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ASX Release

Charter Hall announces growth equity raising

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Charter Hall Limited
ACN 113 531 150

Charter Hall
Funds Management Limited
ABN 31 082 991 786

Level 20, No.1 Martin Place
Sydney NSW 2000
GPO Box 2704 Sydney NSW 2001

T +61 2 8651 9000
F +61 2 9221 4655

www.charterhall.com.au

Charter Hall Group (ASX: CHC) (Charter Hall or the Group) today announces the launch of an equity raising comprising:

- a fully underwritten \$225 million Institutional Placement;
- a non-underwritten Security Purchase Plan to raise up to \$10 million;
- a \$4.78 per security fixed issue price, representing a 2.8% discount to Charter Hall's closing price on 20 May 2015; and
- new securities will rank equally with existing securities and will be entitled to the full distribution for the six months ending 30 June 2015.

Benefits and Impact of the Equity Raising

Charter Hall is undertaking the equity raising to:

- enable the Group to fund identified equity investments alongside its capital partners; and
- provide capacity for future co-investments as growth opportunities are identified alongside new and existing partners.

Charter Hall Joint Managing Director, David Southon said: "The Group is focused on its two key earnings streams, being property funds management earnings generated from the provision of property and support services to its funds management platform; and property investment income generated from co-investing alongside the Group's capital partners in a range of property funds and partnerships. The equity raising will enable the Group to continue to drive growth in these key earnings streams and expand its diversified Australian platform."

Of the Institutional Placement proceeds, \$175 million (approximately 78%) has been committed to fund co-investment opportunities alongside capital partners. The balance of the raising proceeds will increase Charter Hall's available capacity for additional growth opportunities.

Including the impact of the equity raising, Charter Hall reaffirms its guidance as follows:

- absent unexpected events, FY15 guidance is 7-9% growth on FY14 operating earnings per security; and
- the distribution payout ratio range is unchanged and is expected to be between 85% - 95% of operating earnings per security.



Joint Managing Director, David Harrison said: "The Group has continued its strategy of co-investing with capital partners having invested over \$170 million alongside \$1.1 billion of external equity during 2014, creating funds under management growth of \$2.1 billion to a total of \$12.7 billion as at 31 December 2014. This growth has continued in 2015 across the unlisted platform where investor demand for pooled funds, partnerships and syndicates continues to support our long WALE strategies and resilient income investment themes. The current equity raising will support the growth of our existing funds and accelerate the creation of new investment products."

Details of the Security Purchase Plan

Following completion of the Institutional Placement, eligible securityholders will be offered via a Security Purchase Plan, the opportunity to apply for up to \$15,000 of new securities, free of brokerage and transaction costs. The new securities will be offered at the same price as the Institutional Placement of \$4.78 per security. The Security Purchase Plan will be capped at \$10 million. New securities will rank equally with existing securities and will be entitled to the full distribution for the six months ending 30 June 2015.

Further information on the Security Purchase Plan will be lodged with the ASX and sent to eligible securityholders in due course.

Management Briefing

Charter Hall will be hosting a market briefing at 5:00pm (AEST) today, 20 May 2015, covering the equity raising. Charter Hall directs parties to the accompanying presentation which contains further information and details on the equity raising.

About Charter Hall

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$12.7 billion of funds under management across the office, retail, industrial and hospitality 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.

For further information, please contact

David Harrison
Joint Managing Director
T +61 2 8651 9142
david.harrison@charterhall.com.au

David Southon
Joint Managing Director
T +61 2 8651 9143
david.southon@charterhall.com.au

For investor enquiries, please contact

Nick Kelly
Head of Investor Relations
Charter Hall
T +61 2 8651 9235
nick.kelly@charterhall.com.au

For media enquiries, please contact

Rachel Mornington-West
Head of Marketing and Communications
Charter Hall
T +61 2 8651 9248
rachel.mornington-west@charterhall.com.au

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This ASX announcement includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may," "will," "expect," "scheduled," "intend," "plan," "estimate," "anticipate," "believe," "continue," "objectives," "outlook," "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group, and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and the Group assumes no obligation to update such information.



An investment in Charter Hall securities is subject to investment and other known and unknown risks, some of which are beyond the control of the Group, including possible loss of income and capital invested. The Group does not guarantee any particular rate of return or the performance of the Group nor does it guarantee the repayment of capital from the Group or any particular tax treatment. This announcement should be read in conjunction with the Equity Raising Presentation released to the ASX on 20 May 2015, including the important notices contained in that document. Any past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This announcement is not financial advice or a recommendation to acquire Charter Hall securities and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction. The Group is not licensed to provide financial product advice in respect of Charter Hall securities.