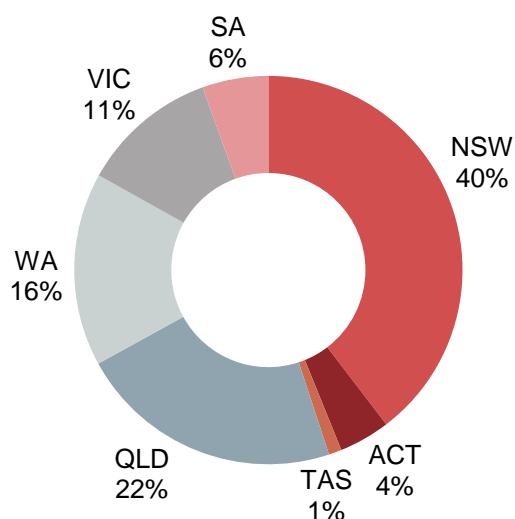
Charter Hall Retail REIT (CQR)

Property investment portfolio

Key events during 1HY15

- Acquired two properties for \$96.7 million at average initial yield of 7.2%
- Commenced or completed \$69 million of redevelopment projects
- Occupancy remained stable at 98.5%
- Offshore disposals complete following the sale of German and New Zealand assets
- An incremental \$250 million tranche of the existing bank debt facility has been credit approved to refinance the CMBS upon expiry in September 2015¹

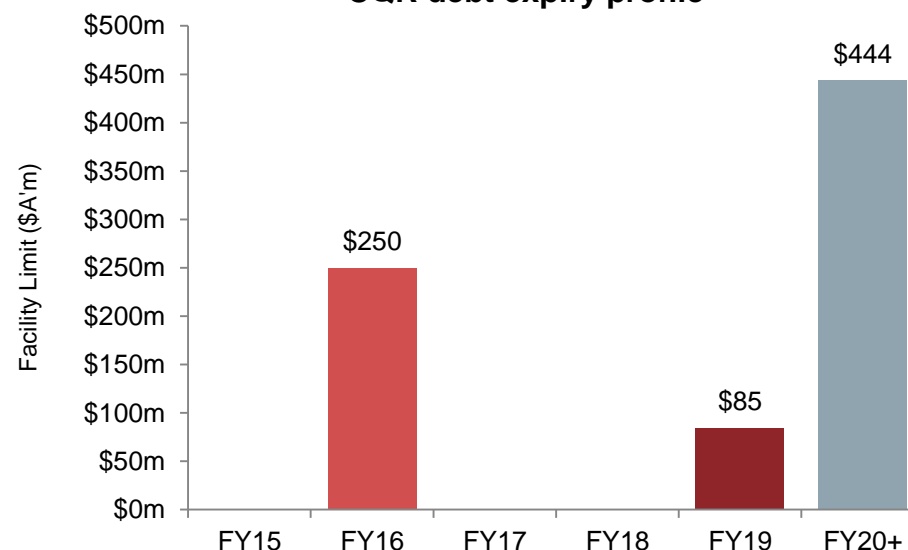
Geographic allocation



Portfolio characteristics

Portfolio characteristics	Key metrics ¹
Gross property assets	\$2.1bn
Total look-through debt (net of cash)	\$752m
Look-through gearing	34.9%
Total number of assets	78
Occupancy (weighted on GLA)	98.5%
Anchor WALE	11.0 years
Weighted average cap rate	7.4%
Same property NOI growth	3.4%
Weighted averaged rent review (next 12 months)	4.1%
Charter Hall co-investment	\$139m / 10.5%

CQR debt expiry profile¹



1. Credit approved, subject to documentation

Core Plus Office Fund (CPOF)

