

27 August 2014

Charter Hall Group

Full Year Results
30 June 2014



Agenda



David Harrison
Joint Managing Director



David Southon
Joint Managing Director



Paul Altschwager
Chief Financial Officer

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- | | |
|----------|---------------------------------------|
| 1 | Results Summary |
| 2 | Property Investments |
| 3 | Property Funds Management |
| 4 | Financial Results |
| 5 | Strategy, Outlook and Guidance |
| 6 | Additional Information |
-

Results Summary

1

Key achievements

Results summary²

**OEPS and DPS
growth
of 10.4%**

**Total
Securityholder
return of
16.3%¹**

**Property
Investment
yield 7.7%**

**\$3.0bn
transactions**

\$1.8bn of acquisitions
\$1.2bn of divestments

**Australian FUM
up 15% to
\$11.5bn**

**\$1.45bn gross
equity inflows**

\$1.0bn net equity inflows

1. Source: UBS and S&P/ASX

2. All statistics are based on the 12 months to 30 June 2014

Integrated platform delivers solid earnings growth

Results summary

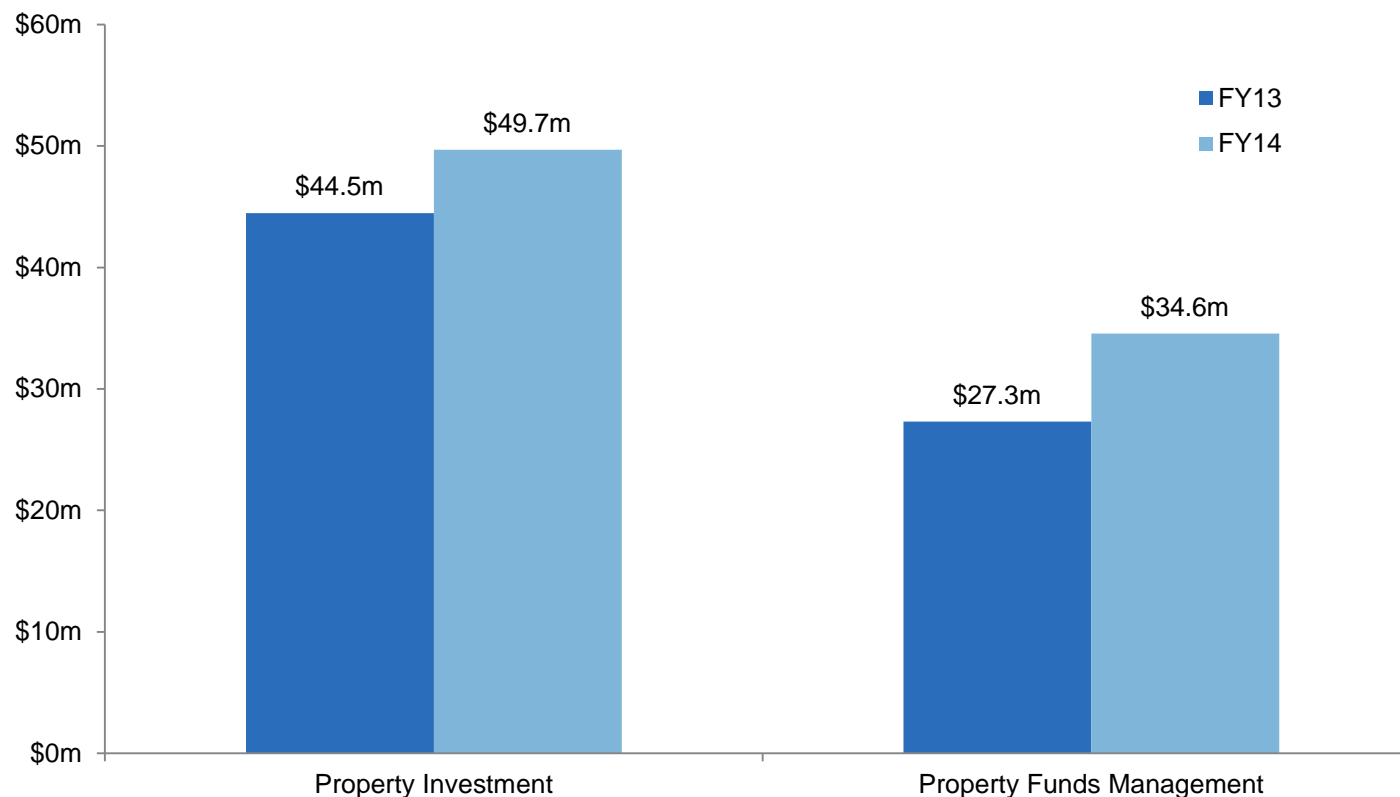
- **Increase in operating earnings per security (OEPS) to 25.31cps, up 10.4%**
 - Statutory profit after tax of \$82.1m, up from \$54.8m
 - Operating earnings of \$81.2m, up 18.0%
 - Distribution of 22.3cps, up 10.4%
 - NTA per security is \$2.38, up from \$2.13
- **Property Investments (PI) operating earnings up 11.7% to \$49.7m**
 - Property Investments increased to \$720m
 - Property Investment yield increased to 7.7%
 - Charter Hall co-invested a further \$107m into Property Investments
- **Property Funds Management (PFM) operating earnings up 26.6% to \$34.6m**
 - Secured \$1.45bn of gross equity or \$1.0bn of net equity during FY14
 - Australian FUM increased by 15.2% to \$11.5bn
 - Property Funds Management EBITDA margin increased from 34.1% to 36.2%

