

Appendix 4E

Annual Final Report

For the Year Ending 30 June 2019

Results for announcement to the market

Name of entity

Charter Hall Education Trust (ARSN 102 955 939)

Results for announcement to the market

	12 months to 30 June 2019 \$'000	12 months to 30 June 2018 \$'000	Variance (%)
Revenue from ordinary activities	115,237	133,641	(13.8)
Profit from ordinary activities after tax attributable to unitholders	68,747	103,128	(33.4)
Operating earnings ¹	44,208	41,891	5.5

¹ Operating earnings is a financial measure which represents 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 Education Trust's (the Fund) 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 Fund's statutory profit to operating earnings is provided in Note A1 of the financial statements.

	12 months to 30 June 2019 \$'000	12 months to 30 June 2018 \$'000	Variance (%)
Basic earnings per unit	25.7	40.5	(36.5)
Operating earnings per unit	16.5	16.5	-

Results for announcement to the market

The Fund recorded a statutory profit of \$68.7 million for the year ended 30 June 2019 (30 June 2018: \$103.1 million). Operating earnings amounted to \$44.2 million (16.5 cents per unit) for the year ended 30 June 2019 (30 June 2018: \$41.9 million).

The Fund's statutory accounting profit of \$68.7 million includes the following unrealised, non-cash and other items:

- \$ 36.6 million of net fair value movements on investment properties (2018: \$56.7 million);
- \$ 2.2 million of straightlining of rental income and amortisation of lease fees/incentives (2018: \$2.0 million);
- (\$ 0.2) million of loss on sale of investment properties (2018: gain of \$1.8 million);
- (\$ 3.2) million of share of equity accounted loss (2018: nil); and
- (\$10.9) million of movement in derivatives (2018: gain of \$0.7 million).

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

Details of Distributions

Distributions paid or declared by the Fund during the year ending 30 June 2019 are as follows:

Quarter	Paid	Cents per unit	\$'000
Quarter ending 30 September 2018	19 October 2018	4.0	10,167
Quarter ending 31 December 2018	21 January 2019	4.0	10,300
Quarter ending 31 March 2019	24 April 2019	4.0	10,343
Quarter ending 30 June 2019	19 July 2019	4.0	12,025
Total		16.0	42,835

Record date for 30 June 2019 distribution – 28 June 2019

Details of Distribution Reinvestment Plan

The Distribution Reinvestment Plan ("DRP") was re-activated on 9 September 2014 and will apply to future distributions unless notice is given of its suspension or termination.

Applications to participate in or to cease or vary participation in the DRP were required to be correctly completed and lodged by 2 July 2019 if they were to apply to the June quarter distribution.

The key terms of the DRP are as follows:

- A 1.50% discount is applicable to units issued under the DRP.
- No brokerage, commission or other transaction costs will be payable by participants on units acquired under the DRP.
- Units acquired under the DRP rank equally with existing units on issue.
- The price at which units are allocated under the DRP is the daily volume weighted average market price of Charter Hall Education Trust units sold in the ordinary course of trading on the ASX during the 10 trading day period starting on the second business day after the record date.

Net tangible assets per unit

	30 June 2019	30 June 2018
Net tangible asset backing per ordinary unit	\$2.96	\$2.78

Details of entities over which control has been gained or lost during the year

Nil to report.

Details of associates and joint venture entities

Refer to attached Annual Financial Report (Note B2: Investment in Joint Venture Entities)

Other significant information

Nil to report.

Foreign entities

Not applicable.

Commentary on the results for the year

Returns to unitholders including distributions and buybacks

There were no buybacks during the financial year (2018: nil).

Significant features of operating performance

Refer to Annual Financial Report and ASX Announcement dated 7 August 2019.

Results of segments

Refer to Annual Financial Report and ASX Announcement dated 7 August 2019.

Discussion of trends in performance

Refer to Annual Financial Report and ASX Announcement dated 7 August 2019.

Factors which have affected the results in the year or which are likely to affect results in the future, including those where the effect could not be quantified

Refer to Annual Financial Report and ASX Announcement dated 7 August 2019.

Audit of financial statements

The report is based on audited financial statements.

Disputes with auditors or qualifications

Nil

Grant Bartley Hodgetts

Chairman

Dated: 7 August 2019