Property investment portfolio

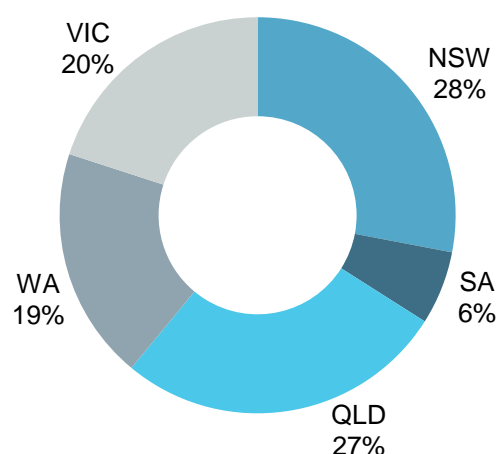
Key events during 1HY15

- CPOF acquired a 50% interest of 169 Macquarie Street, Parramatta, fully leased to the University of Western Sydney (UWS) for 15 years structured on a double net lease
- The Bank of Queensland relocated into 100 Skyring Terrace following practical completion in August approximately 3 months ahead of programme.
- Assets currently under construction include 333 George Street, Sydney and 570 Bourke Street, Melbourne
- The Fund settled on the sale of a non-core asset at 51 Pirie Street, Adelaide in January 2015 for \$13m

Portfolio characteristics

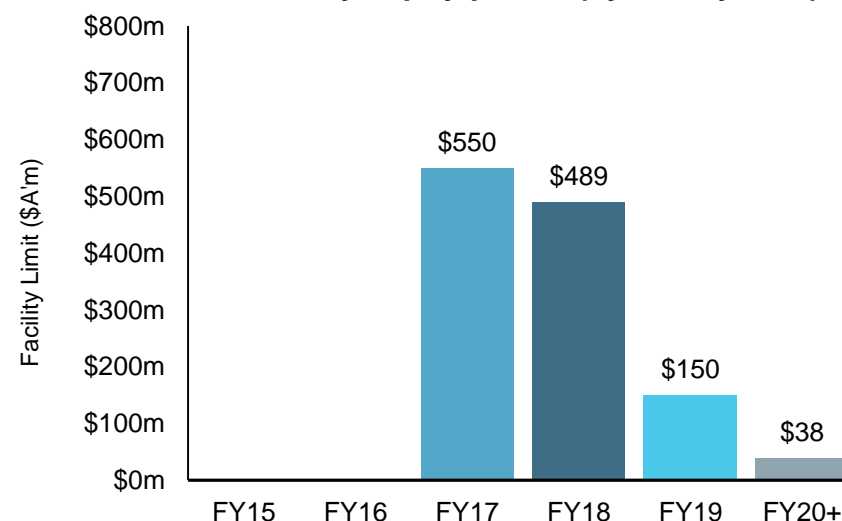
Portfolio characteristics	Key metrics
Gross property assets ¹	\$2.2bn
Total debt	\$884m
Gearing (look-through)	40.6%
Number of assets	16
Occupancy ²	94.7%
Weighted average lease expiry ²	6.9 years
CBD assets	94%
A grade assets	95%
Weighted average cap rate	7.2%
Weighted average rent review (next 12 months)	3.8%
Charter Hall co-investment	\$115m / 9.8%

Geographic allocation (by GAV)



1. Represents Dec-14 book values including the completion value of UWS Parramatta
2. Core assets, including income support

Debt facility expiry profile (by facility limit)



Core Logistics Partnership (CLP)

Property investment portfolio

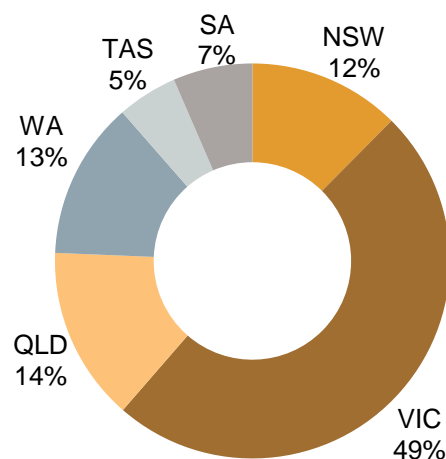
Key events during the 1HY15

- 4 assets of 17 in portfolio acquired during 1H15 (24% GAV)
- The CLP portfolio retained high occupancy over the period at 99.2% with a WALE of 12.4 years and fixed annual rent reviews of 3.1% pa
- Portfolio GAV expected circa \$860m once all current pre-leased forward funded developments are completed
- Assets currently under construction include a pre-lease to Cascade at Darra, the construction of an office building on the Peters Ice Cream site at Mulgrave, Melbourne and a new lease to Woolworths in Laverton, Melbourne
- Top Tenants include Inghams, Peters Ice Cream, Metcash and Woolworths

