



25 February 2016

# Charter Hall Group Half Year Results

6 months to 31 December 2015

Artist's Impression  
Adelaide GPO

# Agenda

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- 1 1H FY16 Results Summary
  - 2 Property Investment
  - 3 Property Funds Management
  - 4 Financial Result
  - 5 Outlook and Guidance
  - 6 Additional Information
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**David Harrison**  
Managing Director &  
Group CEO



**Paul Altschwager**  
Chief Financial Officer



**Adrian Taylor**  
Head of Office



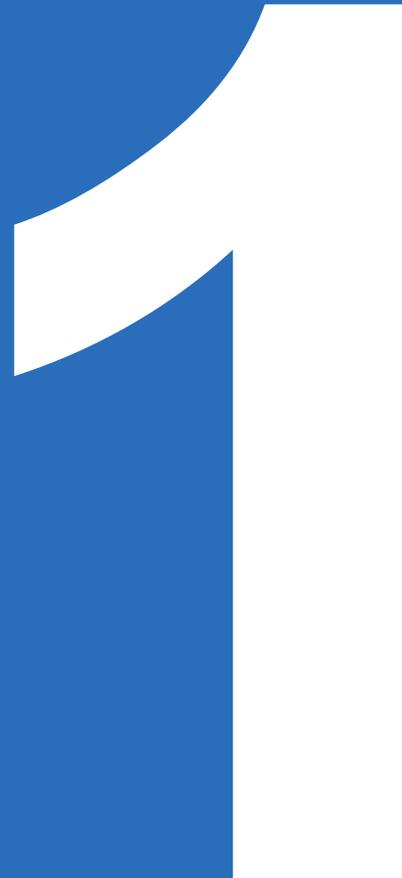
**Paul Ford**  
Head of Industrial



**Greg Chubb**  
Head of Retail

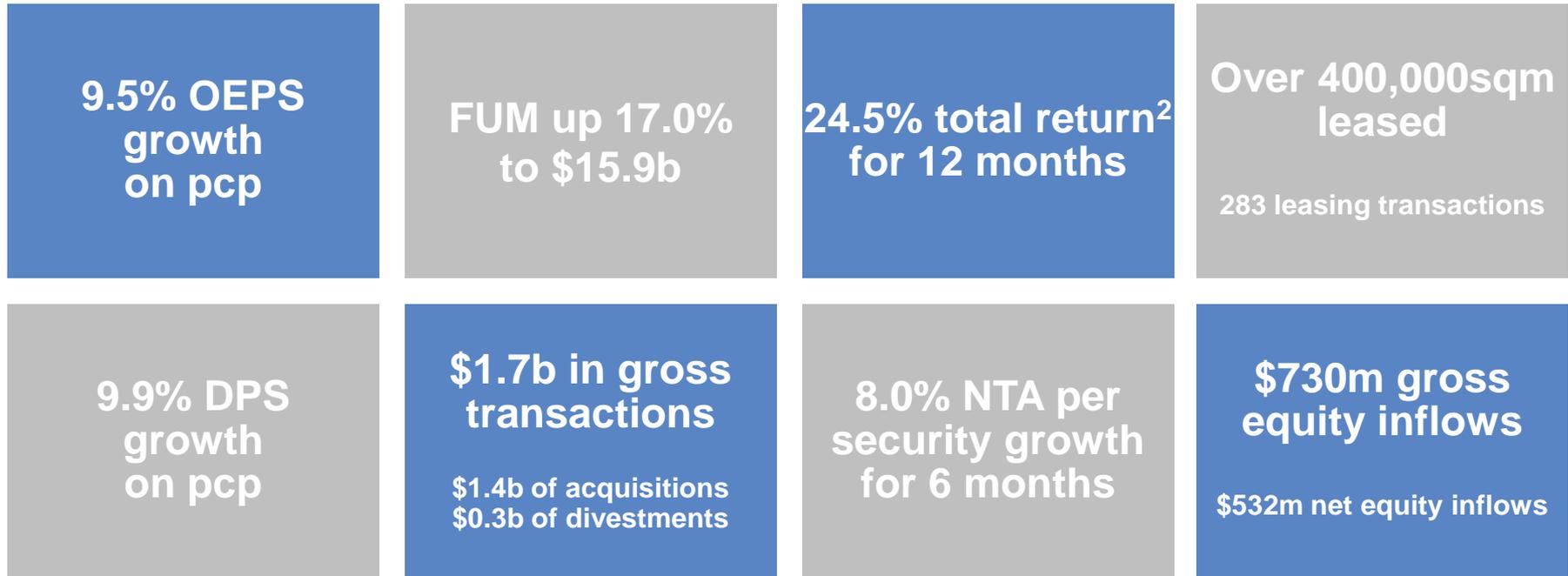
# 1H FY16 Results Summary

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# Key Achievements

## 1H FY16 Results Summary<sup>1</sup>



1. Figures and statistics on this slide are for 1H FY16 being the 6 months to 31 December 2015 with prior corresponding period ("pcp") being the 6 months to 31 December 2014.

2. Total return is calculated as the growth in property NTA per security plus the distribution paid/payable per security divided by the opening NTA per security for the 12 months to 31 December 2015.

# Growth Momentum Maintained

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## 1H FY16 Results Summary

### **Increase in operating earnings per security (OEPS) to 15.0cps, up 9.5%**

- Statutory profit after tax of \$143.5m, up 259.6%
- Operating earnings of \$61.2m, up 26.3%
- Distribution per security of 13.3cps, up 9.9%
- NTA per security growth of 22cps, up 8.0%

### **Property Investments (PI) operating earnings of \$35.9m, up 26.3%**

- Charter Hall deployed \$97m (net) in Property Investments which together with \$89m of net revaluations increased Property Investments to \$1,130m
- Property Investment yield at 7.2% with a portfolio weighted average cap rate of 6.58%<sup>1</sup>

### **Property Funds Management (PFM) operating earnings of \$26.4m, up 24.0%**

- Secured \$730m of gross equity flows and \$532m of net equity flows after investor equity returns
- FUM increased by 17.0% to \$15.9b during the six month period
- Property Funds Management EBITDA margin increased from 39.7% to 41.8%

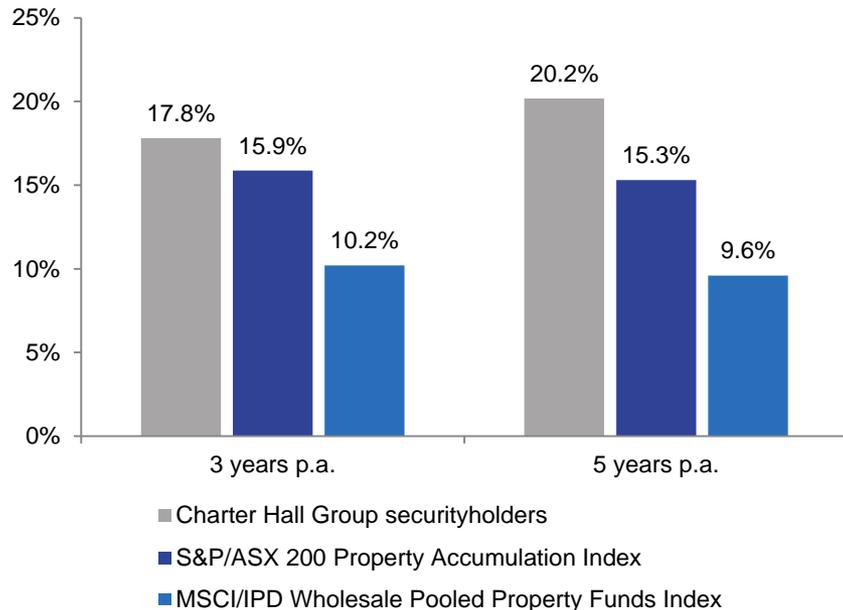
1. WACR is Weighted Average Cap Rate for the Charter Hall Group's Property Investment portfolio and is weighted by individual co-investment value as a proportion of total property investments.

# Total Securityholder Returns

## 1H FY16 Results Summary

- Total securityholder return for 1 year to 31 December 2015: 6.1%

### Total performance over 3 and 5 years (% pa) to 31 December 2015<sup>1</sup>

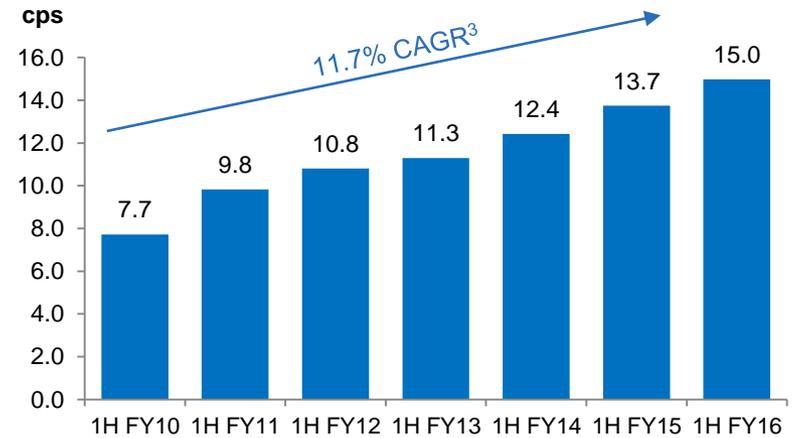


1. Source: MSCI/IPD, UBS and S&P/ASX.

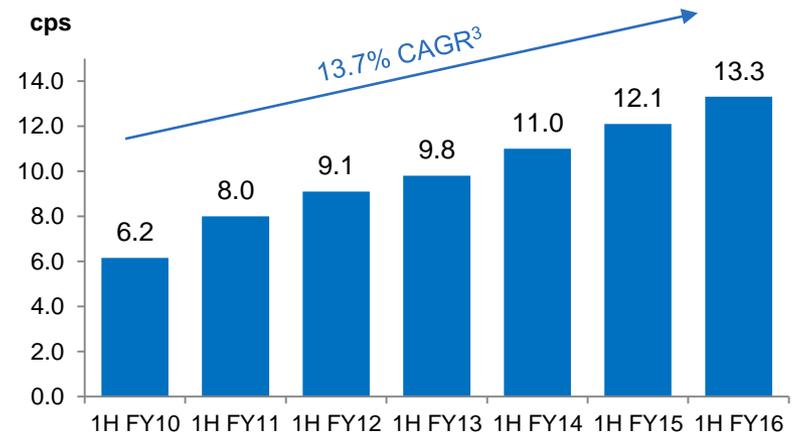
2. Operating earnings per security prior to FY14 restated to include security-based benefits expense.

3. Compound annual growth rate (CAGR) from 1H FY10 to 1H FY16.

### Operating earnings per security growth<sup>2</sup>



### Distribution per security growth



# Consistent Delivery on Strategy

## 1H FY16 Results Summary

|          | Access                            | Deploy                                                           | Manage                                                                        | Invest                                                                  |
|----------|-----------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------|
|          | Access to multiple equity sources | Creating value through attractive investment opportunities       | Property funds management, asset management, leasing and development services | Investing alongside our capital partners                                |
| 6 months | \$730m gross equity raised        | \$1.7b transactions<br>\$1.4b acquisitions<br>\$0.3b divestments | \$15.9b FUM<br>294 properties<br>2,440 tenants<br>283 leasing deals           | \$1,130m of property investments with 6.58% WACR and 8.1% discount rate |
| 3 years  | \$4.5b gross equity raised        | \$8.4b transactions<br>\$5.9b acquisitions<br>\$2.5b divestments | \$5.9b FUM growth<br>105 additional properties                                | WALE <sup>1</sup> increased by 2.7yrs to 8.8yrs                         |

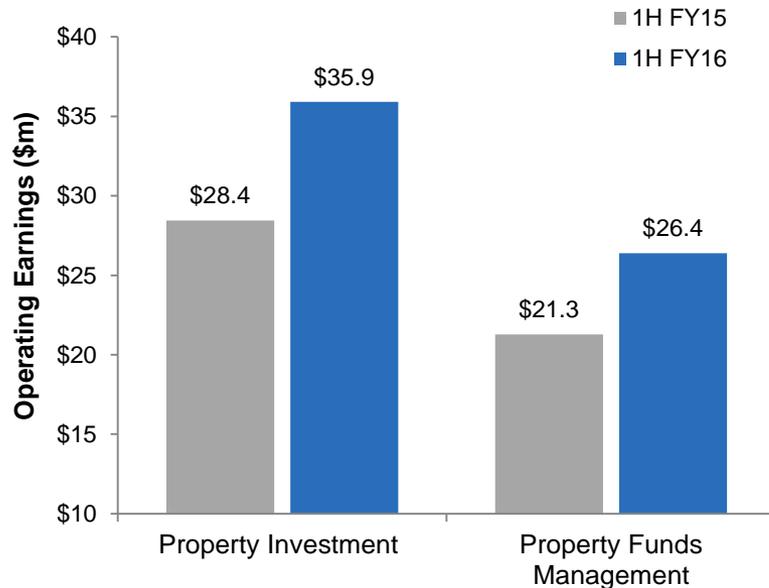
1. WALE is the Weighted Average Lease Expiry for the Property Investment portfolio which is measured by all tenants' remaining leases in years, weighted by each tenant's gross income as a proportion of the total gross income for the portfolio.