Earnings composition

Results summary

Operating earnings of \$81.2m¹, up 18.0% from \$68.8m

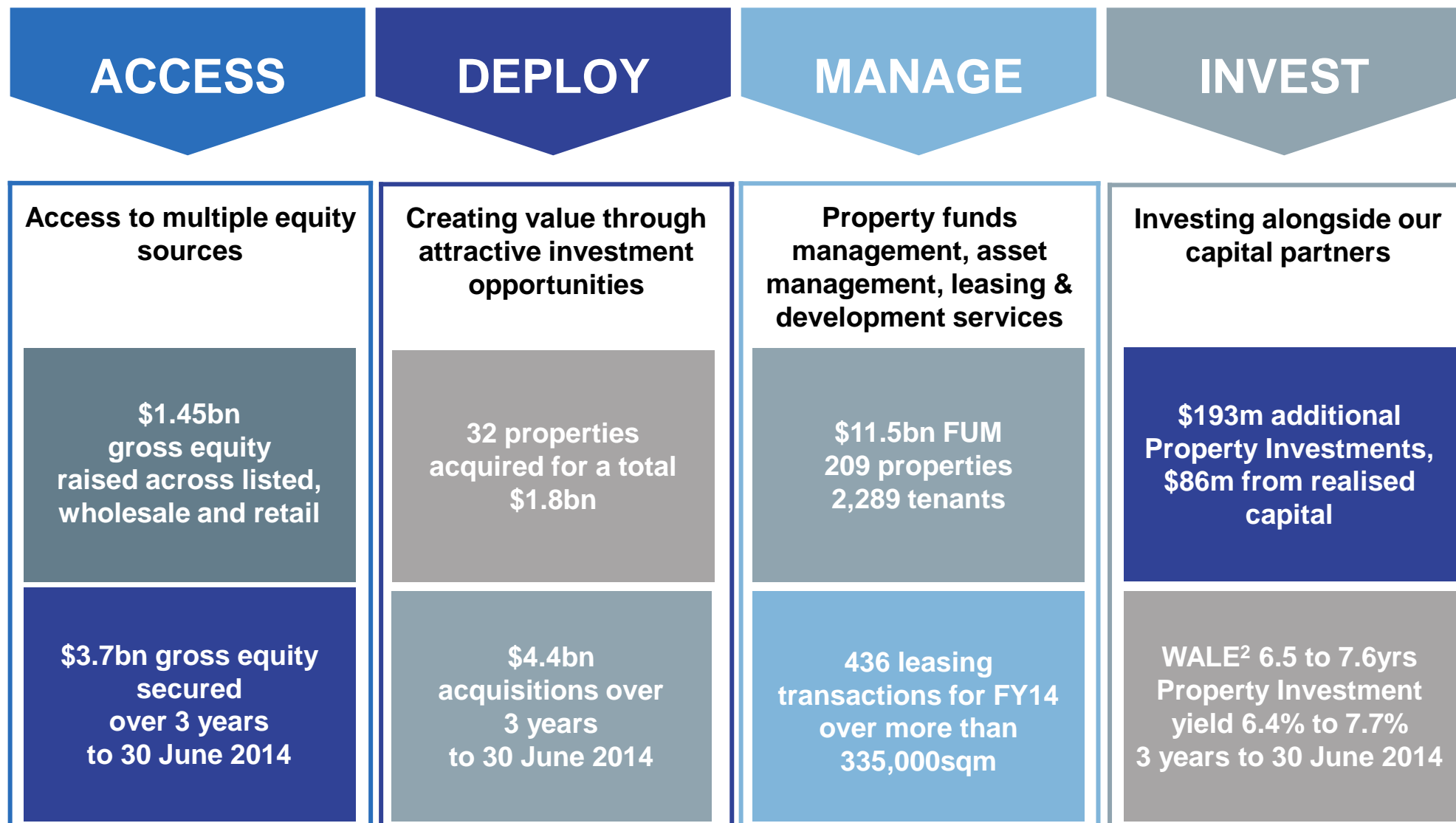
- Property Investments operating earnings growth of 11.7%
- Property Funds Management operating earnings growth of 26.6%
- Property Investments represents 61% of operating earnings



1. Operating Earnings of \$81.2m includes non-cash security based benefit expense of \$3.1m (FY13: \$3.0m) which is not allocated to any of the segments described above.

Consistent delivery on strategy

Results summary¹



1. All statistics are based on the 12 months to 30 June 2014 unless otherwise stated

2. WALE is the Weighted Average Lease Expiry for the portfolio which is measured by all tenants remaining leases in years, weighted by each tenants gross income as a proportion of the total potential gross income for the portfolio (including vacant space at market rates)

Total Securityholder Returns

Results summary

- Total securityholder return for the 12 months to 30 June 2014 : 16.3%
- Best performance in A-REIT index over 3 years : 34.0%

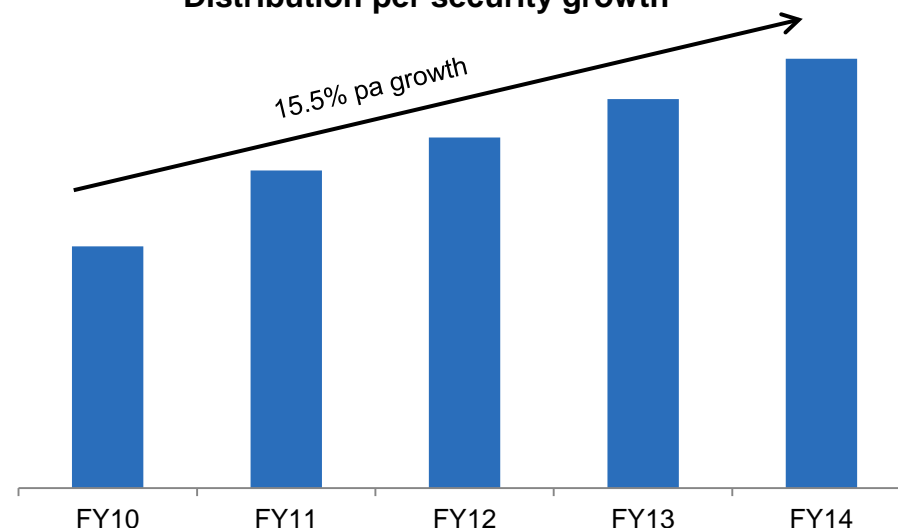
**Total performance over 1 and 3 years (% pa)
to 30 June 2014¹**