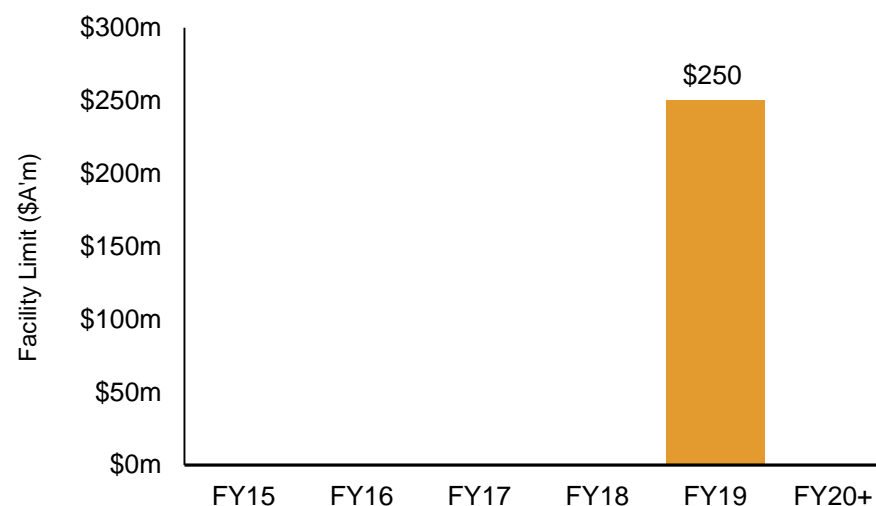
Portfolio characteristics

Portfolio characteristics	Key metrics
Gross property assets ¹	\$820m
Total debt	\$205m
Gearing (look-through)	24.6%
Number of assets	17
Occupancy	99.2%
Weighted average lease expiry	12.4 years
Weighted average cap rate	7.4 %
Weighted average rent review (next 12 months)	3.1%
Charter Hall co-investment	\$88m / 14.8%

Geographic allocation (by GAV)



Debt expiry profile (by facility limit)



1. Assumes PC of Woolworths Laverton due April 2015

Core Plus Industrial Fund (CPIF)

Property investment portfolio

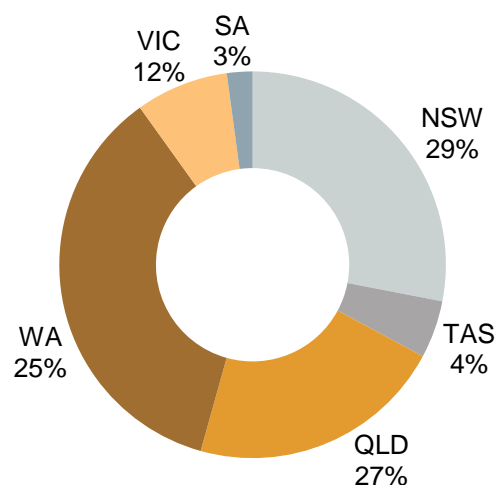
Key events during the 1HY15

- CPIF ranked as Australia's highest performing unlisted wholesale property fund (all sectors) over the 3 years to 31 December 2014 according to IPD data
- During the half the Fund reached \$1 billion in gross asset value and is now diversified across 38 assets with 100% occupancy and a 7.8 year WALE
- Top tenants include Wesfarmers, Volkswagen, Fosters, Metcash, Toll Group and Woolworths
- CPIF owns a 37ha land bank spread across multiple sites with capacity to deliver up to 176,000sqm or \$225m of investment product