# Operating Earnings Composition

## 1H FY16 Results Summary

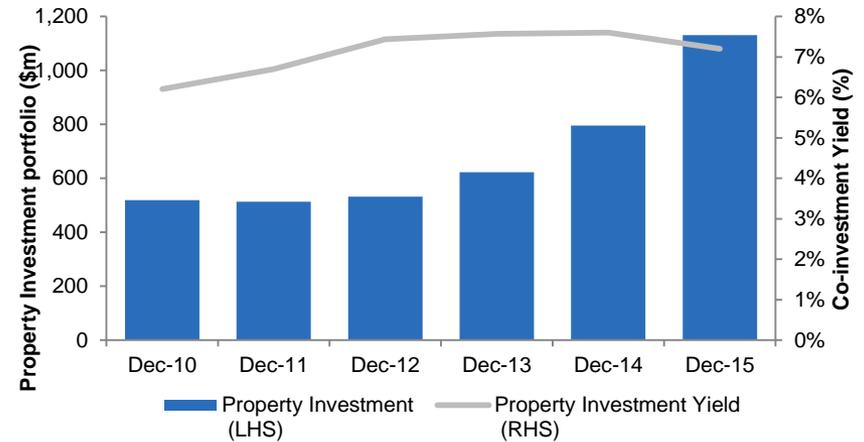
Operating earnings of \$61.2m<sup>1</sup>, up 26.3% pcp from \$48.4m

- 59% of operating earnings from Property Investment
- Property Investment earnings growth of 26.3%
- Property Funds Management earnings growth of 24.0%

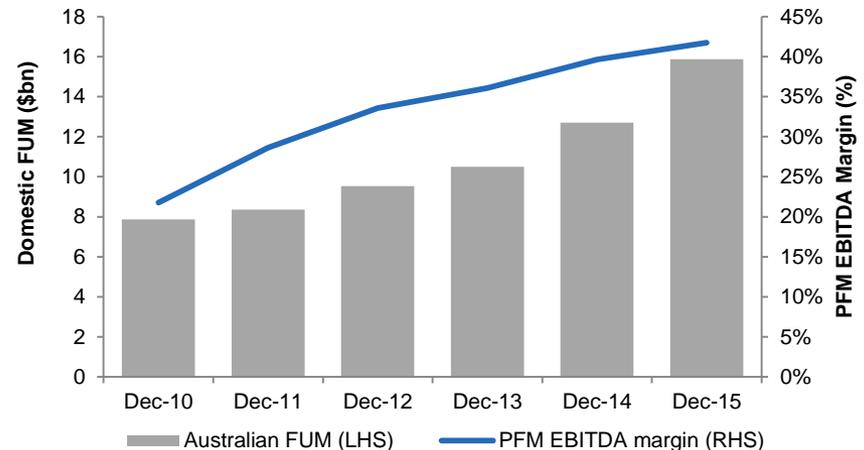


1. Operating Earnings of \$61.2m includes security-based benefits expense of \$1.1m (1H FY15: \$1.3m) which is not allocated to any of the segments described above. Graphs are shown based on Operating Earnings pre the security-based benefits expense.

## Property Investment Earnings Drivers



## Property Funds Management Earnings Drivers



# Property Investment

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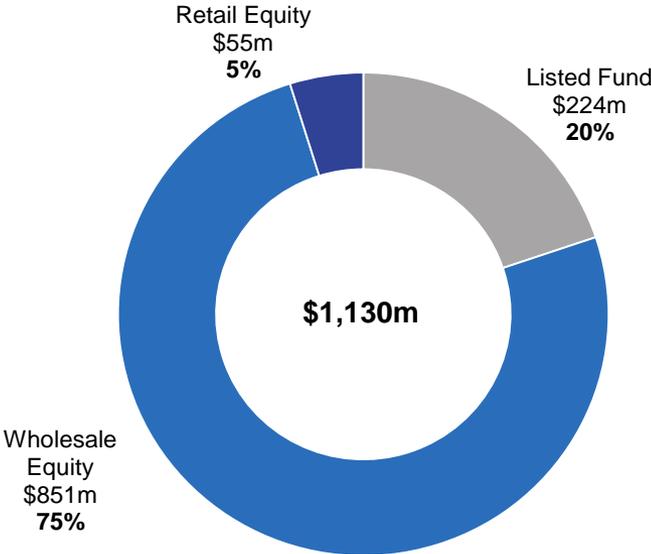


# Growth in Property Investment Earnings of 26.3%

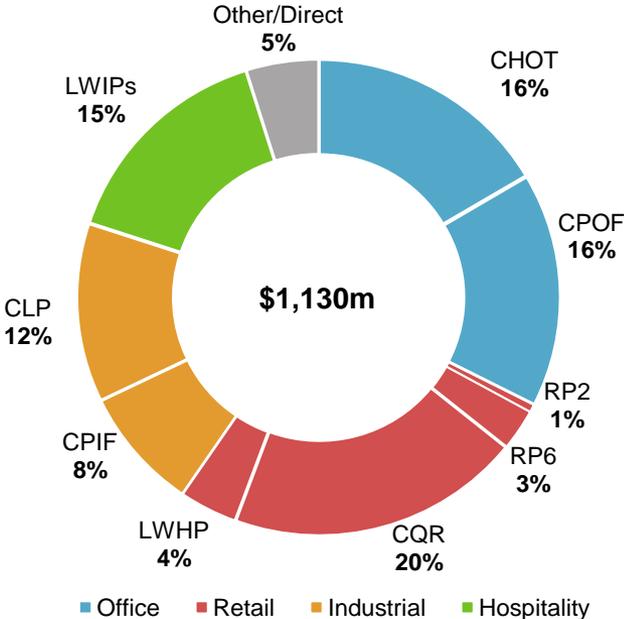
## Property Investment

- Charter Hall Group’s balance sheet investments increased by \$186m from \$944m to \$1,130m
- Portfolio WALE<sup>1</sup> remained stable at 8.8 years and WACR reduced 42bps to 6.58%<sup>2</sup>
- Total return<sup>4</sup> for 1 year to 31 December 2015: 24.5%

**% of CHC property investment portfolio by fund type**



**% of CHC property investment portfolio by fund<sup>3</sup>**



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 31 for NTA and Cap Rate bridge.  
 3. Refer to slide 50 for Fund key.  
 4. Total return is calculated as the growth in property NTA per security plus the distribution paid/payable per security divided by the opening NTA per security for the 12 months to 31 December 2015

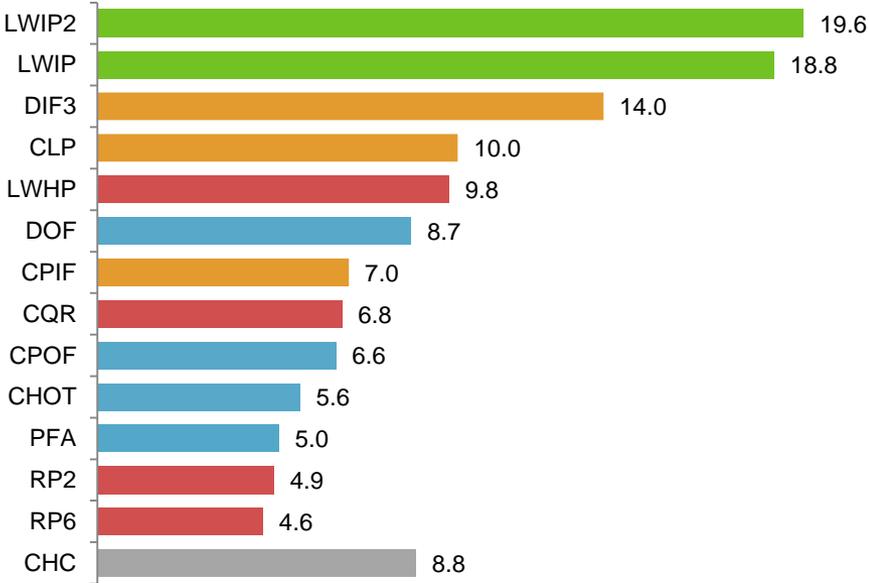
# Portfolio WALE and Lease Expiry

## Property Investment

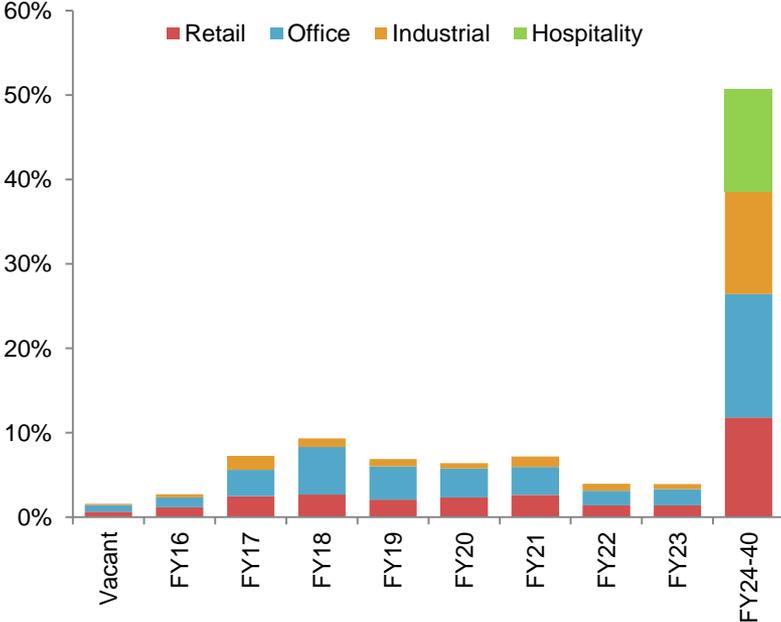
CHC's Portfolio composition and upcoming lease expiries are actively managed

- Portfolio WALE remained stable at 8.8 years
- 51% of leases expiring between June 2024 and June 2040

**Core Investments WALE and Portfolio WALE<sup>1</sup>**



**Lease Expiry Profile by Sector**



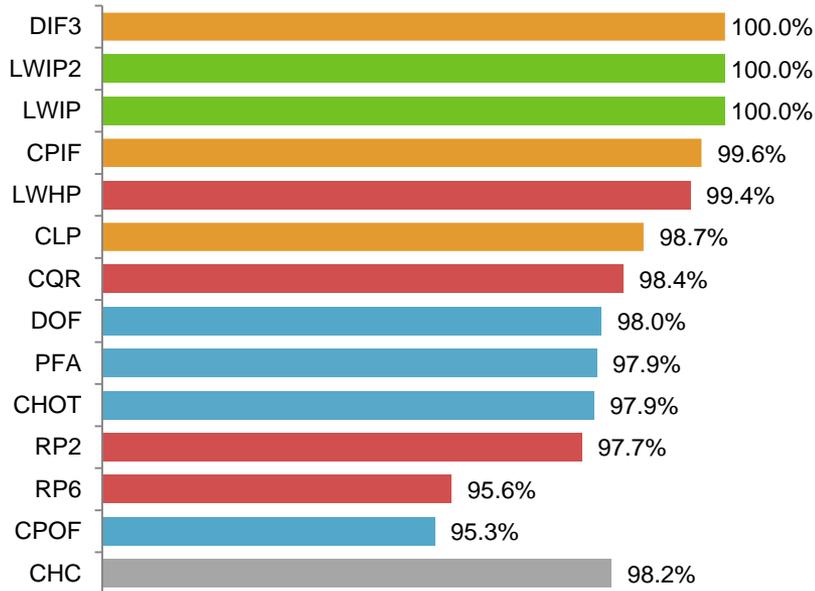
1. Portfolio WALE calculated as the sum of each fund's WALE by gross income multiplied by its % of the Property Portfolio.

# High Occupancy and Strong Tenant Customers

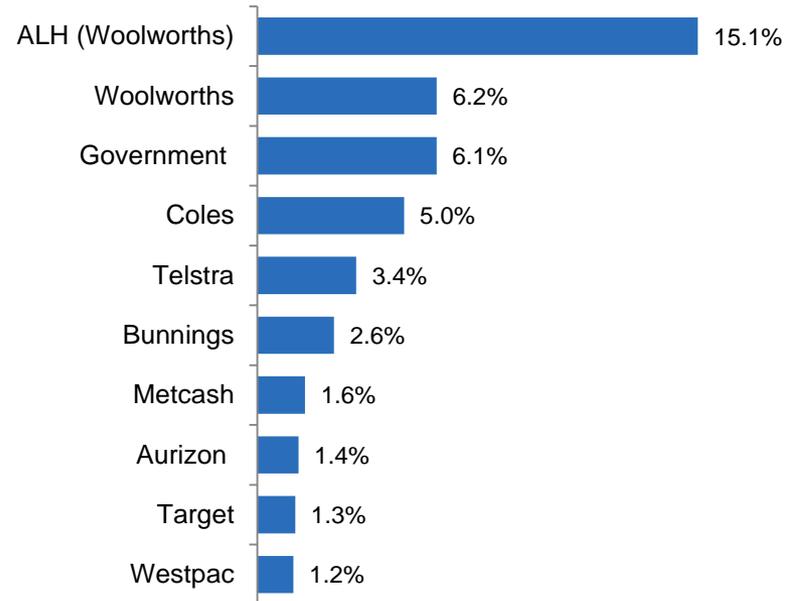
## Property Investment

- Property Investment portfolio has high occupancy at 98.2%
- Strong focus on quality of tenant covenants