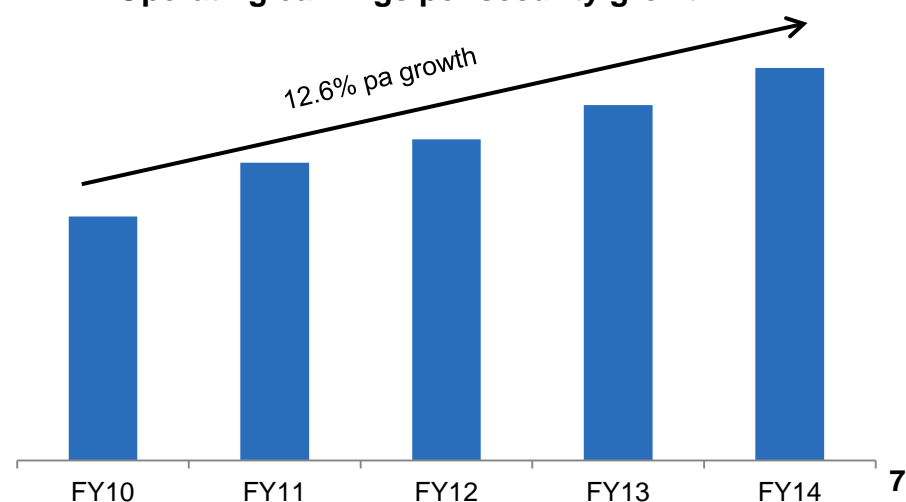
1. Source: UBS and S&P/ASX

2. All prior period operating earnings per security restated to include non-cash security based benefits expense

Distribution per security growth



Operating earnings per security growth



Property Investments

2

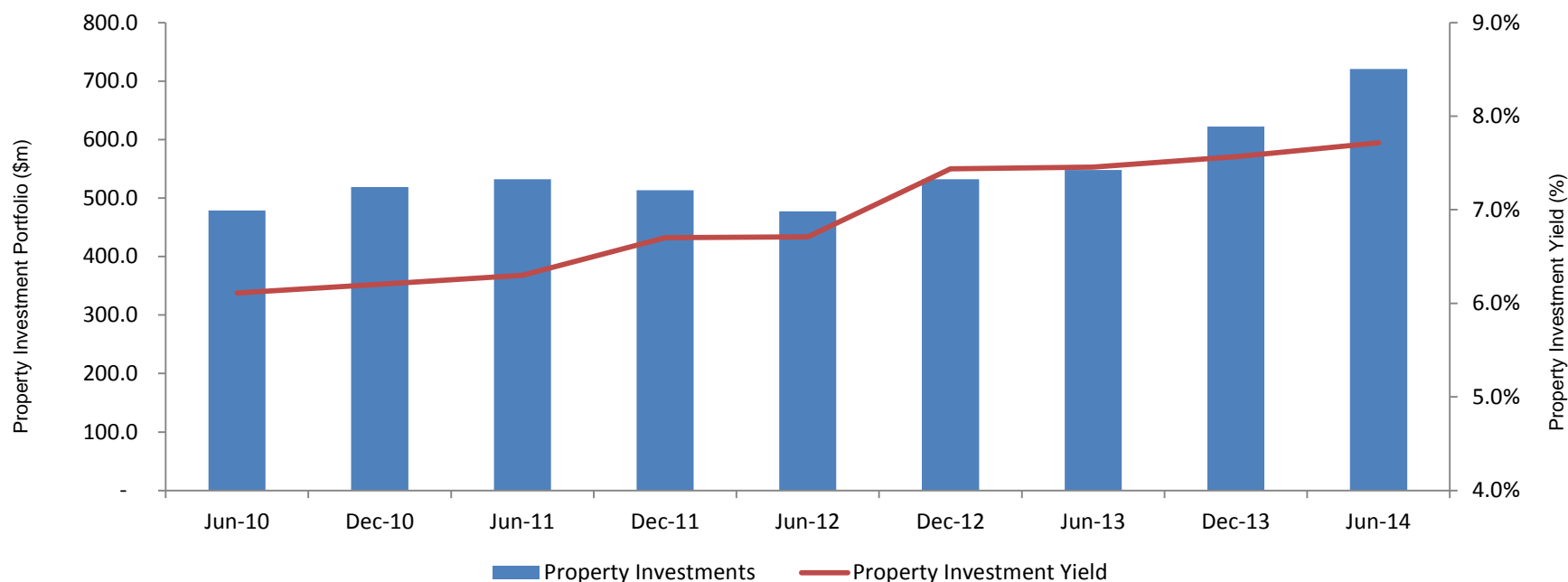
Charter Hall Property Investment strategy

Property Investments

INVEST

- Charter Hall Group co-invests with capital partners
- Property Investment portfolio constructed to optimise Group OEPS and NTA growth
- Targeting long WALE property portfolios leased to quality tenants with sustainable business models
- Enhancing quality of earnings through increased WALE, increased exposure to investment grade tenants and diversifying the rental growth profile

Property Investment Earnings Drivers

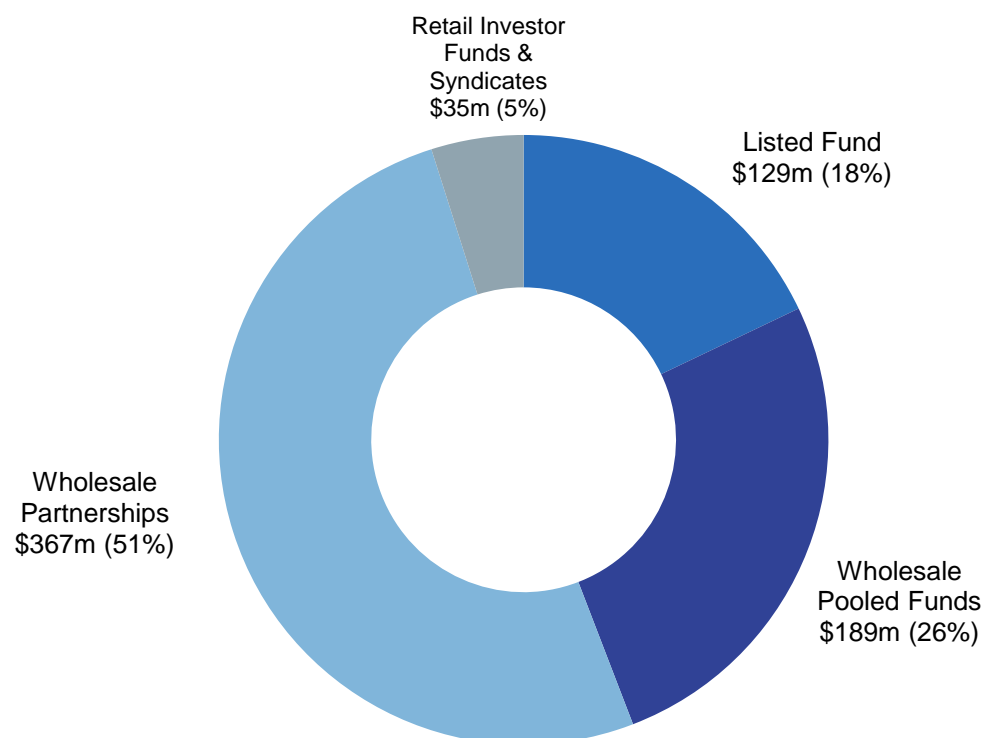


Charter Hall Group balance sheet

Property Investments

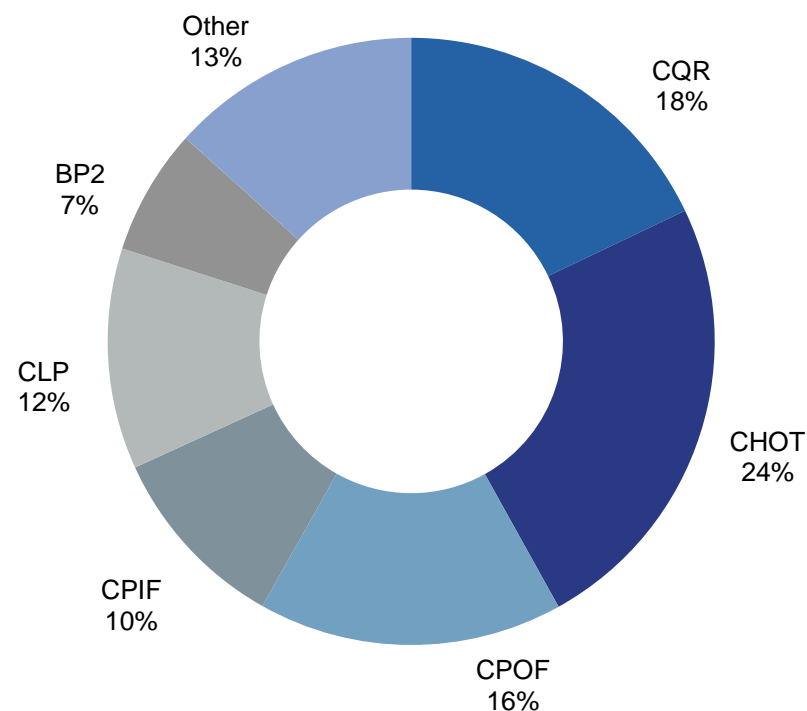
- Property Investments operating earnings growth of 11.7%
- Charter Hall's Property Investments total \$720m, up from \$603m at 30 June 2013
- Contributed FY14 operating earnings of \$49.7m¹, 61% of total operating earnings
- Annualised investment yield of 7.7%
- WALE of 7.6 years, an increase of 2.0 years on FY13 and 97% occupancy