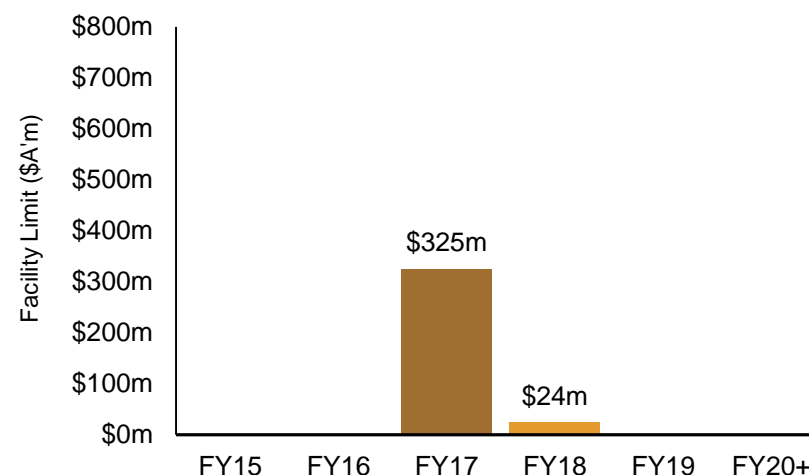
Portfolio characteristics ¹

Portfolio characteristics ¹	Key metrics
Gross property assets	\$1,014m
Total debt	\$44m
Gearing (look-through)	2.15%
Number of assets	38
Occupancy	100%
Weighted average lease expiry	7.8 years
Weighted average cap rate	7.8%
Weighted average rent review (next 12 months)	3.3%
Charter Hall co-investment	\$73m / 8.1%

Geographic allocation (by GAV)



Debt facility expiry profile (by facility limit)



1. Includes look through assets and debt

2. More information on the assets owned by CPIF is shown in the 31 December 2014 Charter Hall Group property portfolio book

Long WALE Investment Portfolio (LWIP)

Property investment portfolio

Key events during the 1HY15

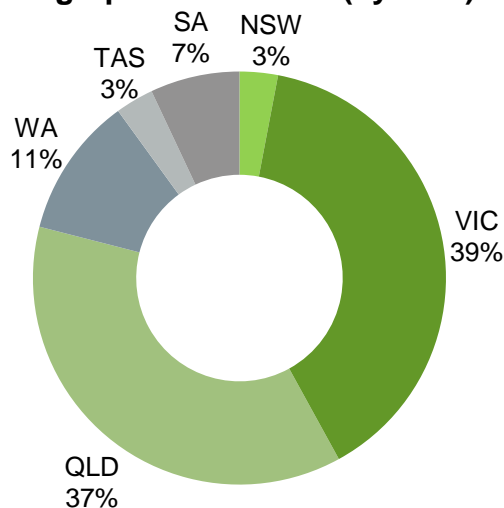
- \$603m acquisition of 54 ALH leased hotels including 18 Dan Murphy's
- Portfolio WALE of 20 years at acquisition with CPI annual rental increases
- Interest rate hedges in place for up to 5 years at an average base rate of 3.12%
- Charter Hall carrying value at December 2014 is net of its share of LWIP transaction costs

Portfolio characteristics

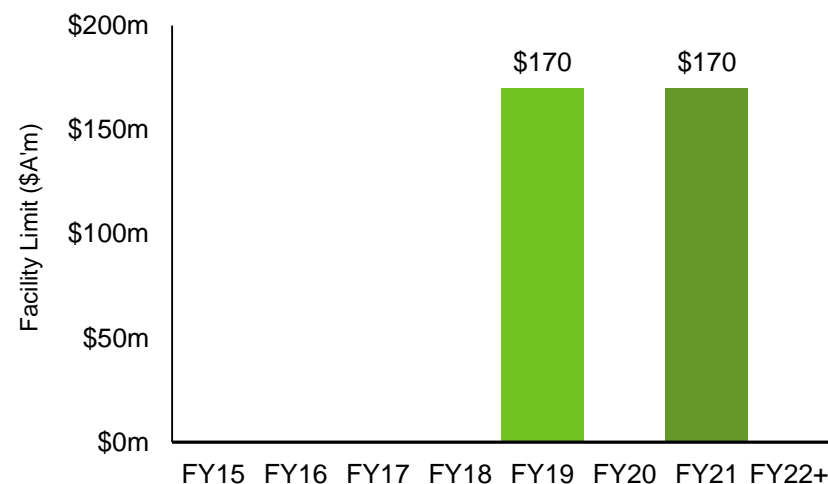
Key metrics

Gross property assets ¹	\$618m
Total debt	\$340m
Gearing (look-through)	54.1%
Number of assets	54
Occupancy	100%
Weighted average lease expiry ²	19.8 years
Weighted average cap rate	6.7%
Weighted average rent review (next 12 months)	CPI
Charter Hall co-investment	\$137m / 50%