**Occupancy by Gross Income<sup>1</sup>**



**Top 10 Tenants by Gross Income<sup>2</sup>**



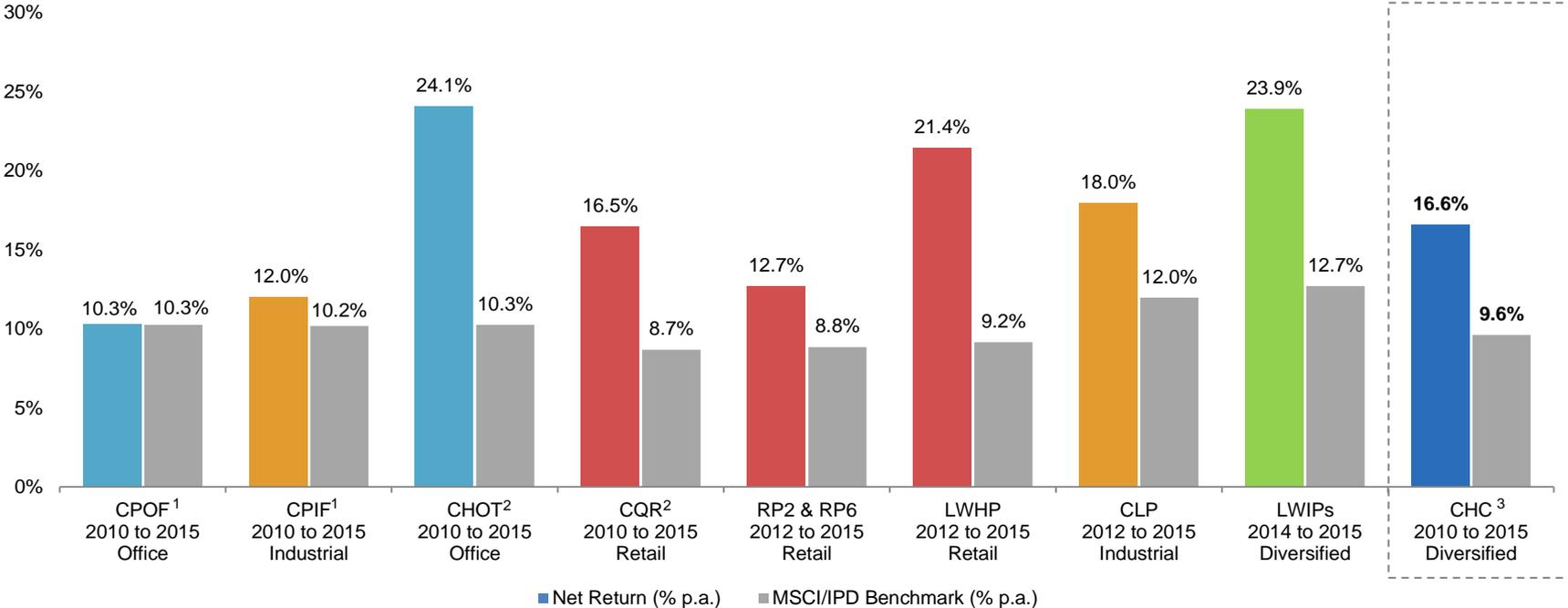
1. Portfolio occupancy calculated as the sum of each fund's occupancy by gross income multiplied by its % of the Property portfolio.

2. Government tenant classification refers to all Government and Government related tenants.

# Property Investment Portfolio Net Returns

## Property Investment

- CHC’s current Property Investment portfolio’s Internal Rate of Return (IRR) over the five years to 31 December 2015 is 16.6% per annum, outperforming the MSCI/IPD Unlisted Wholesale Property Fund Index (NAV post fees) which returned 9.6% over the same period
- The net return of each core Property Investment has outperformed the sector specific MSCI/IPD index over the same period, particularly in the Industrial and Long WALE sectors

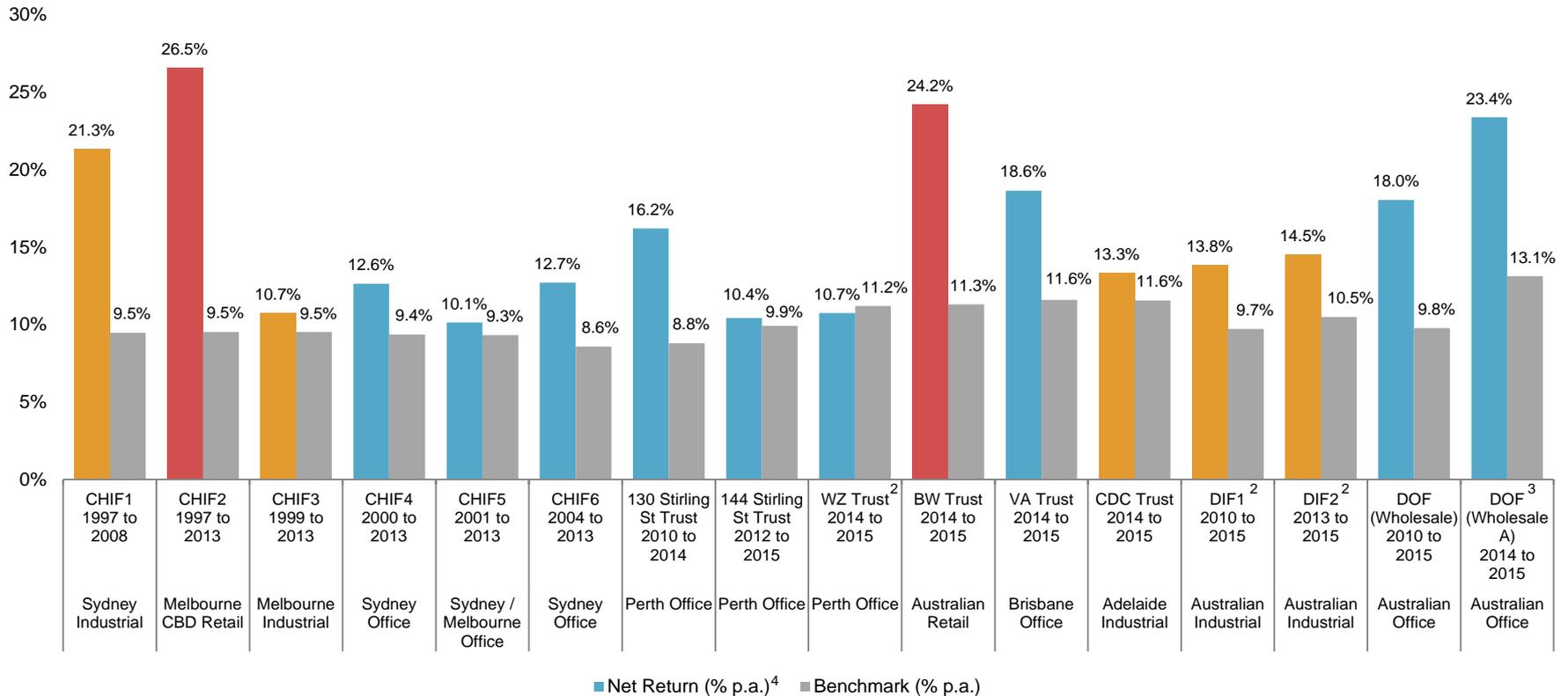


1. CPOF and CPIF 5 year net return against MSCI/IPD Unlisted Wholesale Property Fund Index.  
 2. CHOT (formerly CQO) and CQR starting value based on security price on ASX.  
 3. CHC PI IRR includes all cash flows from 31 December 2010 for the active portfolio only and excludes realised or non-core funds.

# Direct Funds Net Returns

## Property Investment

- Over calendar year 2015 Charter Hall Direct managed five of the top ten funds ranked by performance in the PCA/IPD Australian Unlisted Retail Property Fund Index



1. Benchmark is MSCI/IPD Unlisted Core Wholesale Property Fund Index.  
 2. Returns for investments with bonus units.  
 3. Returns for investments under the entitlement offer.  
 4. Net return represents IRR. Past performance is not an indicator of future results.

# Property Funds Management

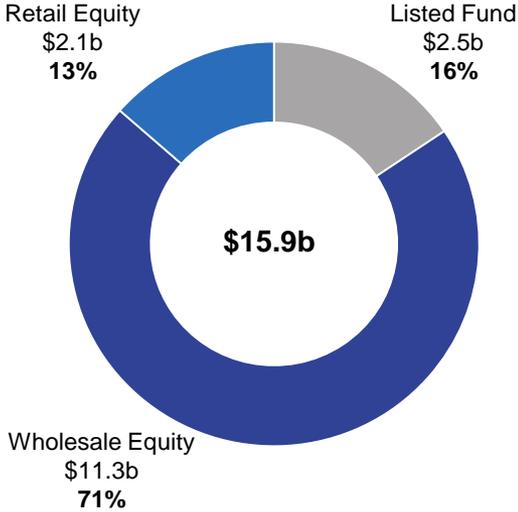
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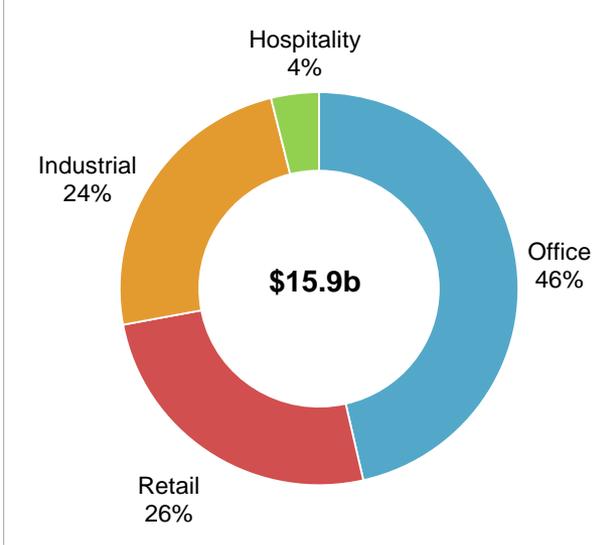
# Well Diversified Funds Management Portfolio

|        | Portfolio Value (\$b) | Portfolio Size (m sqm) | No. of Properties | No. of Tenants | Gross Income (\$m) | WALE <sup>2</sup> (years) | Occupancy (%) | WACR <sup>3</sup> (%) |
|--------|-----------------------|------------------------|-------------------|----------------|--------------------|---------------------------|---------------|-----------------------|
| Dec 15 | 15.9                  | 4.7                    | 294               | 2,440          | 1,267              | 7.9                       | 98.1          | 6.66                  |
| Jun 15 | 13.6                  | 4.0                    | 276               | 2,289          | 1,120              | 7.9                       | 97.8          | 7.10                  |

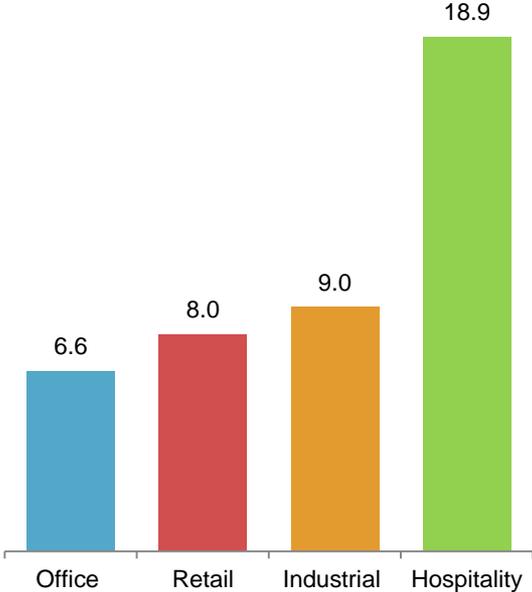
Diversification by equity source



Asset type diversification<sup>1</sup>



WALE by sector



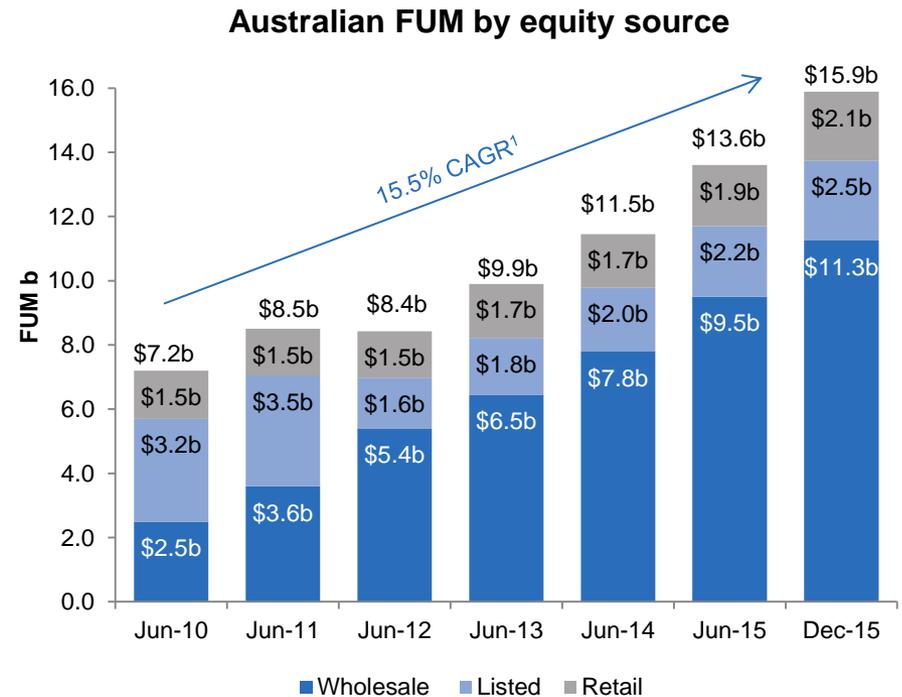
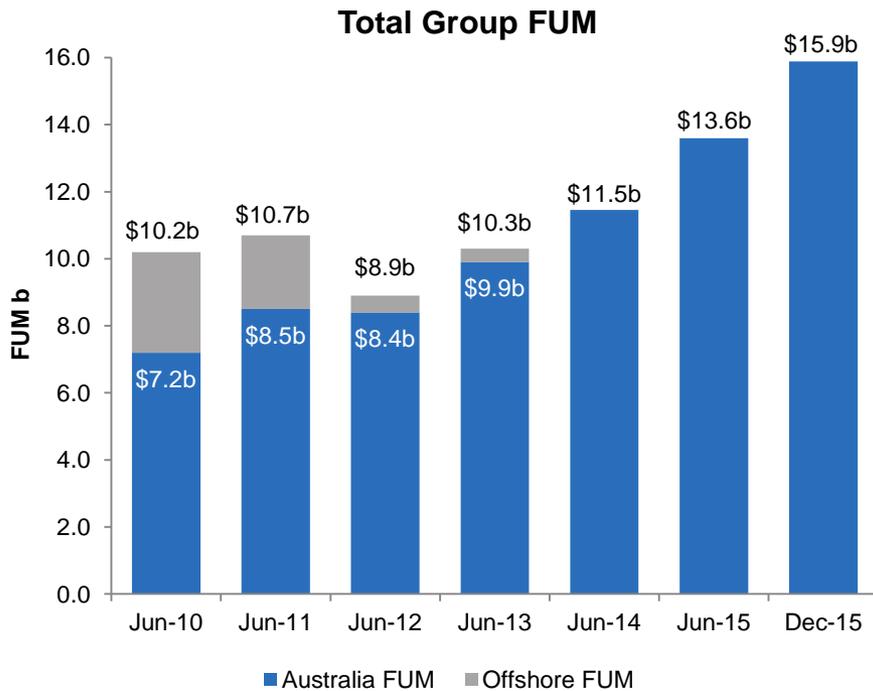
1. LWIP is allocated between the Hospitality sector (82% Hotels) and Retail sector (18% Dan Murphy's and BWS outlets).  
 2. WALE for the Property Funds Management portfolio which is measured by all tenants' remaining leases in years, weighted by each tenant's gross income as a proportion of the total gross income.  
 3. WACR for the Property Funds Management portfolio and is weighted by proportion of total property assets.