By Fund Type



By Fund

% of CHC Property Investment portfolio



1. Includes operating earnings from direct property and property investments
Charter Hall Group / Full Year results 30 June 2014

Portfolio reweighted

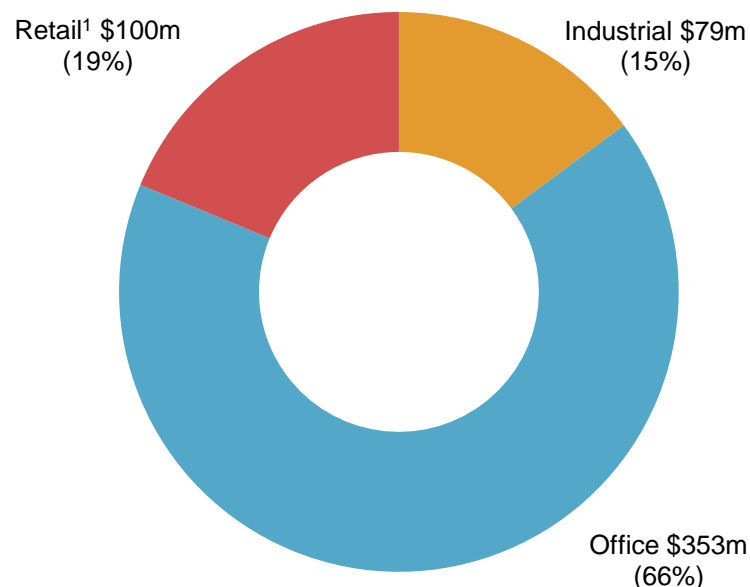
Property Investments

In line with its stated strategy, Charter Hall Group has focused on reweighting its Property Investment portfolio over the last 3 years towards a more diversified portfolio with greater security of income

- Diversified sector exposure away from office and increased interest in retail and industrial assets
- WALE has increased from 6.5 years to 7.6 years
- Property yield increased from 6.4% to 7.7%

Property Investments by Sector

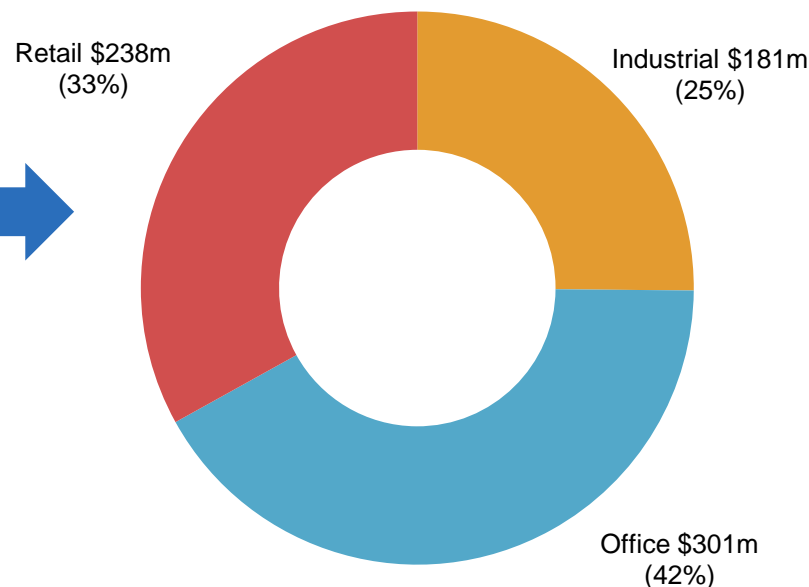
30 June 2011



1. Excludes DRF

Property Investments by Sector

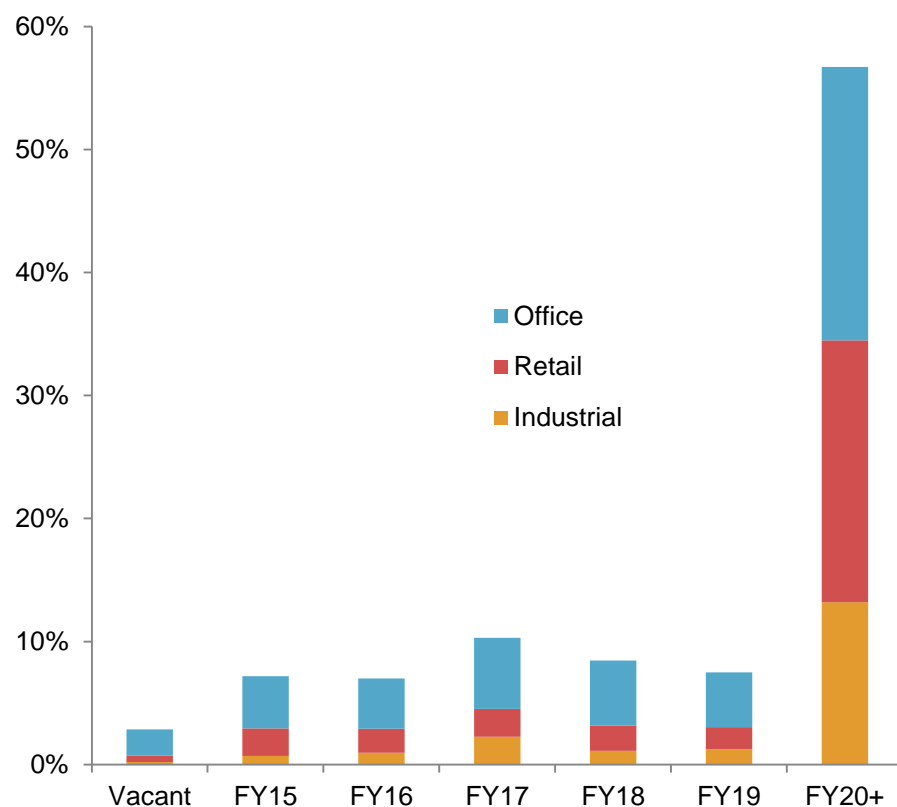
30 June 2014



Portfolio metrics

Property Investments

Lease expiry profile¹ (30 June 2014)