Geographic Allocation (by GAV)



Debt facility expiry profile (by facility limit)



1. ¹ Independent acquisition valuation

2. ² As at 31 December 2014

Key financial metrics

Financial performance

GROUP	1HY15	1HY14	Change
Statutory profit after tax	\$39.9m	\$28.6m	39.6%
Operating earnings ¹	\$48.4m	\$38.1m	27.1%
Operating earnings per security (OEPS) ¹	13.74cps	12.42cps	10.6%
Distribution per security (DPS)	12.1cps	11.0cps	10.0%
Return on Equity ² (NTA basis)	11.5%	11.6%	(0.1%)
BALANCE SHEET	At 31 Dec 2014	At 30 Jun 2014	Change
Funds under management – Australia	\$12.7bn	\$11.5bn	10.4%
Total Group assets	\$993m	\$986m	0.7%
Net tangible assets	\$845m	\$829m	1.9%
NTA per security	\$2.38	\$2.38	0.0%
Balance sheet gearing ³	0.0%	0.0%	0.0%
Look through gearing	37.2%	31.0%	6.2%

1. Operating earnings includes security based benefits expense

2. Return on equity calculated as operating earnings divided by opening NTA plus contributed equity during the year

3. Debt net of cash / Gross assets less cash

Detailed operating earnings

Financial performance

	1HY15 (\$m)	1HY14 (\$m)	Variance (\$m)	%
Property Funds Investment				
Property Funds Investment Income	28.9	22.9	6.0	26.2%
Net Interest Income / (Expense)	(0.4)	0.4	(0.7)	(200.0%)
Operating Costs	(0.1)	(0.1)	0.0	0.0%
Property Funds Investment	28.4	23.2	5.2	22.8%
Property Funds Management				
Funds Management Income	55.9	47.5	8.4	17.6%
Net Operating Expenses	(33.7)	(30.4)	(3.3)	11.0%
Depreciation	(0.9)	(0.4)	(0.5)	103.5%
Property Funds Management	21.3	16.7	4.6	27.4%
Non-cash security based benefits expense	(1.3)	(1.8)	(0.5)	(27.8%)
Total Operating Earnings	48.4	38.1	10.3	27.1%

Property funds management operating earnings

Financial performance

	1HY15 (\$000s)	1HY14 (\$000s)	Variance (\$000s)	%
Revenue				
Fund management fees	24,068	22,015	2,053	9.3%
Transaction and performance fees	12,622	7,725	4,897	63.4%
Investment Management	36,690	29,740	6,950	23.4%
Property management fees	7,498	7,036	462	6.6%
Leasing fees	4,678	4,790	(112)	(2.3%)
Facilities and project management fees	1,139	992	147	14.9%
Development management fees	3,860	3,631	229	6.3%
CIP	2,000	1,300	700	53.8%
Property Services	19,175	17,749	1,426	8.0%
Total funds management revenue	55,865	47,489	8,376	17.6%
Net Operating Expenses				
Net employee costs	(26,637)	(23,932)	(2,705)	11.3%
Non-employee costs	(7,068)	(6,419)	(649)	10.1%
Net Operating Expenses	(33,705)	(30,351)	(3,354)	11.1%
Depreciation	(883)	(434)	(449)	103.5%
Operating Earnings: Property Funds Management	21,277	16,704	4,575	27.4%

Reconciliation of operating earnings to statutory profit after tax

Financial performance

	1HY15	1HY14
	\$000s	\$000s
Operating Earnings	48,441	38,123
Net fair value (loss) / gain on financial derivatives ¹	(7,348)	1,270
Net fair value adjustment on investments and property ¹	3,955	(2,096)
Amortisation of management rights	(5,059)	(4,230)
Transfer from reserves of cumulative FX losses on disposal of foreign investments ¹	(810)	(494)
Income tax benefit / (expense)	372	(1,985)
Other ¹	369	(1,989)
Statutory profit after tax attributable to stapled securityholders	39,920	28,599