# FUM Growth of 17% Drives Earnings

## Property Funds Management

FUM growth driven by activity in the Industrial sector and valuation uplift across all sectors

- Australian property FUM has increased \$2.3b, or 17.0% during 1H FY16 to \$15.9b
- 15.5% CAGR<sup>1</sup> in domestic FUM since June 2010



1. CAGR from 30 June 2010 to 31 December 2015.

# Inflows Across the Funds Platform

## Property Funds Management

- Diversified equity sources
- Secured \$730m in gross equity flows<sup>3</sup> (\$532m net) during 1H FY16 across all equity sources

|                                              | FY14<br>(\$m) | FY15<br>(\$m) | 1H FY16<br>(\$m) |
|----------------------------------------------|---------------|---------------|------------------|
| Wholesale Pooled Funds                       | 651           | 653           | 166              |
| Wholesale Partnerships                       | 261           | 598           | 295              |
| Listed Funds <sup>1</sup>                    | 260           | 274           | 67               |
| Direct Funds <sup>2</sup>                    | 277           | 180           | 201              |
| <b>Gross equity secured (Australian FUM)</b> | <b>1,449</b>  | <b>1,705</b>  | <b>730</b>       |
| Net equity secured (Australian FUM)          | 987           | 1,297         | 532              |

1. Listed Funds include equity raised in CHC and CQR placements and DRP.

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

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

# Property Transactions

## Property Funds Management

- During the 6 months to 31 December 2015, \$1.7bn of transactions were completed including \$1.4bn of acquisitions and \$0.3bn of divestments

### Transactions closed during the half year to December 2015

|                            | Office | Industrial | Retail | Hospitality | TOTAL           |
|----------------------------|--------|------------|--------|-------------|-----------------|
| <b>Acquisitions</b>        | \$171m | \$710m     | \$495m | \$28m       | <b>\$1,404m</b> |
| <b>Divestments</b>         | \$147m | \$49m      | \$93m  | -           | <b>\$289m</b>   |
| <b>Net acquisitions</b>    | \$24m  | \$660m     | \$402m | \$28m       | <b>\$1,114m</b> |
| <b>WACR (acquisitions)</b> | 6.50%  | 6.63%      | 6.66%  | 6.81%       | <b>6.62%</b>    |



# Development Adding to Fund Performance

## Property Funds Management

- Redevelopment opportunities undertaken to enhance both income yield and total returns for managed funds
- In-house development skills are a core competency
- Development pipeline includes major office pre-leases to WSU Parramatta and Aurizon and a variety of shopping centre expansions and industrial sites



Artist impression of 333 George Street, Sydney, NSW (CPOF)

| Development activity (current projects underway) | On completion value |
|--------------------------------------------------|---------------------|
| Office <sup>3</sup>                              | \$666m              |
| Industrial <sup>2</sup>                          | \$283m              |
| Retail                                           | \$223m              |
| <b>Total<sup>1</sup></b>                         | <b>\$1,172m</b>     |



Secret Harbour Shopping Centre, WA (CQR)

1. \$0.9b included in FUM at 31 December 2015.  
 2. Includes current projects pre-leased and under construction. Excludes potential end value of industrial land banks of \$0.9b  
 3. Excludes \$0.5b office development at 130 Lonsdale Street, Melbourne that is not yet underway.

# Office Sector Activity

## Property Funds Management

### 6 months to 31 December 2015

- Office FUM increased 9% to \$7.4b
- Completed \$171m of acquisitions and \$147m of divestments
  - Acquisition of 900 Ann Street, Fortitude Valley, a \$170m (100%) forward funded development leased to Aurizon for a 12 year lease over 18,791sqm (50% CPOF and 50% DOF)
- Completed 84 leasing agreements across 164,824sqm increasing portfolio WALE from 6.5 years to 6.6 years. Major leasing deals included:
  - 23,240sqm renewal to Suncorp at 266 George Street (Brisbane Square) Brisbane (BSWF/CPOF)
  - 13,734sqm new lease to Department of Human Services at 570 Bourke Street, Melbourne for 11 years (CPOF)
  - 9,384sqm renewal to Department of Education at 14 Mort Street, Canberra for 10 years (CHOT)
  - 9,281sqm new lease to Amazon Corporate Services at 2 Park Street, Sydney (CHOT)
  - 8,780sqm new lease to State of QLD at 85 George Street, Brisbane (CHOT)



| Sector overview            | 31 Dec 2015 | 30 Jun 2015 | Change  |
|----------------------------|-------------|-------------|---------|
| <b>FUM</b>                 | \$7.4b      | \$6.8b      | \$0.6b  |
| <b>Lettable area (sqm)</b> | 1.0m        | 1.0m        | -       |
| <b>No. of properties</b>   | 48          | 48          | -       |
| <b>Gross income</b>        | \$615m      | \$569m      | \$46m   |
| <b>Occupancy</b>           | 97.2%       | 96.9%       | 0.3%    |
| <b>WALE</b>                | 6.6yrs      | 6.5yrs      | 0.1yrs  |
| <b>WACR</b>                | 6.61%       | 7.13%       | (0.52%) |
| <b>CHC co-investment</b>   | \$396m      | \$372m      | \$24m   |

# Industrial Sector Activity

## Property Funds Management

### 6 months to 31 December 2015

- Industrial FUM increased 36% to \$3.8b
- Completed \$710m of acquisitions and \$49m of divestments
- Completed 17 leasing deals totaling 210,514sqm including:
  - An agreement for lease with Target Australia for a 10 year pre lease of a 62,873 sqm warehouse & distribution facility at Drystone Estate Truganina, Melbourne
  - An agreement for lease signed with The Reject Shop for a 10 year pre lease of a 37,765 sqm warehouse and distribution facility at Drystone Estate Truganina, Melbourne
- CPIF has been actively deploying capital completing \$440m in acquisitions
- CLP continues to grow, with the acquisition of three assets during the period, with FUM at \$1.4b
- Charter Hall Direct launched DIF3 in December 2014 and has since settled four assets with a fifth asset exchanged



| Sector overview            | 31 Dec 2015 | 30 Jun 2015 | Change   |
|----------------------------|-------------|-------------|----------|
| <b>FUM</b>                 | \$3.8b      | \$2.8b      | \$1.0b   |
| <b>Lettable area (sqm)</b> | 2.6m        | 1.9m        | 0.7m     |
| <b>No. of properties</b>   | 85          | 76          | 9        |
| <b>Gross income</b>        | \$287m      | \$219m      | \$68m    |
| <b>Occupancy</b>           | 99.3%       | 98.6%       | 0.7%     |
| <b>WALE</b>                | 9.0yrs      | 9.9yrs      | (0.9yrs) |
| <b>WACR</b>                | 6.89%       | 7.43%       | (0.54%)  |
| <b>CHC co-investment</b>   | \$258m      | \$197m      | \$61m    |

# Retail Sector Activity

## Property Funds Management

### 6 months to 31 December 2015

- Retail FUM increased 17% to \$4.1b
- Completed \$495m of acquisitions and \$93m of divestments
  - CQR acquired \$228m in assets including Goulburn Plaza, NSW, Katherine Central, NT and a 47.5% interest in RP2 (Bateau Bay Square)
  - RP6 acquired Bass Hill Plaza, Sydney for \$91m being the second asset for the fund
  - The CH Direct business successfully launched the Direct Automotive Trust (DAT) reaching the target equity raise of \$55.6m and acquiring three assets for \$102m<sup>2</sup>
- Completed 182 leasing deals over 41,649sqm with occupancy remaining stable at 98.6%



| Sector overview <sup>1</sup> | 31 Dec 2015 | 30 Jun 2015 | Change  |
|------------------------------|-------------|-------------|---------|
| <b>FUM</b>                   | \$4.1b      | \$3.5b      | \$0.6b  |
| <b>Lettable area (sqm)</b>   | 1.0m        | 0.9m        | 0.1m    |
| <b>No. of properties</b>     | 102         | 95          | 7       |
| <b>Gross income</b>          | \$328m      | \$297m      | \$31m   |
| <b>Occupancy</b>             | 98.6%       | 98.6%       | -       |
| <b>WALE</b>                  | 8.0yrs      | 7.8yrs      | 0.2yrs  |
| <b>WACR</b>                  | 6.62%       | 6.99%       | (0.37%) |
| <b>CHC co-investment</b>     | \$335m      | \$251m      | \$84m   |

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

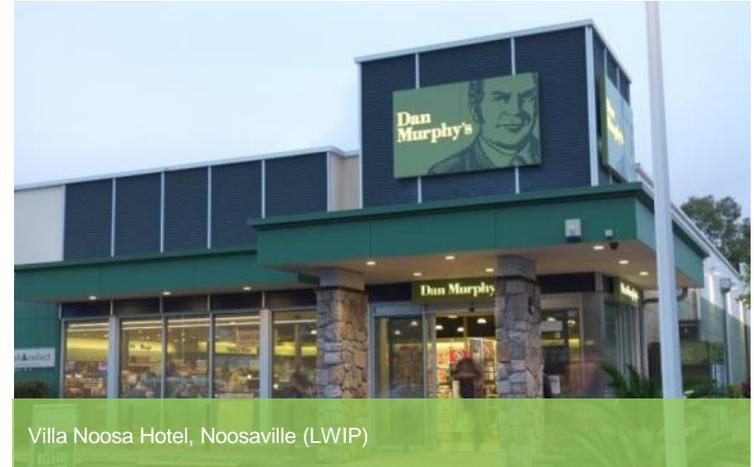
2. Based on asset completion value.

# Hospitality Sector Activity

## Property Funds Management

### 6 months to 31 December 2015

- Hospitality FUM increased 11% to \$616m
- LWIP2 acquired two high quality assets leased to ALH with a WALE of 19.9yrs located in Victoria and Queensland for \$28m
- The ALH Group is the market leader in the Australian hotel sector and is 75% owned by Woolworths Limited and 25% by Mathieson Group



| Sector overview <sup>1</sup> | 31 Dec 2015 | 30 Jun 2015 | Change   |
|------------------------------|-------------|-------------|----------|
| <b>FUM</b>                   | \$616m      | \$556m      | \$60m    |
| <b>Lettable area (sqm)</b>   | 0.2m        | 0.2m        | -        |
| <b>No. of properties</b>     | 59          | 57          | 2        |
| <b>Gross income</b>          | \$38m       | \$36m       | \$2m     |
| <b>Occupancy</b>             | 100%        | 100%        | -        |
| <b>WALE</b>                  | 18.9yrs     | 19.3yrs     | (0.4yrs) |
| <b>WACR</b>                  | 6.21%       | 6.45%       | (0.25%)  |
| <b>CHC co-investment</b>     | \$141m      | \$124m      | \$17m    |

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

# Financial Result

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# Profit and Loss by Segment

## Financial Result

- 26.3% growth in Operating Earnings to \$61.2m
- PI operating earnings up 26.3% to \$35.9m
  - Invested an additional \$97m (net)
  - Property investment income yield 7.2%
- PFM earnings increased by 24.0% to \$26.4m with strong revenue growth in all areas
- OEPS growth of 9.5% to 15.0cps and DPS growth of 9.9% to 13.3cps
- \$89m net revaluation growth in statutory profit adds 22cps (8.0%) to NTA

| \$m                                                        | 1H FY16      | 1H FY15      | Change %        |
|------------------------------------------------------------|--------------|--------------|-----------------|
| Property investment                                        | 35.9         | 28.4         | 26.3%           |
| Property funds management                                  | 26.4         | 21.3         | 24.0%           |
| Security-based benefits expense                            | (1.1)        | (1.3)        | (10.2%)         |
| <b>Operating earnings</b>                                  | <b>61.2</b>  | <b>48.4</b>  | <b>▲ 26.3%</b>  |
| Property valuations (net) <sup>1</sup>                     | 88.7         | 4.0          |                 |
| Amortisation and impairment of intangibles                 | (4.3)        | (5.1)        |                 |
| Gain on disposal of investments and inventory <sup>1</sup> | 6.0          | 0.2          |                 |
| MTM of derivatives <sup>1</sup>                            | (1.8)        | (7.3)        |                 |
| Income taxes <sup>4</sup>                                  | (4.0)        | 0.4          |                 |
| Other non-operating items <sup>1</sup>                     | (2.3)        | (0.7)        |                 |
| <b>Total non-operating items</b>                           | <b>82.3</b>  | <b>(8.5)</b> |                 |
| <b>Profit after tax</b>                                    | <b>143.5</b> | <b>39.9</b>  | <b>▲ 259.6%</b> |
| OEPS (cps)                                                 | 15.0         | 13.7         | ▲ 9.5%          |
| DPS (cps)                                                  | 13.3         | 12.1         | ▲ 9.9%          |
| Payout ratio                                               | 88.7%        | 88.3%        |                 |
| ROE <sup>2</sup> (earnings)                                | 10.8%        | 11.4%        | ▼ 0.6%          |
| ROE <sup>3</sup> (total return)                            | 24.5%        | 13.7%        | ▲ 10.8%         |

1. Includes the Group's proportionate share of non-operating items of equity accounted investments on a look through basis.