Top 10 tenants (30 June 2014)

Tenant	% Portfolio leased (By gross income)
Wesfarmers subsidiaries	13.5
Governments	10.2
Woolworths or subsidiaries	7.4
Macquarie Group	5.1
Telstra	5.1
Westpac	2.1
Metcash	1.6
Wilson Parking	1.3
Commonwealth Bank	1.1
Allianz	1.1
Total	48.5

1. Charter Hall Group's position based on the lease expiry profile and investment exposure in each fund / partnership (weighted on a passing gross income basis)

Property Funds Management

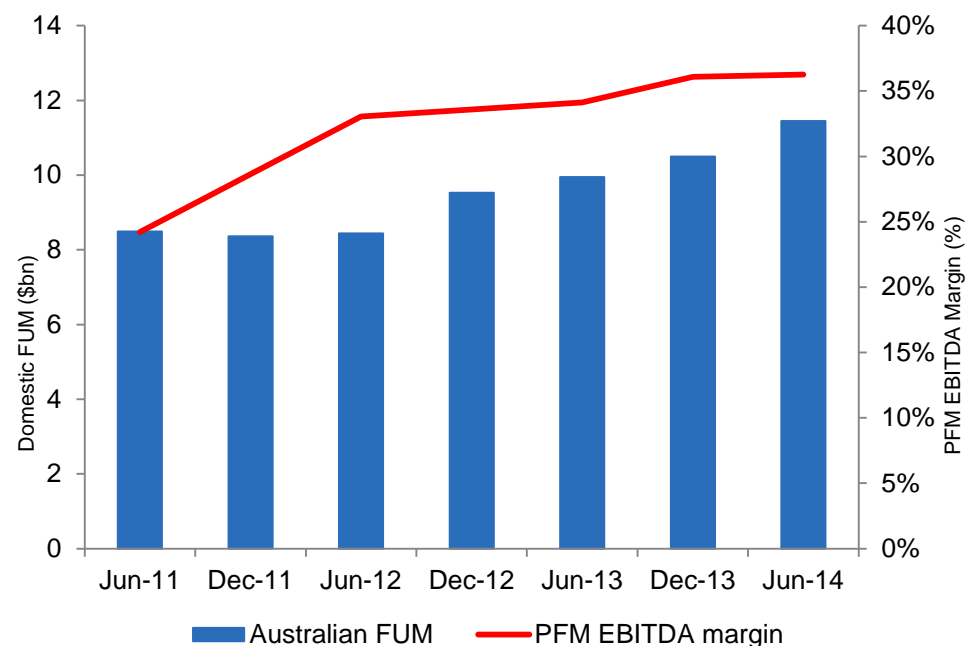
3

Access, Deploy and Manage

Property Funds Management

- Integrated service model with over 350 employees and 5 Australian offices
- Investment management
 - fund and portfolio management
 - transactions
 - investor relations
- Property and support services
 - asset management
 - property management
 - facilities management
 - development services
- Management focus on:
 - tenant relationships
 - WALE optimisation from tenant renewals and new leases
 - enhancing the customer experience
 - operational efficiency
 - active asset and property management
 - Strategic asset plan implementation driving returns

Property Funds Management Earnings Drivers

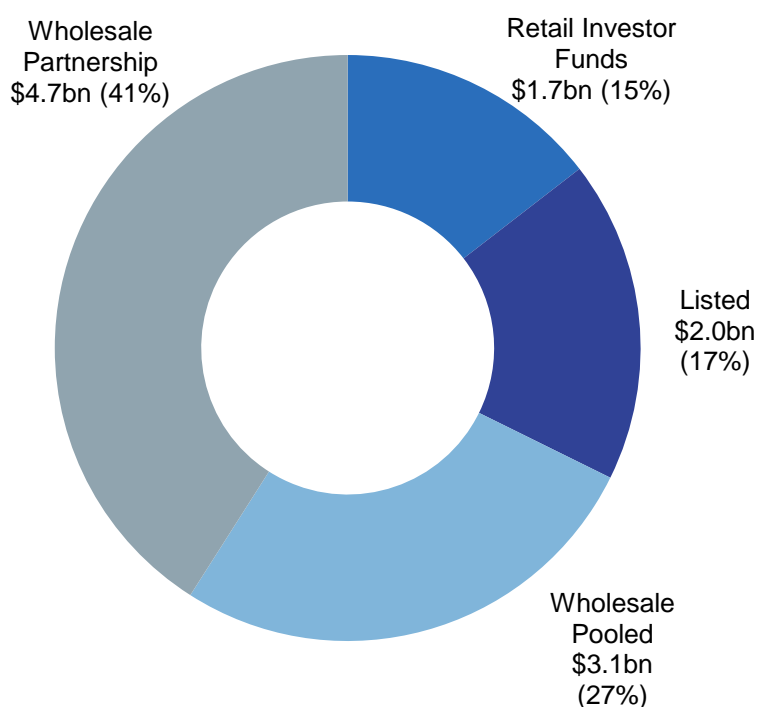


Well diversified funds management portfolio

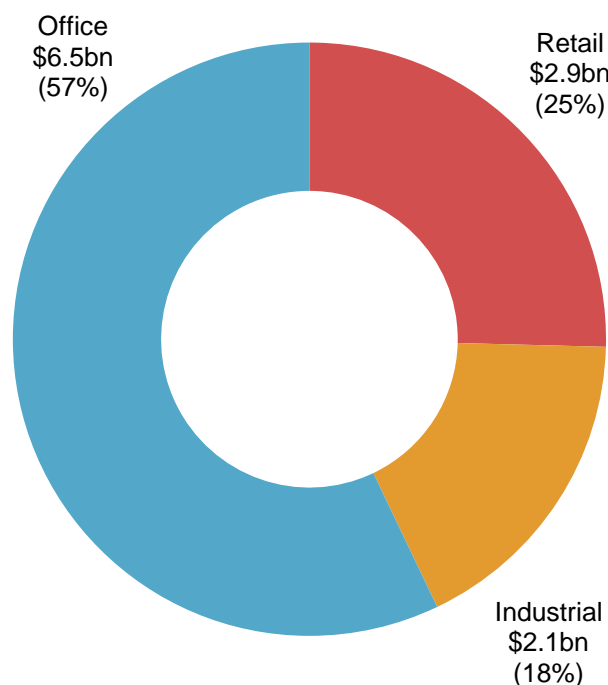
Property Funds Management

	Portfolio Size (\$bn)	No. of properties	No. of tenants	Gross income (\$m)	WALE (years)	Occupancy (%)	Average cap rate (%)
FY14	11.5¹	209¹	2,289³	1,000	7.3	96.8	7.7
FY13	10.3	200	2,968	909	6.1	97.4	8.0