1. Included non-operating items equity accounted investments on a look-through basis

PFM platform debt management

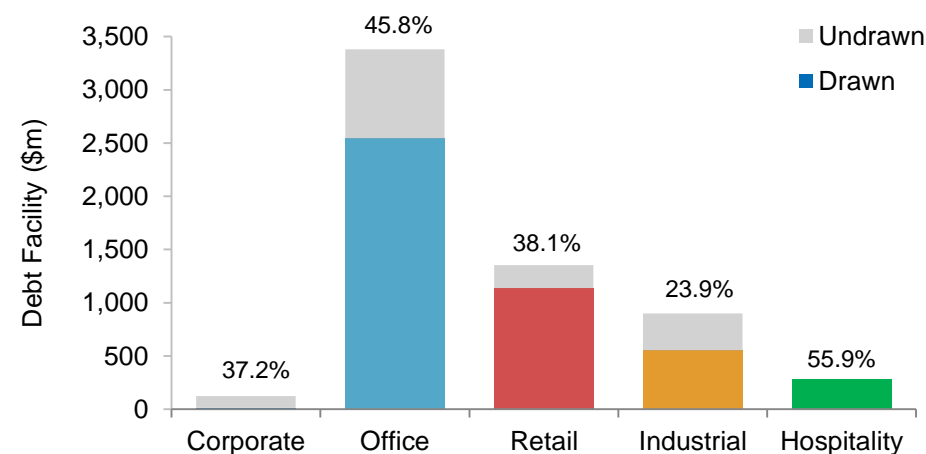
Capital management and funding

- Substantial funding capacity available across the funds platform
 - \$6.0bn of debt facilities across 24 funds and the Group
 - \$1.5bn available undrawn debt plus \$0.2bn of cash
- \$0.8bn of new debt facilities and \$2.6bn of refinanced debt in FY15 YTD
- Weighted average debt maturity¹ of 3.3 years, down from 3.6 years
- WACD² reduced by 7 basis points to 5.0%
- Increased interest rate hedging to 71%, up from 66% across the funds platform

Key Debt Metrics

Managed Funds Platform	Dec 14	Jun 14
Group Facility Limit (\$m)	6,038	5,485
Group Undrawn Debt (\$m)	1,517	1,325
Total Group Cash (\$m)	216	195
Look Through Gearing (%)	37%	31%
Look Through Weighted Average Debt Maturity (yrs) ⁽¹⁾	3.3	3.6
Look Through Weighted Average Cost of Debt ⁽²⁾	5.03%	5.10%
Look Through Interest Rate Hedging (%)	73%	66%

Debt Facility by Sector¹



1. Debt duration is based on facility limits

2. Passing cost of debt is on a look through basis and includes floating rate, hedge rate, margins, line fee but excludes undrawn line fees and amortised borrowing costs