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

3. Return on equity (total return) is calculated as the growth in property NTA per security plus the distribution paid/payable per security divided by the opening NTA per security for the 12 months to 31 December 2015

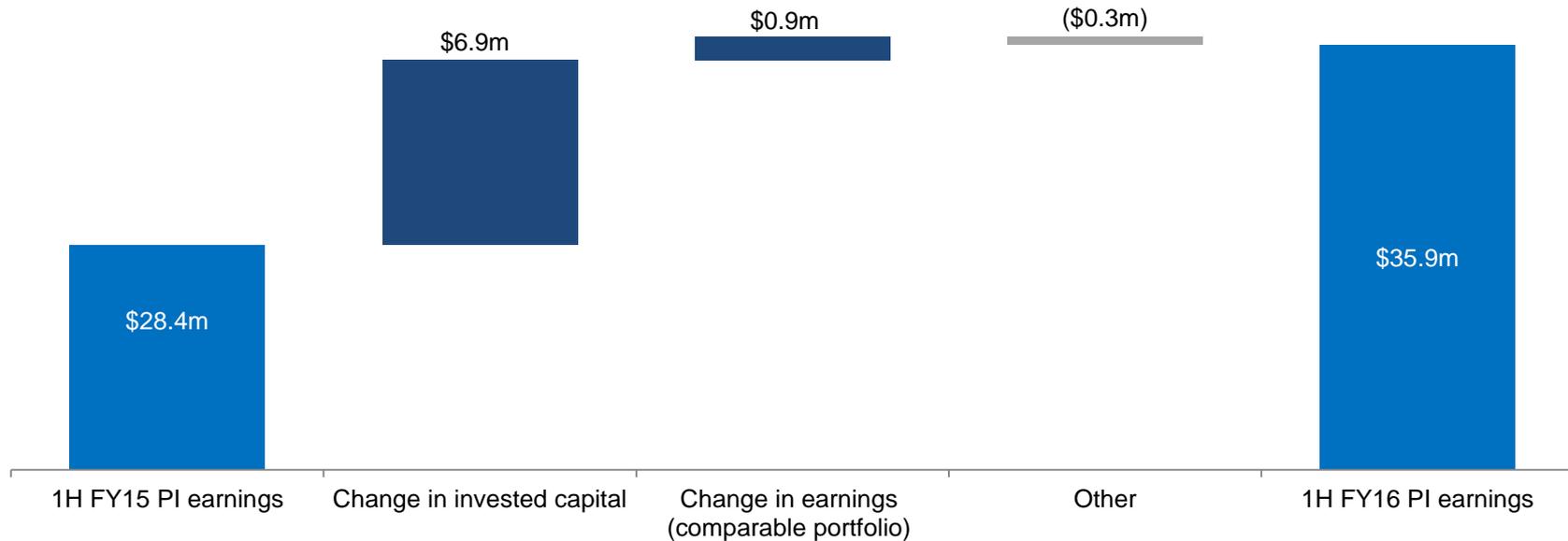
4. Income taxes are non cash

# Property Investment Earning Growth of 26.3%

## Financial Result

### Operating earnings from Property Investment of \$35.9m, up 26.3%

- \$6.9m contribution from increased investments from deployment of capital
- \$0.9m or 3.1% growth in earnings from the comparable investments held for a comparable period



# Property Funds Management Earnings Up 24.0%

## Financial Result

- PFM operating earnings of \$26.4m, up 24.0%
- Investment Management revenue growth of 26.7% driven by:
  - \$5.3m increase in fund management fees attributable to the impact of prior year FUM growth now generating recurring fees
  - \$7.2m performance fees recognised in 1H FY16 (1H FY15: \$1.2m) offset by;
  - Transaction fees reducing \$1.4m to \$10.0m in 1H FY16
- Expenses up 14.8%, reflecting impact of FUM growth and investment in customer facing areas
- PFM EBITDA margin has expanded 2.1% to 41.8%
- The PFM platform is expected to be in a tax payable position from FY17

| \$m                                 | 1H FY16     | 1H FY15     | Change %     |
|-------------------------------------|-------------|-------------|--------------|
| Investment management               | 46.5        | 36.7        | 26.7%        |
| Property services                   | 20.0        | 19.2        | 4.2%         |
| <b>Total PFM revenue</b>            | <b>66.5</b> | <b>55.9</b> | <b>19.0%</b> |
| Net operating expenses              | (38.7)      | (33.7)      | 14.8%        |
| <b>PFM EBITDA</b>                   | <b>27.8</b> | <b>22.2</b> | <b>25.2%</b> |
| Depreciation                        | (1.4)       | (0.9)       | 55.6%        |
| Income tax                          | 0.0         | 0.0         | -            |
| <b>PFM operating earnings</b>       | <b>26.4</b> | <b>21.3</b> | <b>24.0%</b> |
| PFM EBITDA margin on revenue        | 41.8%       | 39.7%       | 2.1%         |
| PFM EBITDA margin on cost           | 71.7%       | 65.8%       | 5.8%         |
| PFM net expenses / FUM <sup>1</sup> | 49bps       | 50bps       | (1bps)       |

1. Calculated as PFM net expense divided by closing FUM.

# Balance Sheet Capacity

## Financial Result

- Strong balance sheet maintained
  - Cash position of \$61m at 31 December 2015
  - \$186m increase in Property Investments made up of \$97m net investments and \$89m of net revaluations
  - Property Investments represent 93% of net tangible assets
- \$150m total liquidity at 31 December 2015

| \$m                                           | 31 December 2015 | 30 June 2015 |
|-----------------------------------------------|------------------|--------------|
| Cash                                          | 61               | 152          |
| Property investments                          | 1,130            | 944          |
| Development investments                       | 34               | 47           |
| Deferred tax assets                           | 3                | 7            |
| Other tangible assets                         | 72               | 50           |
| Intangibles                                   | 74               | 78           |
| <b>Total assets</b>                           | <b>1,374</b>     | <b>1,278</b> |
| Borrowings                                    | -                | -            |
| Other liabilities                             | 79               | 78           |
| <b>Total liabilities</b>                      | <b>79</b>        | <b>78</b>    |
| <b>Total equity</b>                           | <b>1,295</b>     | <b>1,200</b> |
| NTA per security                              | \$2.98           | \$2.76       |
| NAV per security                              | \$3.17           | \$2.95       |
| Balance sheet gearing <sup>1</sup>            | 0.0%             | 0.0%         |
| Look through gearing (inc CHC) <sup>2</sup>   | 29.2%            | 23.9%        |
| PI look through gearing (ex CHC) <sup>3</sup> | 35.7%            | 36.5%        |
| Total liquidity <sup>4</sup>                  | \$150m           | \$240m       |

1. Debt net of cash / Gross assets less cash.

2. Calculated as Charter Hall's debt (net of cash) / total assets (net of cash) of the Property Investments and Charter Hall's balance sheet.

3. As above excluding Charter Hall balance sheet.

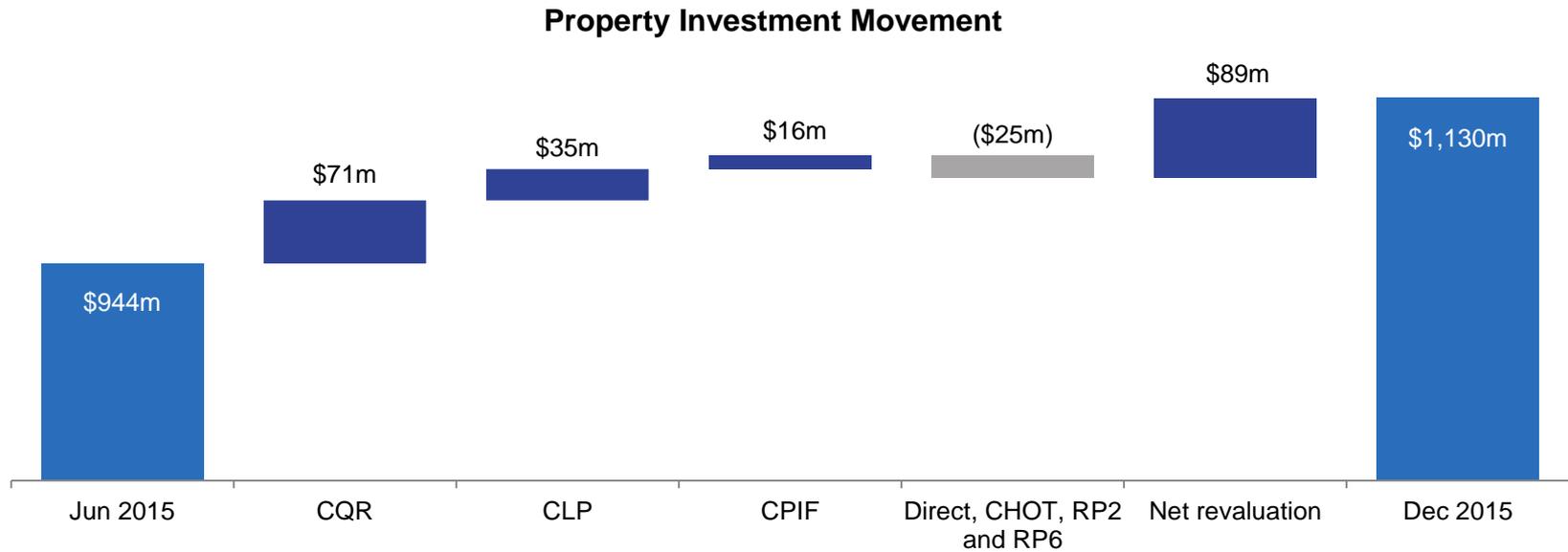
4. Total liquidity at 30 June 2015 excludes \$25m Tranche B of CHC corporate debt facility which expired August 2015.

# Property Investments

## Financial Result

The net movement in Property Investments to 31 December 2015 was \$186m including:

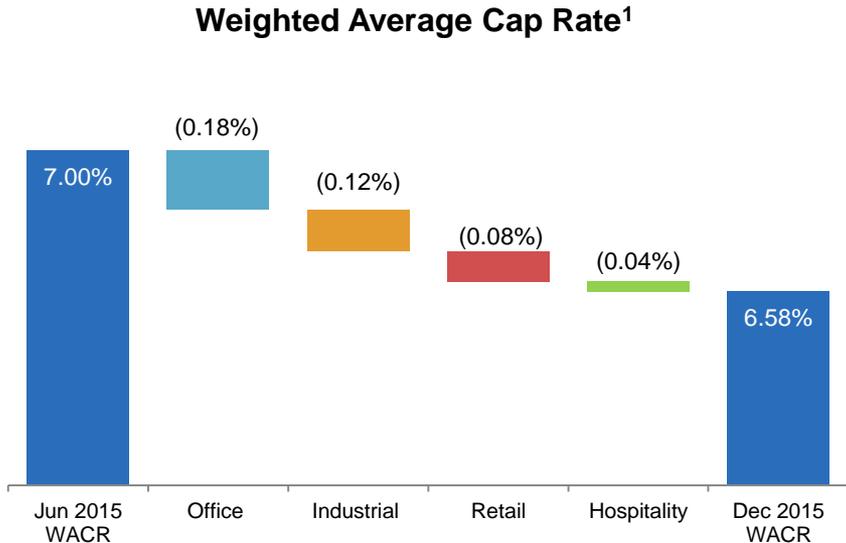
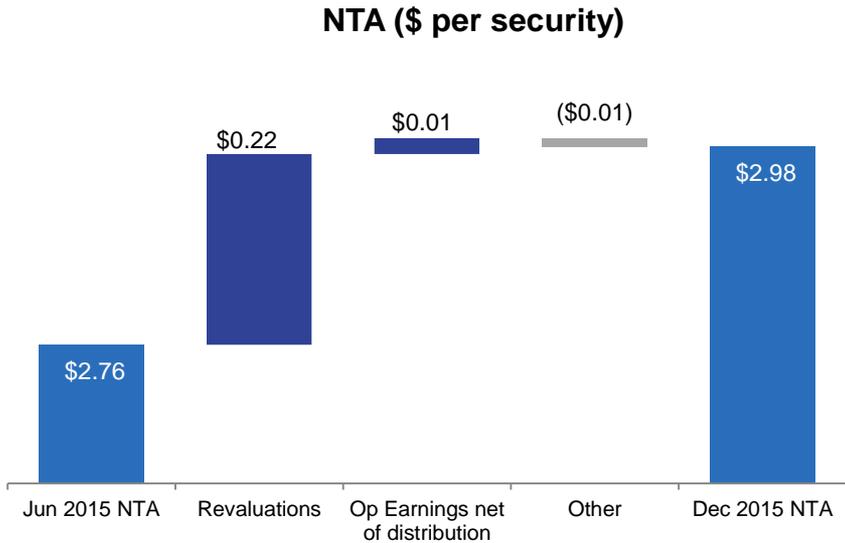
- \$71m investment in CQR (including DRP and placement)
- \$35m investment in CLP and \$16m investment in CPIF
- \$25m net divestment in Direct, CHOT, RP2 and RP6
- \$89m net revaluation growth



# NTA Per Security and Cap Rate Bridge

## Financial Result

- NTA per security growth of 22cps (8.0%) primarily due to cap rate compression in existing property investment portfolio
- WACR has reduced by 42bps with the following movements by sector:
  - Office: 52bps decrease to 6.61%
  - Industrial: 54bps decrease to 6.89%
  - Retail: 37bps decrease to 6.62%
  - Hospitality: 25bps decrease to 6.21%



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.