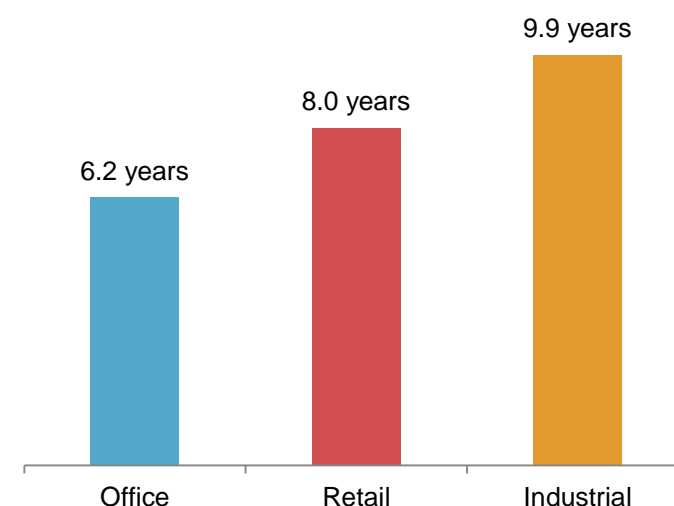
**Diversification by equity source
June 2014**



**Asset type diversification
June 2014**



**WALE by sector
June 2014**



1. Represents Charter Hall's Australian funds management platform as at 30 June 2014
2. Charter Hall property investment portfolio asset type diversification differs from FUM platform and is shown on slide 11
3. Decline in number of tenants is due to the sale of Charter Hall Retail REIT's offshore assets

Office sector activity

Property Funds Management

12 months to 30 June 2014

- **\$6.5bn Office funds under management**, an increase of 6.6%
- Completed 109 leasing agreements across 191,429sqm, increasing office portfolio WALE from 5.1 to 6.2 years
- Major leasing deals at **2 Park Street** and **No.1 Martin Place**, Sydney
- Commenced \$320m redevelopments at **333 George Street**, Sydney and **570 Bourke Street**, Melbourne
- **Two new Direct office asset syndicates** with a total value of \$190m
- Established a **new wholesale partnership** for the \$215m Adelaide ATO office building
- 130 Stirling Street Trust realised a net IRR >15%



ATO Building, 16-26 Franklin Street, Adelaide, SA

Sector overview	30 Jun 2014	30 Jun 2013	change
FUM	\$6.5bn	\$6.1bn	\$0.4bn
No. of properties	55	56	(1)
Gross income	\$586m	\$600m	(\$14m)
Occupancy	95.4%	97.1%	(1.7%)
WALE	6.2yrs	5.1yrs	1.1yrs
Cap Rate	7.7%	7.9%	(0.2%)
CHC Investment	\$301m	\$311m	(\$10m)

Retail sector activity

Property Funds Management

12 months to 30 June 2014

- Total Australian retail FUM has **increased by 11.5% to \$2.9bn**
- Total 319 leasing deals over 70,705sqm
- Completed 3 retail redevelopments with an **on completion value of \$217m** and stabilised **yield of 9.6%**, a **further 3 redevelopments underway** with a completion value of \$164m
- **Established BP2 (\$127m) and BW Trust (\$68m).** Bunnings portfolio now totals close to \$400m
- Appointed **Head of Retail Property Services** (commencing in October 14)



Coomera City Centre, QLD

Sector overview ¹	30 Jun 2014	30 Jun 2013	Change
FUM	\$2.9bn	\$2.6bn	\$0.3bn
No. of properties	96	93	3
Gross income	\$238m	\$216m	\$22m
Occupancy	98.5%	97.3%	1.2%
WALE	8.0yrs	7.2yrs	0.8yrs
Cap Rate	7.6%	8.2%	(0.6%)
CHC Investment	\$238m	\$213m	\$25m

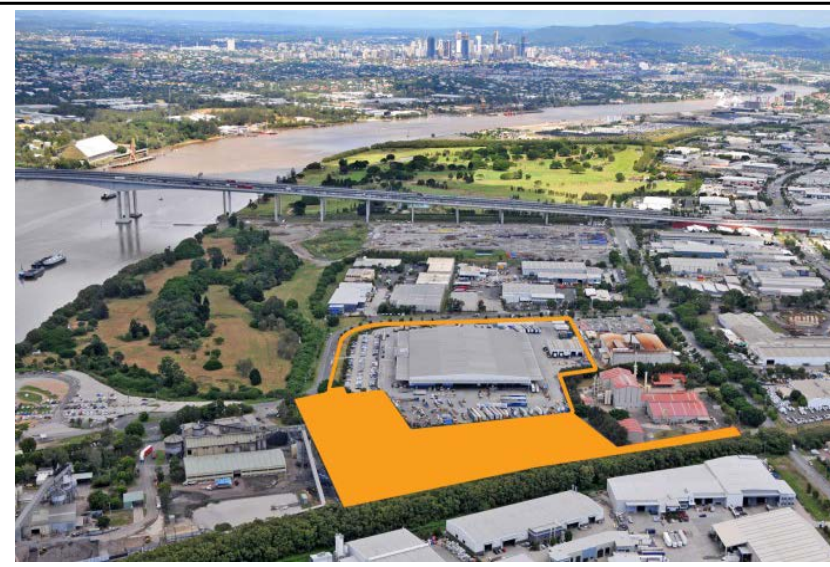
1. Australia only

Industrial sector activity

Property Funds Management

12 months to 30 June 2014

- Group's Industrial FUM has **grown 82% to \$2.1bn**
- Industrial **development pipeline now approximately 368,000sqm** with an end value of > \$530m
- Occupancy remains **above 99%** and **WALE of 9.9 years** following **8 leases** totaling 73,205sqm
- CPIF has grown to \$907m acquiring or developing 11 logistic assets for a total of \$280m
- **CLP continues to grow** with the acquisition of 7 logistics assets for \$340m (completion value)
- **DIF2 now owns 7 assets** with a total value of \$179m and further capacity to grow to \$235m
- CIP has **increased its profit contribution** and experienced **an increase in pre-lease** demand driving growth in investment funds



