

ASX Release

Charter Hall and partners secure sale of CIP

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Charter Hall Group (ASX:CHC) (**Charter Hall** or the **Group**) and the Foundation Investors of Commercial and Industrial Property Pty Ltd (**CIP**) today announced they have entered into binding documentation with ESR Developments (Australia) Pty Ltd (**ESR**) for the sale of CIP.

The sale price represents an enterprise value for CIP of \$102.5 million, with the Group's 50% share of net proceeds delivering a \$9.5 million premium to Charter Hall's carrying book value.

Charter Hall's Managing Director and Group CEO, David Harrison said: "Since the acquisition of a 50% shareholding in 2007, the partnership has been a successful strategy for both Charter Hall and CIP delivering an approximately 10% per annum average cash franked dividend to shareholders.

"The partnership has also contributed over \$1 billion of pre-leased investments contributing to our now \$6 billion of industrial and logistics investment assets, together with a further \$1.5 billion development pipeline. The partnership has delivered high quality pre-leased industrial investments to major tenant customers such as Australia Post, VW, Ceva, AHG, Coles, Target, Reject Shop, Couriers Please and many others, with a total of 30 pre-leased industrial investments secured.

"Charter Hall now has a fully integrated internal development capability, which has led to the decision of all shareholders to realise our investment in CIP. I would like to wish Paul McKenna, Therese Lynch and the CIP management team continued success with their new owner, ESR. I also acknowledge the strong working relationship we have enjoyed with foundation shareholders Paul, Therese and Dennis Santilli," Mr Harrison added.

CIP Chief Executive Officer Paul McKenna said: "It has been a pleasure working with the Charter Hall team over the past 10 years and we look forward to continuing this mutually beneficial relationship in our current joint venture arrangements as we grow the CIP business under the ESR brand in Australia".

The transaction has been reviewed and approved by the Foreign Investment Review Board and is expected to settle in July 2018. Charter Hall and the Foundation Investors of CIP were advised by UBS AG, Australia Branch and King & Wood Mallesons.

**About Charter Hall**

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over 25 years' experience managing and investing in high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$22.5 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.

About Commercial and Industrial Property Pty Ltd (CIP)

CIP is an integrated development group with a national presence, providing sourcing, acquisition, master planning, remediation and rezoning, leasing, design and construction services for our partners and clients. CIP has facilitated or delivered over \$2.5 billion of development since 2006 (1.5 million sqm GFA).

For further information, please contact

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