# Outlook and Guidance

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# FY16 Outlook and Earnings Guidance

## Outlook and Guidance

Given volatility across global equity markets, the stable return characteristics of direct property have become increasingly compelling. Because of this, we expect quality assets to continue to be highly sought during 2016.

We expect Charter Hall's co-investment strategy will continue to generate strong results for investors and stakeholders.

Charter Hall continues to focus on portfolio security by investing in assets with strong tenant covenants and lease durations, delivering sustainable income and capital growth prospects.

### Our guidance is as follows:

Absent unexpected events, Charter Hall's guidance for FY16 operating earnings per security is upgraded to 8-10% growth over FY15.

The distribution payout ratio is expected to be between 85% and 95% of operating earnings per security.



# Additional Information

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# Additional Information

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|                                             |           |
|---------------------------------------------|-----------|
| <b>1 Group &amp; Managed Funds Overview</b> | <b>36</b> |
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# Charter Hall Group

## Group Overview

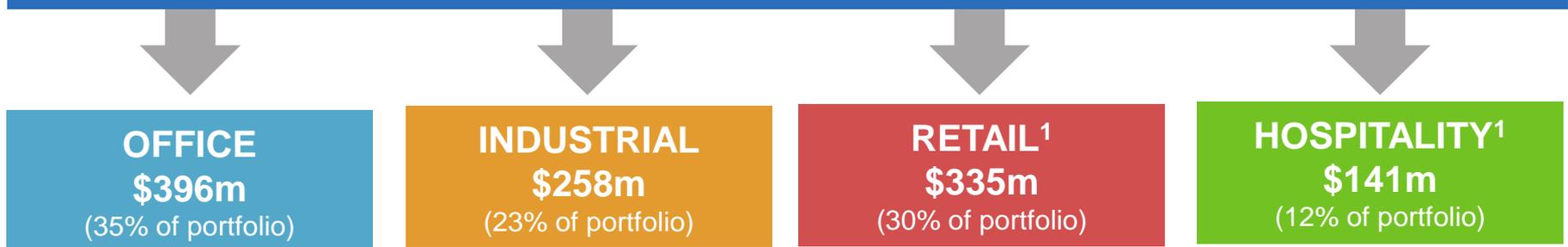
### Property Funds Management Platform \$15.9b FUM

- Investment management
- Transaction services
- Capital management

|                          |         |
|--------------------------|---------|
| <b>FUM</b>               | \$15.9b |
| <b>No. of properties</b> | 294     |
| <b>Gross income</b>      | \$1.3b  |

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

### Property Funds Management Platform \$1,130m co-investments



1. LWIP is allocated between the Hospitality sector (82% Hotels) and Retail sector (18% Dan Murphy's and BWS outlets).

# Charter Hall Managed Funds

FUM as at 31 December 2015

**Office \$7.4b**  
(\$396m Property Investment)

**Industrial \$3.8b**  
(\$258m Property Investment)

**Retail \$4.1b<sup>2</sup>**  
(\$335m Property Investments)

**Hospitality \$0.6b<sup>2</sup>**  
(\$141m Property Investments)

| Equity Type      | Office \$7.4b<br>(\$396m Property Investment) | Industrial \$3.8b<br>(\$258m Property Investment) | Retail \$4.1b <sup>2</sup><br>(\$335m Property Investments) | Hospitality \$0.6b <sup>2</sup><br>(\$141m Property Investments) |
|------------------|-----------------------------------------------|---------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------|
| Wholesale Equity | <b>CHOT</b><br>\$2.4b<br>(\$186m / 14%)       | <b>CPOF</b><br>\$2.5b<br>(\$180m / 12%)           | <b>BSWF<sup>3</sup></b><br>\$0.6b                           | <b>CLP</b><br>\$1.4b<br>(\$138m / 16%)                           |
|                  | <b>CHOF 5</b><br>\$83m                        | <b>Mandates</b><br>\$0.5b                         | <b>CPIF</b><br>\$1.7b<br>(\$94m / 8%)                       | <b>LWHP</b><br>\$0.7b<br>(\$44m / 11%)                           |
| Retail Equity    | <b>DOF</b><br>\$0.7b<br>(\$28m / 5%)          | <b>PFA</b><br>\$0.2b<br>(\$0.2m / 0%)             | <b>Workzone</b><br>\$0.1b                                   | <b>DIFs/CDC</b><br>\$0.8b<br>(\$26m / 18%)                       |
|                  | <b>VA</b><br>\$79m                            | <b>CHIF 8</b><br>\$59m                            | <b>CHUF</b><br>\$2m<br>(\$1m / 20%)                         | <b>DAT</b><br>\$0.1b                                             |
| Listed Equity    |                                               |                                                   |                                                             | <b>LWIP<sup>2</sup></b><br>\$0.5b<br>(\$135m/50%)                |
|                  |                                               |                                                   | <b>RP2</b><br>\$0.1b<br>(\$6m / 5%)                         | <b>LWIP2</b><br>\$62m<br>(\$6m/10%)                              |
|                  |                                               |                                                   | <b>RP6</b><br>\$0.2b<br>(\$32m / 20%)                       | <b>Other<sup>2</sup></b><br>\$0.5b<br>(\$29m / 50%)              |
|                  |                                               |                                                   | <b>BW Trust</b><br>\$84m                                    |                                                                  |
|                  |                                               |                                                   | <b>CQR<sup>1</sup></b><br>\$2.5b<br>(\$224m / 14%)          |                                                                  |

1. FUM definition includes completion value for development assets.  
 2. LWIP is allocated between the Hospitality sector (82% Hotels) and Retail sector (18% Dan Murphy's and BWS outlets).  
 3. Brisbane Square Wholesale Fund (BSWF) includes 67% of Bankwest Place and Brisbane Square.

# CHC Property Investment Portfolio

As at 31 December 2015

|                                                   | Ownership Stake | Charter Hall Investment | Charter Hall Investment Income | WALE       | Market Cap Rate | Discount Rate | Average rental reviews | Charter Hall Investment Yield <sup>3</sup> |
|---------------------------------------------------|-----------------|-------------------------|--------------------------------|------------|-----------------|---------------|------------------------|--------------------------------------------|
|                                                   | (%)             | (\$m)                   | (\$m)                          | (years)    | (%)             | (%)           | (%)                    | (%)                                        |
| <b>Listed</b>                                     |                 | <b>224</b>              | <b>7.0</b>                     |            |                 |               |                        |                                            |
| Charter Hall Retail REIT (CQR) <sup>1</sup>       | 14.3%           | 224                     | 7.0                            | 6.8        | 6.9%            | 8.4%          | 4.1%                   | 8.2%                                       |
| <b>Wholesale</b>                                  |                 | <b>851</b>              | <b>26.1</b>                    |            |                 |               |                        |                                            |
| Charter Hall Office Trust (CHOT)                  | 14.3%           | 186                     | 5.0                            | 5.6        | 6.4%            | 7.6%          | 3.6%                   | 6.3%                                       |
| Charter Hall Core Plus Office Fund (CPOF)         | 11.8%           | 180                     | 4.6                            | 6.6        | 6.5%            | 7.9%          | 3.9%                   | 5.4%                                       |
| Long WALE Investment Partnership (LWIP)           | 50.0%           | 165                     | 6.0                            | 18.8       | 6.2%            | 8.1%          | 2.5%                   | 8.1%                                       |
| Core Logistics Partnership (CLP)                  | 15.6%           | 138                     | 4.0                            | 10.0       | 6.7%            | 8.1%          | 3.1%                   | 6.7%                                       |
| Charter Hall Core Plus Industrial Fund (CPIF)     | 8.2%            | 94                      | 2.9                            | 7.0        | 7.0%            | 8.4%          | 3.0%                   | 7.7%                                       |
| Long WALE Hardware Partnership (LWHP)             | 11.3%           | 44                      | 1.3                            | 9.8        | 6.1%            | 8.0%          | 2.6%                   | 6.9%                                       |
| Retail Partnership No. 6 Trust (RP6) <sup>1</sup> | 20.0%           | 32                      | 0.7                            | 4.6        | 6.1%            | 8.2%          | 3.7%                   | 5.8%                                       |
| Retail Partnership No. 2 (RP2) <sup>1</sup>       | 5.0%            | 6                       | 1.5                            | 4.9        | 6.5%            | 8.3%          | 4.6%                   | 7.7%                                       |
| Long WALE Investment Partnership 2 (LWIP2)        | 10.0%           | 6                       | 0.1                            | 19.6       | 6.5%            | 9.0%          | 2.5%                   | 7.0%                                       |
| <b>Direct</b>                                     |                 | <b>54</b>               | <b>2.8</b>                     |            |                 |               |                        |                                            |
| Direct Office Fund (DOF)                          | 5.4%            | 28                      | 1.9                            | 8.7        | 6.6%            | 7.8%          | 3.6%                   | 9.7%                                       |
| PFA Diversified Property Trust (PFA)              | 0.1%            | 0                       | 0.0                            | 5.0        | 8.3%            | 8.8%          | 2.9%                   | 8.9%                                       |
| Direct Industrial Fund No. 3 (DIF3)               | 17.6%           | 26                      | 0.9                            | 14.0       | 7.2%            | 8.8%          | 3.0%                   | 7.5%                                       |
| <b>Other</b>                                      |                 | <b>1</b>                | <b>0.1</b>                     |            |                 |               |                        |                                            |
| Diversified Property Fund (DPF)                   | 19.6%           | 0                       | 0.0                            | 3.9        | 9.3%            | 10.0%         | 2.6%                   | n/a                                        |
| Charter Hall Umbrella Fund (CHUF)                 | 24.2%           | 1                       | 0.0                            | 3.9        | 9.3%            | 10.0%         | 2.6%                   | n/a                                        |
| Other                                             | -               | -                       | 0.1                            | -          | -               | -             | -                      | -                                          |
| <b>Total<sup>2</sup></b>                          |                 | <b>1,130</b>            | <b>36.0</b>                    | <b>8.8</b> | <b>6.6%</b>     | <b>8.1%</b>   | <b>3.4%</b>            | <b>7.2%</b>                                |

1. Average rent reviews is contracted weighted average rent increases of specialty tenants.

2. Weighted average property statistics based on the funds where CHC has an investment as at 31 December 2015.

3. Yield = Operating earnings divided by starting investment value (MTM) at start of the year adjusted for investments / divestments. Excludes MTM movements in NTA during the year.

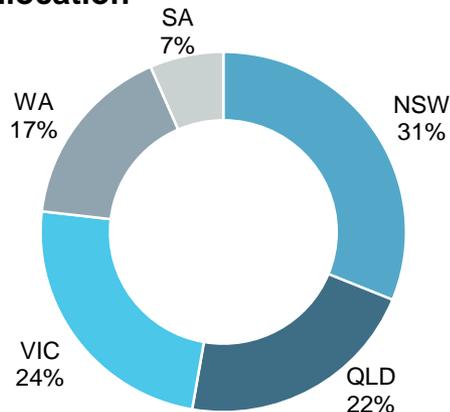
# Core Plus Office Fund (CPOF)

## Property Investment Portfolio

### Key events during 1H FY16

- CPOF settled contracts to acquire 55 King Street, Melbourne for \$78.5m in February 2016
- The fund agreed terms with CIMIC group to acquire the development rights for 130 Lonsdale Street, Melbourne (Wesley Place) for a potential 55,000sqm office project
- Assets currently under construction include 333 George Street, Sydney, 169 Macquarie Street, Parramatta (WSU campus) and 900 Ann Street, Fortitude Valley (new Aurizon headquarters)
- Significant leasing achieved at 570 Bourke Street, Melbourne taking occupancy from 44% to 93% and at 333 George Street, Sydney with over 60% of lettable space now committed

### Geographic allocation (by GAV)

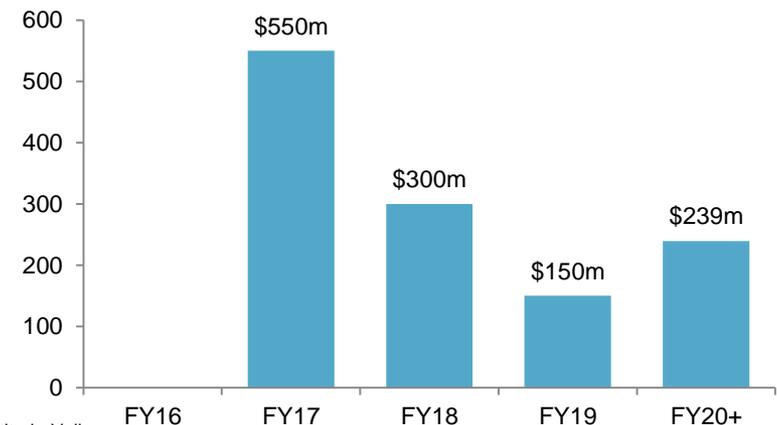


### Portfolio characteristics

### Key metrics

|                                               |                |
|-----------------------------------------------|----------------|
| Gross property assets <sup>1</sup>            | \$2.5b         |
| Total debt (look through)                     | \$0.8b         |
| Gearing (look through)                        | 32.4%          |
| Number of assets                              | 18             |
| Occupancy <sup>2</sup>                        | 95.3%          |
| Weighted average lease expiry <sup>2</sup>    | 6.6 years      |
| CBD and CBD fringe assets                     | 97%            |
| A grade assets                                | 99%            |
| Weighted average cap rate                     | 6.53%          |
| Weighted average rent review (next 12 months) | 3.9%           |
| Charter Hall co-investment                    | \$180m / 11.8% |

### Debt expiry profile (by facility limit)



1. Represents 31 December 2015 book values including the completion value of WSU, Parramatta and 900 Ann St, Fortitude Valley.