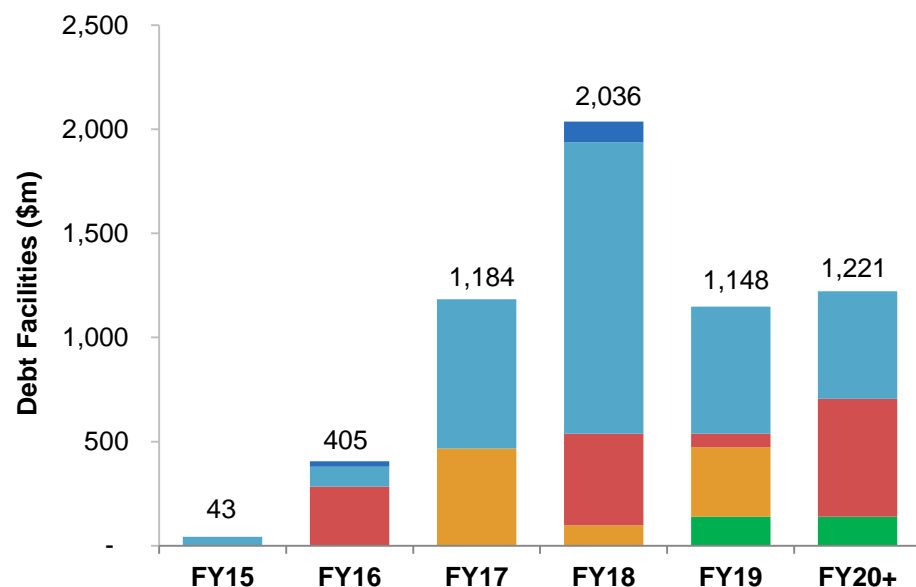
1. % relates to look through gearing

Debt maturity profile

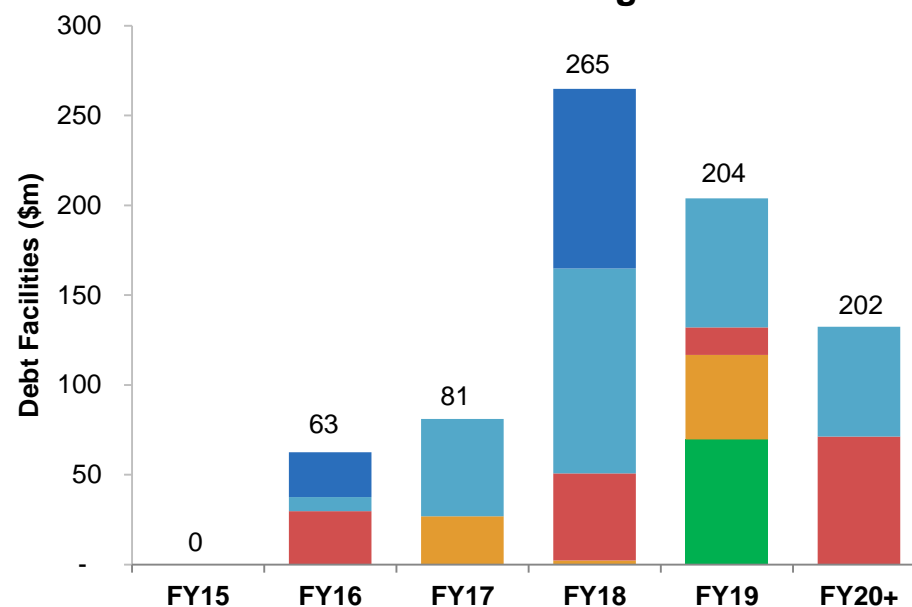
Capital management and funding

- Weighted average maturity at 31 December 2014 is 3.3 years down from 3.6 years at 30 June 2014
- Look through weighted average maturity at 31 December 2014 is 3.2 years

