

APPENDIX 4D

Half Year Report
for the period ended 31 December 2016

Name of Entity: Charter Hall Long WALE REIT comprising of the seven Australian registered schemes listed below (collectively referred to as the "Stapled Trusts"):

- Charter Hall Direct Industrial Fund ("DIF") and its controlled entities (ARSN 144 613 641);
- LWR Finance Trust ("Finance Trust") and its controlled entity (ARSN 614 713 138);
- Canning Vale Logistics Trust No.1 ("CVLT1") (ARSN 614 713 012);
- 218 Bannister Road Trust ("218 BRT") (ARSN 614 712 588);
- CPOF Kogarah Holding Trust ("CPOF KHT") and its controlled entity (ARSN 614 714 073);
- Franklin Street Property Trust ("FSPT") (ARSN 614 714 206); and
- CHPT Dandenong Trust ("CHPT DT") and its controlled entity (ARSN 614 712 506).

Results for announcement to the market

	6 months to 31 December 2016 \$m	6 months to 31 December 2015 \$m	Variance (%)
Revenue from ordinary activities	14.5	9.0	61.1%
Profit/(loss) from ordinary activities after tax attributable to members	(2.8)	19.0	(114.7%)
Operating earnings ¹	11.8	6.1	93.4%

¹ Operating earnings is a financial measure which represents (loss)/profit under Australian Accounting Standards adjusted for net fair value movements, non-cash accounting adjustments such as straight lining of rental income and amortisations and other unrealised or one-off items. Operating earnings also aligns to the Funds from Operations (FFO) as defined by the Property Council of Australia. The inclusion of operating earnings as a measure of Charter Hall Long WALE REIT's (the REIT) profitability provides investors with the same basis that is used internally for evaluating operating segment performance. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare. A reconciliation of the REIT's statutory profit/(loss) to operating earnings is provided in Note 2 of the consolidated interim financial statements.

	6 months to 31 December 2016 cents per stapled security	6 months to 31 December 2015 cents per stapled security	Variance (%)
Basic loss per stapled security	3.28	N/A	N/A
Operating earnings per stapled security	13.83	N/A	N/A

Distributions	Amount per stapled security, cents per stapled security
<i>Current year:</i>	
Interim distribution in respect of:	
- DIF	1.90
- CVLT1	0.20
- 218 BRT	0.20
- CPOF KHT	0.20
- FSPT	0.80
- CHPT DT	<u>0.10</u>
	3.40
<i>Previous corresponding year:</i>	
Interim distribution:	
- DIF	N/A
Record date for determining entitlements to the distribution	30 December 2016

Results for announcement to the market (continued)

The REIT recorded a statutory loss of \$2.8 million for the period ended 31 December 2016 (31 December 2015: profit of \$19.0 million).

Operating earnings amounted to \$11.8 million for the period ended 31 December 2016 (31 December 2015: \$6.1 million).

Operating earnings for the period from 10 November to 31 December was \$7.1 million and a \$7.0 million distribution (3.40 cents per stapled security) was declared on 19 December 2017.

The REIT's statutory accounting loss of \$2.8 million includes a number of unrealised, non-cash and capital items:

- \$9.4 million of unrealised net valuation gains on investment properties;
- (\$5.7) million revaluation decrement attributable to acquisition cost;
- \$2.3 million of unrealised and realised losses on derivative financial instruments;
- (\$0.2) million of debt extinguishment and amortisation of borrowing costs;
- (\$5.2) million of disposal fees; and
- (\$15.2) million of costs associated with Initial Public Offering.

Refer to the attached consolidated balance sheet, consolidated statement of comprehensive income and consolidated cash flow statement for further detail.

Details of Distributions

Refer attached interim financial report (Directors' Report and Note 5: Distributions Paid or Payable).

Net Tangible Assets

	31 December 2016	30 June 2016
Net tangible asset backing per stapled security ¹	3.88	1.31

¹ Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e., all liabilities, preference shares, outside equity interest, etc.)

Control gained or lost over entities during the period

Under AASB 3 *Business Combinations* and AASB 10 *Consolidated Financial Statements*, DIF obtained control of the other Stapled Trusts following the stapling transaction on 10 November 2016.

On 28 November 2016, the REIT established SUEZ Portfolio Trust, a wholly owned subsidiary of DIF.

Details of Associates and Joint Venture entities

Refer attached interim financial report (Note 7: Investments accounted for using the equity method).

Other significant information

For additional information regarding the results of the REIT for the half year ended 31 December 2016 please refer to the Half Year Results – ASX Media Announcement and the Half Year Results Presentation for the six months to 31 December 2016 lodged with the ASX. Attached with this Appendix 4D is a copy of the interim financial report for the half year ended 31 December 2016.

Audit

This report is based on accounts to which one of the following applies.

<input type="checkbox"/>	The accounts have been audited (refer attached financial statements).	<input checked="" type="checkbox"/>	The accounts have been subject to review (refer attached financial statements).
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have not yet been audited or reviewed.