2. Occupancy and WALE based on the core portfolio, which excludes 333 George Street, Sydney (under construction).

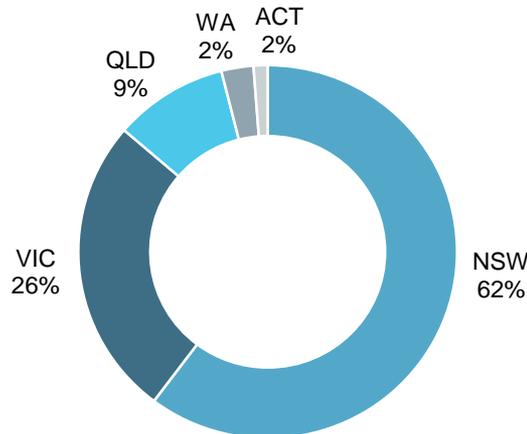
# Charter Hall Office Trust (CHOT)

## Property Investment Portfolio

### Key events during 1H FY16

- CHOT's return for CY15 was 26% making CHOT the best performing wholesale office fund in Australia over each of the past 4 years<sup>1</sup>
- The portfolio was independently valued at \$2.4b as at 31 December 2015 representing a gross increase of 11.8% against December 14 valuations. CHOT's non-core sales campaign is well advanced with one asset exchanged and progressing on three others.
- Significant leasing activity was achieved with 67,081sqm (18% of portfolio) executed including major new leases to Amazon at Park St (9,250sqm) and Expedia at 1 Martin Place (5,400sqm)

### Geographic allocation (by GAV)



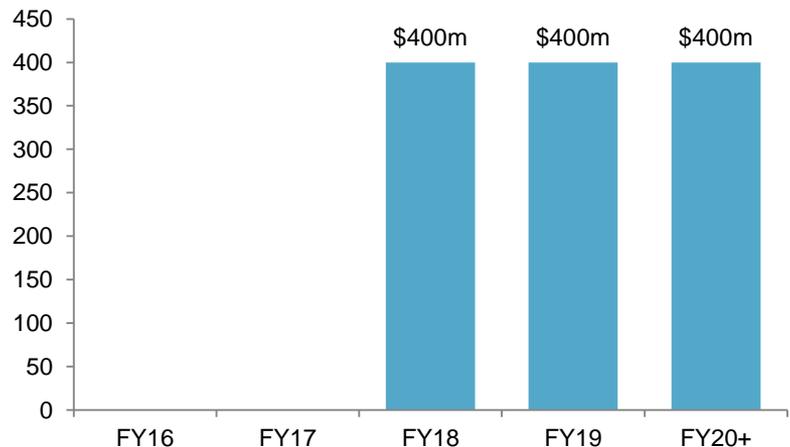
1. Source: MSCI/IPD Wholesale Office Property Funds Index.

### Portfolio characteristics

### Key metrics

|                                               |                |
|-----------------------------------------------|----------------|
| Gross property assets                         | \$2.4b         |
| Total debt                                    | \$1.1b         |
| Gearing (balance sheet)                       | 46.2%          |
| Number of assets                              | 15             |
| Occupancy                                     | 97.9%          |
| Weighted average lease expiry                 | 5.6 years      |
| CBD assets                                    | 85%            |
| Prime grade assets                            | 94%            |
| Weighted average cap rate                     | 6.41%          |
| Weighted average rent review (next 12 months) | 3.6%           |
| Charter Hall co-investment                    | \$186m / 14.3% |

### Debt expiry profile (by facility limit)



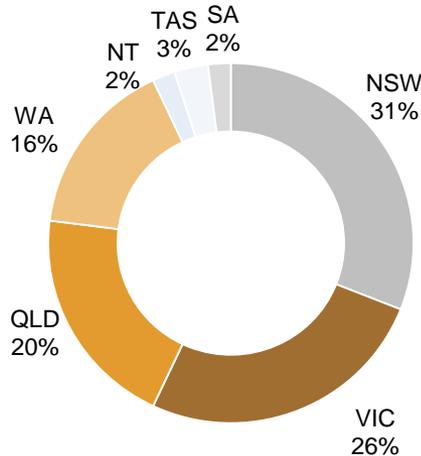
# Core Plus Industrial Fund (CPIF)

## Property Investment Portfolio

### Key events during 1H FY16

- CPIF is one of the highest ranked unlisted wholesale property funds<sup>1</sup> (all sectors) over the 3 years to 31 December 2015 according to MSCI/IPD Wholesale Pooled Property Funds Index benchmark data
- During the 6 months to December the Fund reached \$1.7b in gross asset value and is now diversified across 43 assets with 99.6% occupancy and a 7.0 year WALE
- CPIF controls a 58ha land bank spread across multiple sites with capacity to deliver up to 263,000sqm of investment product

### Geographic allocation (by GAV)



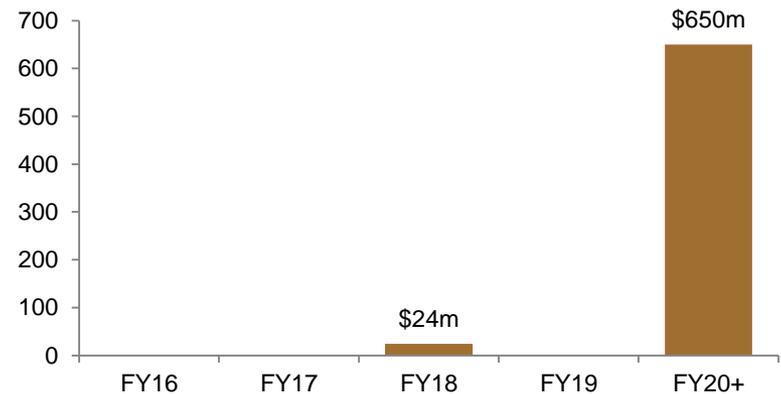
1. Source: MSCI/IPD Wholesale Pooled Property Funds Index – multi asset funds.

### Portfolio characteristics

### Key metrics

|                                               |              |
|-----------------------------------------------|--------------|
| Gross property assets                         | \$1.7b       |
| Total debt                                    | \$0.4b       |
| Gearing (look through)                        | 26.7%        |
| Number of assets                              | 43           |
| Occupancy                                     | 99.6%        |
| Weighted average lease expiry                 | 7.0 years    |
| Weighted average cap rate                     | 7.02%        |
| Weighted average rent review (next 12 months) | 3.0%         |
| Charter Hall co-investment                    | \$94m / 8.2% |

### Debt expiry profile (by facility limit)



# Core Logistics Partnership (CLP)

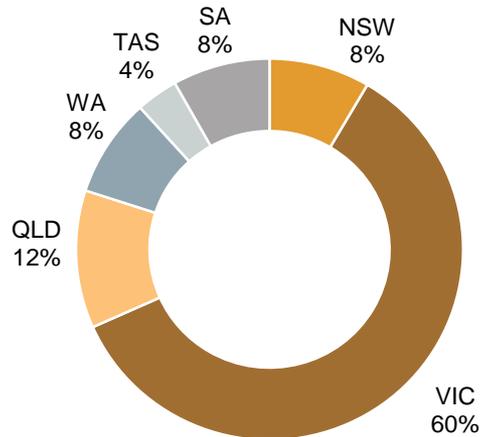
## Property Investment Portfolio

### Key events during 1H FY16

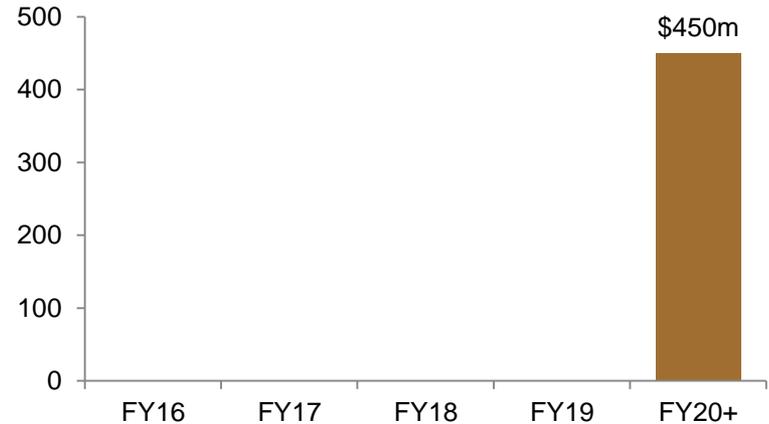
- Acquired or completed circa \$320m of assets during 1H FY16 with a further \$175m to settle early 2HY16. Divested \$33m during 1H FY16.
- Portfolio net revaluation uplift of \$63m at 31 December 2015 representing a 5.3% GAV increase
- Significant leasing activity with circa 120,000sqm executed or under heads of agreement

| Portfolio characteristics                     | Key metrics    |
|-----------------------------------------------|----------------|
| Gross property assets                         | \$1.4b         |
| Total debt                                    | \$0.4b         |
| Gearing (balance sheet)                       | 28.0%          |
| Number of assets                              | 24             |
| Occupancy                                     | 98.7%          |
| Weighted average lease expiry                 | 10.0 years     |
| Weighted average cap rate                     | 6.66%          |
| Weighted average rent review (next 12 months) | 3.1%           |
| Charter Hall co-investment                    | \$138m / 15.6% |

### Geographic allocation (by GAV)



### Debt expiry profile (by facility limit)



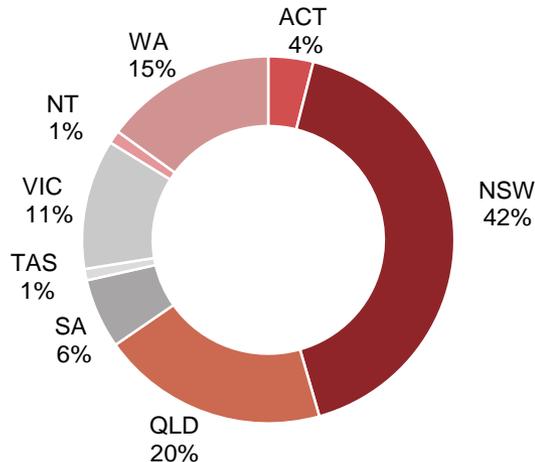
# Charter Hall Retail REIT (CQR)

## Property Investment Portfolio

### Key events during 1H FY16

- Acquired \$228m in assets at an average initial yield of 7.0%
- Continuing disposal of non-core assets including Collie and Ballajura post balance date
- USPP issued for 10 year duration increasing weighted average debt maturity to 6.7 years<sup>2</sup>
- First two deals completed with Aldi entering into centres in WA and SA

### Geographic allocation (by GAV)



1. For specialty stores only.

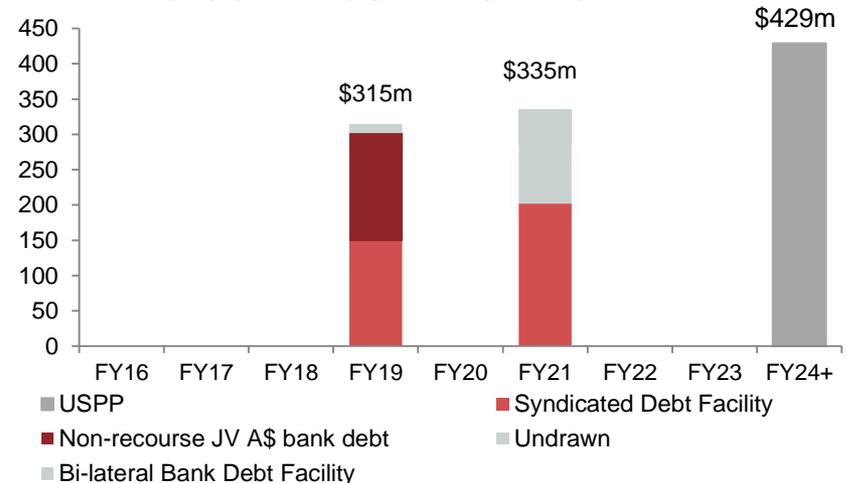
2. Weighted average debt maturity post February 2016 USPP.