200 Holt Street, Pinkenba, Qld

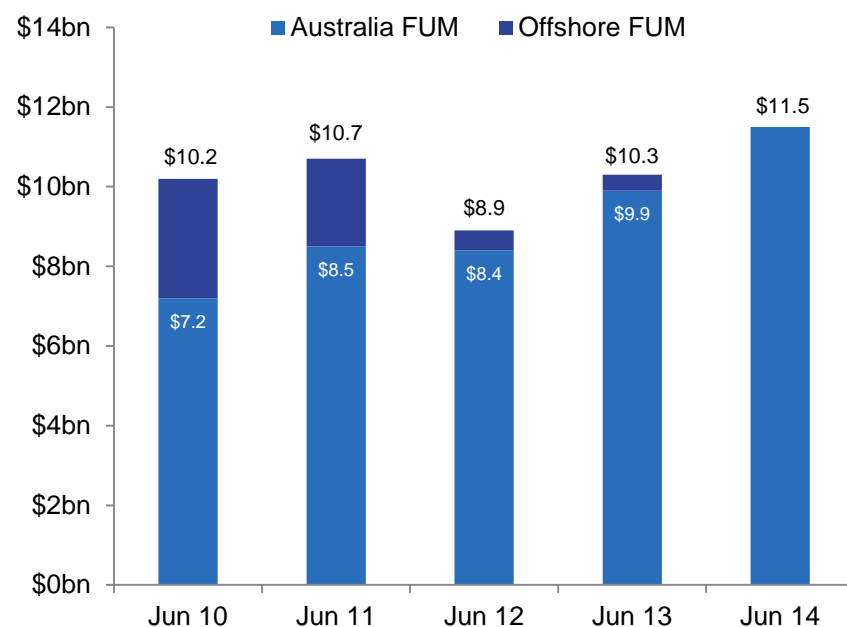
Sector overview	30 Jun 2014	30 Jun 2013	Change
FUM	\$2.1bn	\$1.1bn	\$1.0bn
No. of properties	58	39	24
Gross income	\$176m	\$98m	\$78m
Occupancy	99.4%	99.9%	(0.5%)
WALE	9.9yrs	10.8yrs	(0.9)yrs
Cap Rate	7.9%	8.1%	(0.2%)
CHC Investment	\$181m	\$79m	\$102m

Australian FUM growth of 15% drives earnings

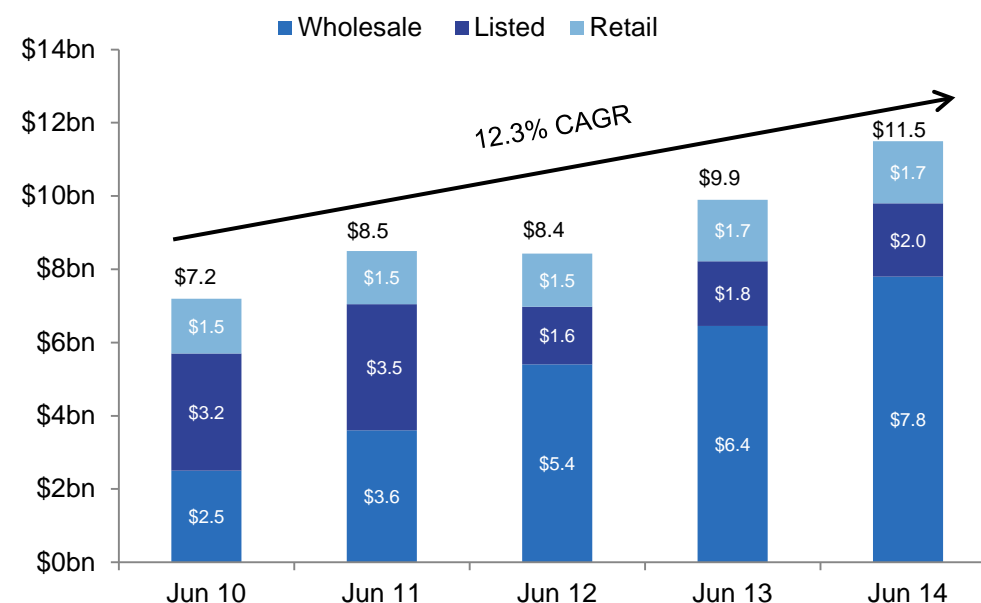
Property Funds Management

- Australian property FUM of \$11.5bn up \$1.5bn or 15.2%

Total Group FUM



Australian FUM by Equity Source



Secured inflows across the funds platform

Property Funds Management

- Diversified equity sources
- Secured \$1.45bn in gross equity flows (\$1.0bn net) during FY14 across all equity sources

	FY12 (\$m)	FY13 (\$m)	FY14 (\$m)
Wholesale Pooled Funds	175	147	651
Wholesale Partnerships	800	599	261
Listed Funds	-	142	260 ¹
Direct Funds ²	53	288	277
Gross equity secured (Australian FUM)	1,028	1,176	1,450
Net equity secured (Australian FUM)	179	1,003	987

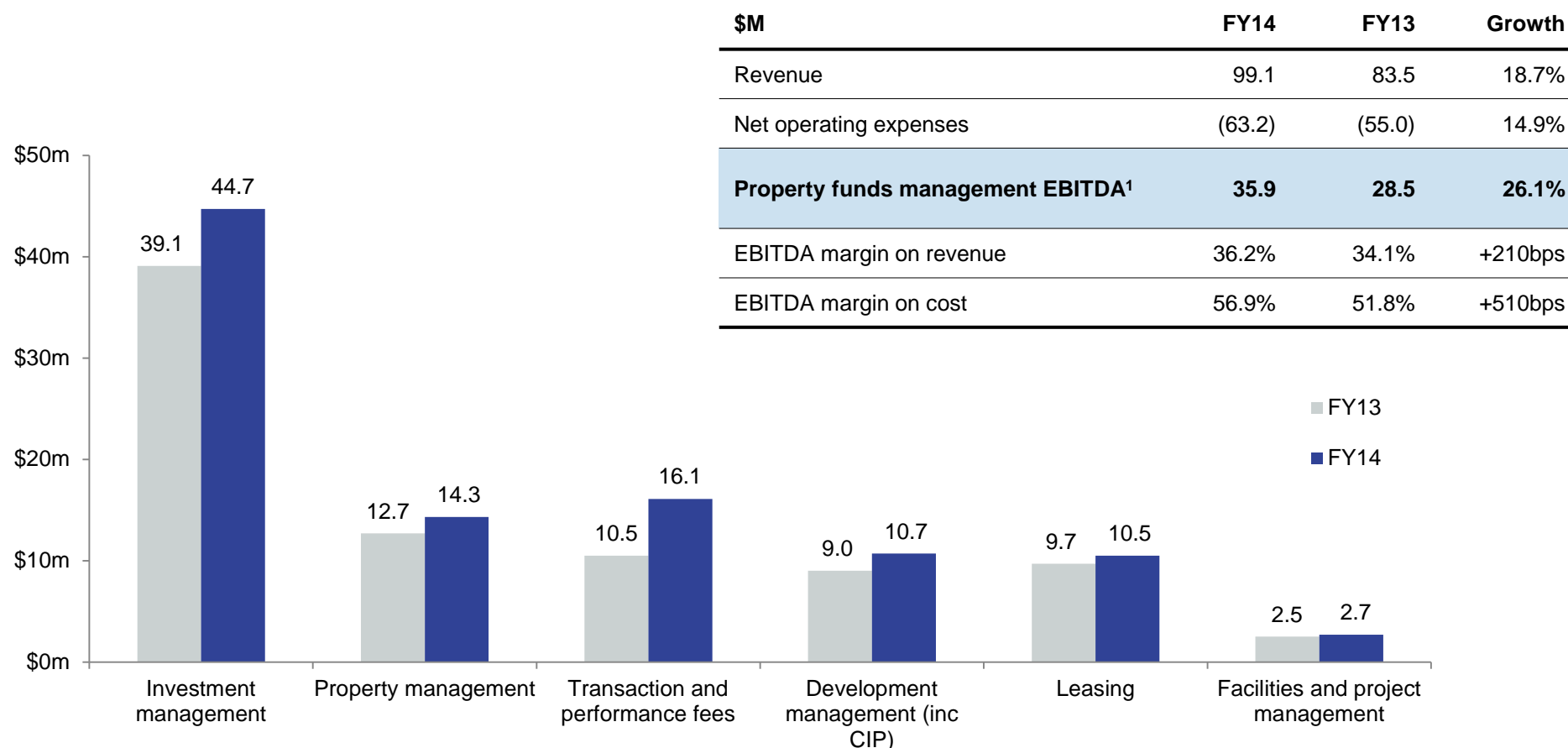
1. Includes \$161m equity raised by CHC, \$21m via the DRP and \$140m via the equity issuance in February 2014