Group



CHC Look Through

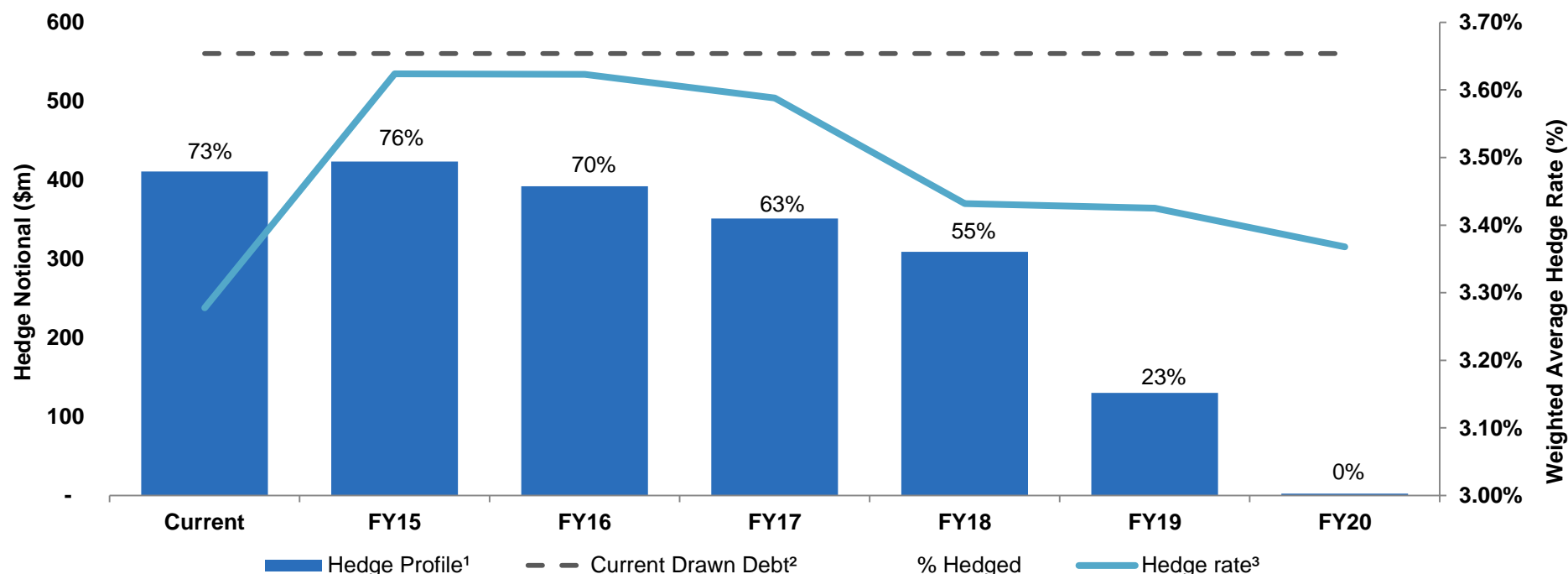


■ Corporate ■ Office ■ Retail ■ Industrial ■ Hospitality

CHC look through hedge maturity profile

Capital management and funding

CHC Look Through Hedge Maturity Profile



- The hedge portfolio has a duration of 3.2 years¹
- The passing weighted average hedge rate is 3.3%¹
- The passing weighted average cost of debt is 5.0%¹

1. Interest rate hedging as at 31 December 2014 on a look through basis

2. Current Drawn Debt as at 31 December 2014 and is projected on a straight line basis for illustrative purposes only

3. Hedge Rate is the look through weighted average rate as at 31 December 2014.

Fund key

Listed entities

CHC	Charter Hall Group
CQR	Charter Hall Retail REIT

Wholesale (Pooled and Partnerships)

BSWF	Brisbane Square Wholesale Fund
CHOT (Partnership)	Charter Hall Office Trust
CLP (Partnership)	Core Logistics Partnership
CPIF (Pooled)	Core Plus Industrial Fund
CPOF (Pooled)	Core Plus Office Fund
LWHP	Long WALE Hardware Partnership
LWIP	Long WALE Investment Partnership
RP1	Retail Partnership No.1
RP2	Retail Partnership No.2 – Bateau Bay Square

Funds being realised

CHOF5	Charter Hall Opportunity Fund 5
CHUF	Charter Hall Umbrella Fund
DPF	Diversified Property Fund

Retail investor funds

BW Trust	BW Trust (Direct syndicate)
CDC	Charter Hall Direct CDC Trust
CHIF8	144 Stirling Street Trust
DIF, DIF2, DIF3	Direct Industrial Fund series
DOF	Direct Office Fund (Formerly Charter Hall Direct Property Fund)
PFA	PFA Diversified Fund
VA	Charter Hall Direct VA Trust

Other

CAGR	Compound annual growth rate
Cap Rate	Capitalisation Rate
FUM	Funds Under Management
NTA	Net Tangible Assets
OEPS	Operating Earnings per Security
PFM	Property Funds Management
PI	Property Investments
WACR	Weighted Average Cap Rate
WALE	Weighted Average Lease Expiry

Disclaimer

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Indications of, and guidance on, future earnings and financial position and performance are “forward-looking statements”. Due care and attention has been used in the preparation of forward looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

All information here in is current as at 31 December 2014 unless otherwise stated, and all references to dollars (\$) or A\$ are Australian Dollars unless otherwise stated.

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About Charter Hall Group:

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over 23 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. As at 31 December 2014 Charter Hall had \$12.7 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

The Group's success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group.