### Portfolio characteristics

### Key metrics

|                                                             |                |
|-------------------------------------------------------------|----------------|
| Gross property assets                                       | \$2.5b         |
| Total look through debt (net of cash)                       | \$0.9b         |
| Gearing (look through)                                      | 35.4%          |
| Total number of assets                                      | 76             |
| Occupancy (weighted on GLA)                                 | 98.4%          |
| Anchor WALE                                                 | 10.3 years     |
| Weighted average cap rate                                   | 6.89%          |
| Same property NOI growth (1H FY16)                          | 2.4%           |
| Weighted averaged rent review <sup>1</sup> (next 12 months) | 4.1%           |
| Charter Hall co-investment                                  | \$224m / 14.3% |

### Debt expiry profile (by facility limit)



# Long WALE Investment Portfolio (LWIP)

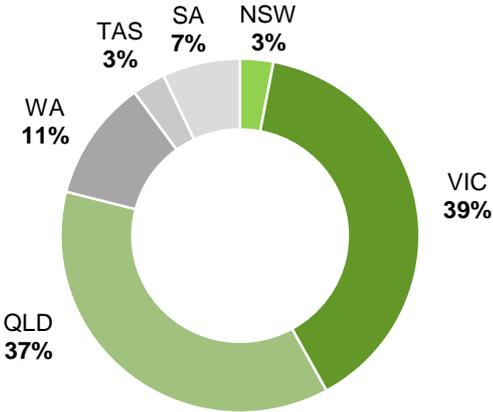
## Property Investment Portfolio

### Key events during 1H FY16

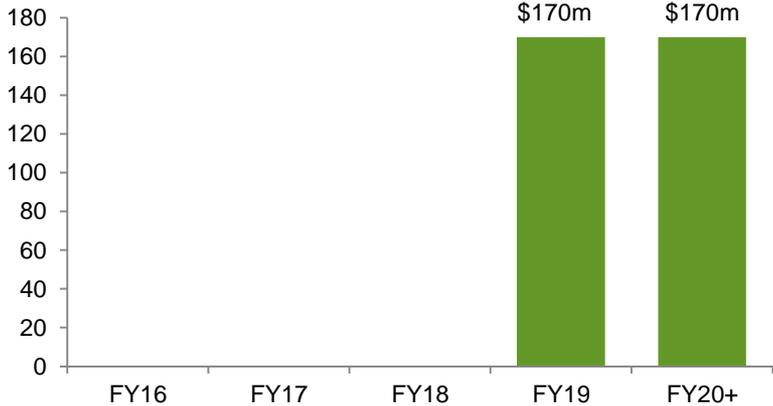
- \$675m portfolio of 54 ALH leased hotels including 18 Dan Murphy’s
- Portfolio WALE of 18.8 years at December 2015 with CPI annual rental increases
- 31 December 2015 weighted average cap rate of 6.17%

| Portfolio characteristics                     | Key metrics    |
|-----------------------------------------------|----------------|
| Gross property assets <sup>1</sup>            | \$0.7b         |
| Total debt                                    | \$0.3b         |
| Gearing (balance sheet)                       | 51.4%          |
| Number of assets                              | 54             |
| Occupancy                                     | 100%           |
| Weighted average lease expiry                 | 18.8 years     |
| Weighted average cap rate                     | 6.17%          |
| Weighted average rent review (next 12 months) | CPI            |
| Charter Hall co-investment                    | \$165m / 50.0% |

### Geographic allocation (by GAV)



### Debt expiry profile (by facility limit)



1. December 2015 Independent valuation.

# Key Financial Metrics

## Financial Performance

| Group                                         | 1H FY16               | 1H FY15               | Change        |
|-----------------------------------------------|-----------------------|-----------------------|---------------|
| Statutory profit after tax                    | \$143.5m              | \$39.9m               | 259.6%        |
| Operating earnings                            | \$61.2m               | \$48.4m               | 26.3%         |
| Operating earnings per security (OEPS)        | 15.0cps               | 13.7cps               | 9.5%          |
| Distribution per security (DPS)               | 13.3cps               | 12.1cps               | 9.9%          |
| Return on Equity <sup>1</sup> (earnings)      | 10.8%                 | 11.5%                 | (0.6%)        |
| Return on Equity <sup>2</sup> (total return)  | 24.5%                 | 13.7%                 | 10.8%         |
| <b>Balance Sheet</b>                          | <b>At 31 Dec 2015</b> | <b>At 30 Jun 2015</b> | <b>Change</b> |
| Funds under management                        | \$15.9b               | \$13.6b               | 17%           |
| Total Group assets                            | \$1,374m              | \$1,278m              | 7.5%          |
| NAV per security                              | \$3.17                | \$2.95                | 7.5%          |
| NTA per security                              | \$2.98                | \$2.76                | 8.0%          |
| Balance sheet gearing <sup>3</sup>            | 0.0%                  | 0.0%                  | -             |
| Look through gearing (inc CHC) <sup>4</sup>   | 29.2%                 | 23.9%                 | 5.3%          |
| PI look through gearing (ex CHC) <sup>5</sup> | 35.7%                 | 36.5%                 | (0.8%)        |

1. Return on equity (earnings) is calculated as operating earnings divided by opening NTA plus contributed equity during the year.

2. Return on equity (total return) is calculated as the growth in property NTA per security plus the distribution paid/payable per security divided by the opening NTA per security.

3. Debt (net of cash) / Gross assets (less cash)

4. Calculated as Charter Hall's debt (net of cash) / total assets (net of cash) of the Property Investments and Charter Hall's balance sheet.

5. As above excluding Charter Hall balance sheet

# Property Funds Management Operating Earnings

## Financial Performance

| \$m                                                              | 1H FY16     | 1H FY15     | Change      | Change %     |
|------------------------------------------------------------------|-------------|-------------|-------------|--------------|
| <b>Revenue</b>                                                   |             |             |             |              |
| Fund management fees                                             | 29.3        | 24.1        | 5.2         | 21.9%        |
| Transaction and performance fees                                 | 17.2        | 12.6        | 4.6         | 36.0%        |
| <b>Investment management</b>                                     | <b>46.5</b> | <b>36.7</b> | <b>9.8</b>  | <b>26.7%</b> |
| Property management fees                                         | 8.1         | 7.5         | 0.6         | 8.3%         |
| Development management fees (Inc. CIP)                           | 4.7         | 5.9         | (1.2)       | (19.3%)      |
| Leasing fees                                                     | 5.3         | 4.7         | 0.6         | 12.9%        |
| Facilities and project management fees                           | 1.9         | 1.1         | 0.8         | 66.2%        |
| <b>Property services</b>                                         | <b>20.0</b> | <b>19.2</b> | <b>0.8</b>  | <b>4.2%</b>  |
| <b>Total funds management revenue</b>                            | <b>66.5</b> | <b>55.9</b> | <b>10.6</b> | <b>19.0%</b> |
| Net operating expenses                                           | (38.7)      | (33.7)      | (5.0)       | 14.8%        |
| Depreciation                                                     | (1.4)       | (0.9)       | (0.5)       | 55.6%        |
| <b>Operating earnings: Property Funds Management<sup>1</sup></b> | <b>26.4</b> | <b>21.3</b> | <b>5.1</b>  | <b>24.0%</b> |

1. Excludes security-based benefits expense.

# Reconciliation of Operating Earnings to Statutory Profit

## Financial Performance

| \$m                                                                       | 1H FY16      | 1H FY15     |
|---------------------------------------------------------------------------|--------------|-------------|
| <b>Operating earnings</b>                                                 | <b>61.2</b>  | <b>48.4</b> |
| Net fair value loss on financial derivatives <sup>1</sup>                 | (1.8)        | (7.3)       |
| Net value adjustments on investments <sup>1</sup>                         | 88.7         | 4.0         |
| Amortisation and impairment of intangibles                                | (4.3)        | (5.1)       |
| Income taxes (non-cash)                                                   | (4.0)        | 0.4         |
| Gain on disposal of investments and inventory <sup>1</sup>                | 6.0          | 0.2         |
| Other <sup>1</sup>                                                        | (2.3)        | (0.7)       |
| <b>Statutory profit after tax attributable to stapled securityholders</b> | <b>143.5</b> | <b>39.9</b> |

1. Includes the Group's proportionate share of non-operating items of equity accounted investments on a look through basis.

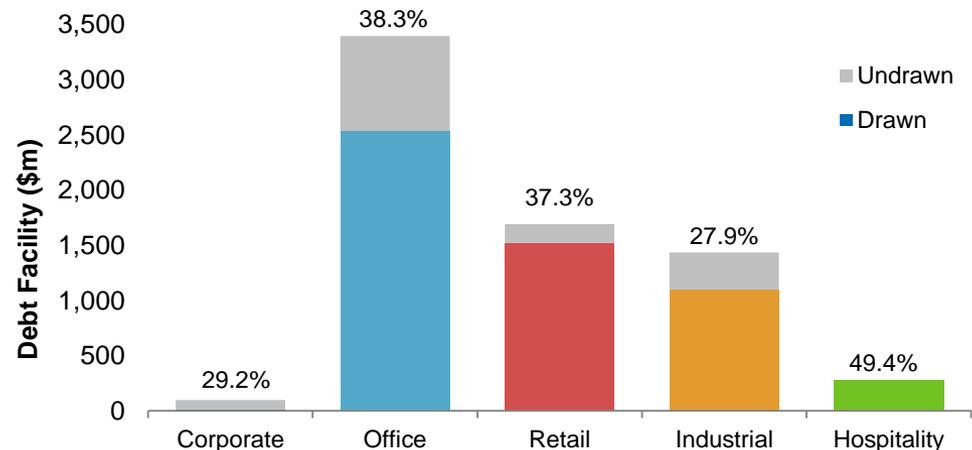
# Group Debt Management

## Capital Management and Funding

- Substantial funding capacity available across the funds platform
  - \$6.9bn of debt facilities across 26 funds and the Group
  - \$1.5bn available undrawn debt plus \$0.2bn of cash
- \$0.9bn of new debt facilities and \$0.8bn of refinanced debt in HY16
- Group weighted average debt maturity<sup>1</sup> of 3.3 years, up from 3.2 years
- WACD<sup>2</sup> is to 4.72% down from 4.88%
- Interest rate hedging to 71%, down from 79% across the funds platform
- Since 30 June 2015 \$0.5b of debt facilities raised from new sources
- 28% of group debt facilities unsecured

| Key Debt Metrics                                               | Dec 15  | Jun 15  |
|----------------------------------------------------------------|---------|---------|
| Group facility limit (\$m)                                     | 6,901   | 6,336   |
| Group undrawn debt (\$m)                                       | 1,459   | 1,667   |
| Total group cash (\$m)                                         | 206     | 262     |
| Look through gearing (%)                                       | 29.2%   | 23.9%   |
| Look through weighted average debt maturity (yrs) <sup>1</sup> | 3.3 yrs | 3.2 yrs |
| Look through weighted average cost of debt <sup>2</sup>        | 4.72%   | 4.88%   |
| Look through interest rate hedging (%)                         | 71%     | 79%     |

Look through Debt Facility by Sector<sup>1</sup>



1. Debt duration is based on facility limits.

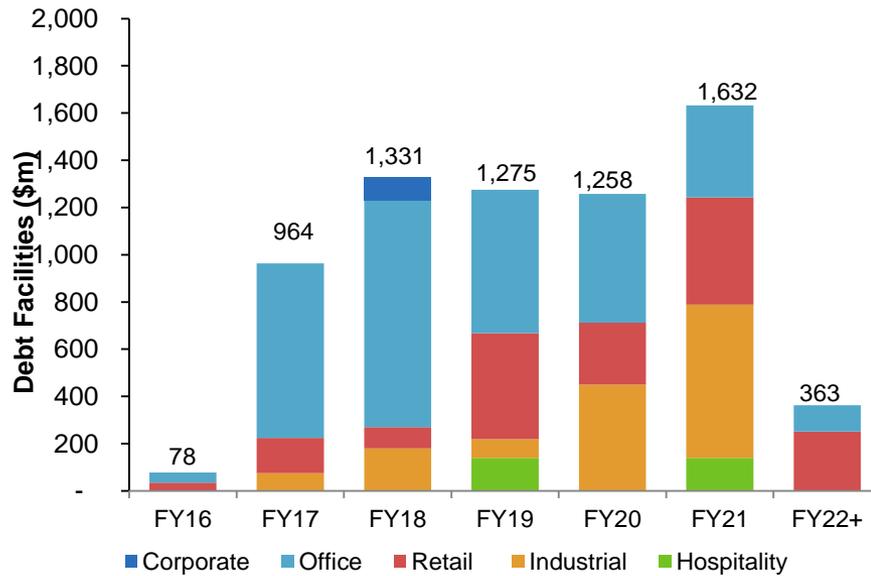
2. Passing cost of debt is on a look through basis and includes floating rate, hedge rate, margins, line fee but excludes undrawn line fees and amortised borrowing costs.

# Debt Maturity Profile

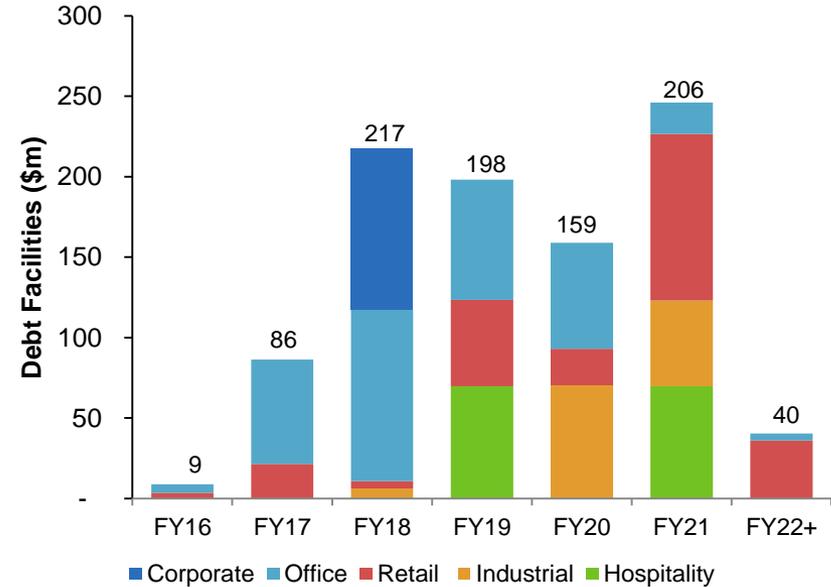
## Capital Management and Funding

- CHC look through weighted average maturity at 31 December 2015 is 3.3 years

**Total Group**



**CHC look through**



# 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       |
| LWIP2                               | Long WALE Investment Partnership No. 2 |
| RP1                                 | Retail Partnership No.1                |
| RP2                                 | Retail Partnership No.2                |
| RP6                                 | Retail Partnership No.6                |
| Funds being realised                |                                        |
| CHOF5                               | Charter Hall Opportunity Fund 5        |
| CHUF                                | Charter Hall Umbrella Fund             |
| DPF                                 | Diversified Property Fund              |

| Direct 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<br>(Formerly Charter Hall Direct Property Fund) |
| PFA             | PFA Diversified Fund                                               |
| VA              | Charter Hall Direct VA Trust                                       |
| DAT             | Charter Hall Direct Automotive 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                                      |

# About Charter Hall Group

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Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over 24 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. As at 31 December 2015 Charter Hall had \$15.9 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.

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