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

PFM EBITDA growth of 26.1%

Property Funds Management

- PFM EBITDA margin has increased from 34.1% to 36.2%



1. PFM is \$34.6m (slide 5). PFM EBITDA is prior to \$1.3m of depreciation expense

Development adding to fund performance

Property Funds Management

- Redevelopment opportunities undertaken to enhance both income yield and total returns
- In-house development skills are a core competency
- \$1.2bn development pipeline including major projects at 570 Bourke Street, Melbourne and 333 George Street, Sydney

Development activity (current projects underway)

On completion value

Retail	\$164m
Office	\$772m
Industrial	\$225m
Total	\$1,161m



Artists impression of 333 George Street, Sydney, NSW



Construction works at Lansell Square, VIC

Industrial development pipeline

Property Funds Management

- **10** sites nationally totaling approximately **75ha** of land
- These sites are planned to deliver **368,000sqm** of core industrial product worth a total of **\$530m**
- Pre-lease conversion during FY14 totaled **\$168m** in completion value



450 Sherbrooke Road, Willawong, QLD



29 Forrest Way, Berrimba, QLD



15A Long Street, Huntingwood, NSW

Property market overview

Property Funds Management

Office

- Office sector characterised by rising vacancies, benign effective rental growth, however increased leasing activity and improving lead indicators provide cautious optimism. Office values continue to rise.

Industrial

- Rising logistics space demand and limited supply has driven top sector performance for Industrial. Increased investor demand expected to accelerate as industrial property continues its outperformance.

Retail

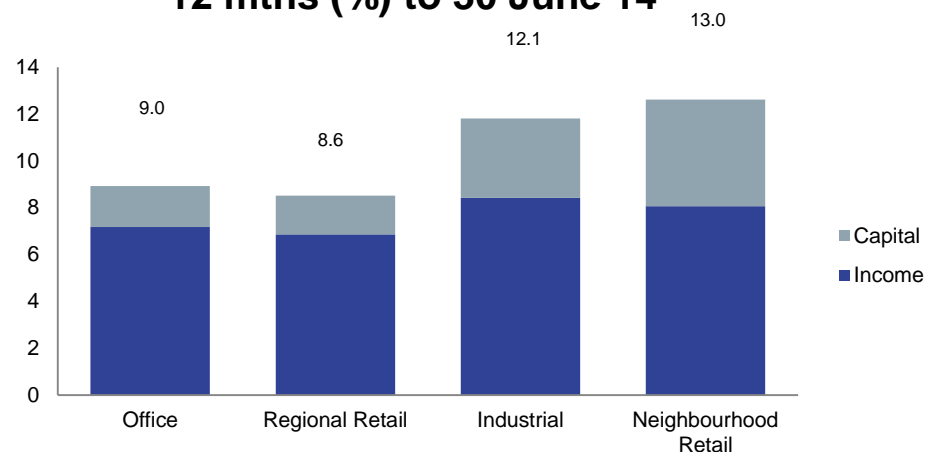
- While discretionary trade is improving, CHC retains its focus on non-discretionary supermarket anchored centres and hardware retailing with strong covenants
- Retail sector price inflation has favoured food, hardware and alcohol requiring less volume growth than other retail categories to generate same sales growth

Capital

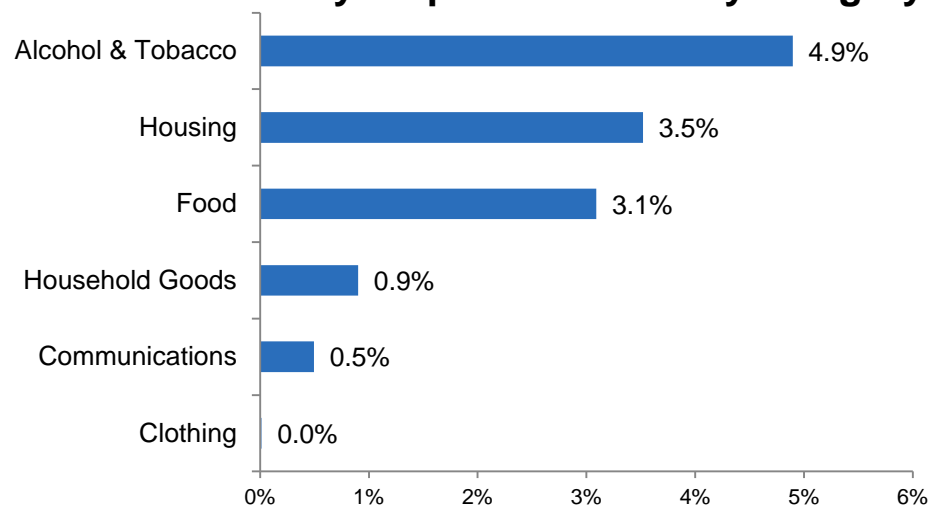
- Capital drivers strong for long WALE securely leased property assets

Source: IPD, PCA, ABS, APRA, Charter Hall

**Total Return by Asset Class
12 mths (%) to 30 June 14**



20 year price inflation by category



Financial Result

4

Profit and Loss by segment

Financial result

- **18.0% growth in Operating Earnings to \$81.2m**
- Property investment operating earnings up 11.7% to \$49.7m
 - 3.8% like for like fund earnings growth
 - property investment income yield 7.7%
- PFM earnings increased by 26.6% to \$34.6m with strong revenue growth in all areas
- Non operating items comprise mainly property revaluations, management rights amortisation and losses on sale of investments.
- OEPS and DPS growth of 10.4% to 25.31cps and 22.30cps respectively

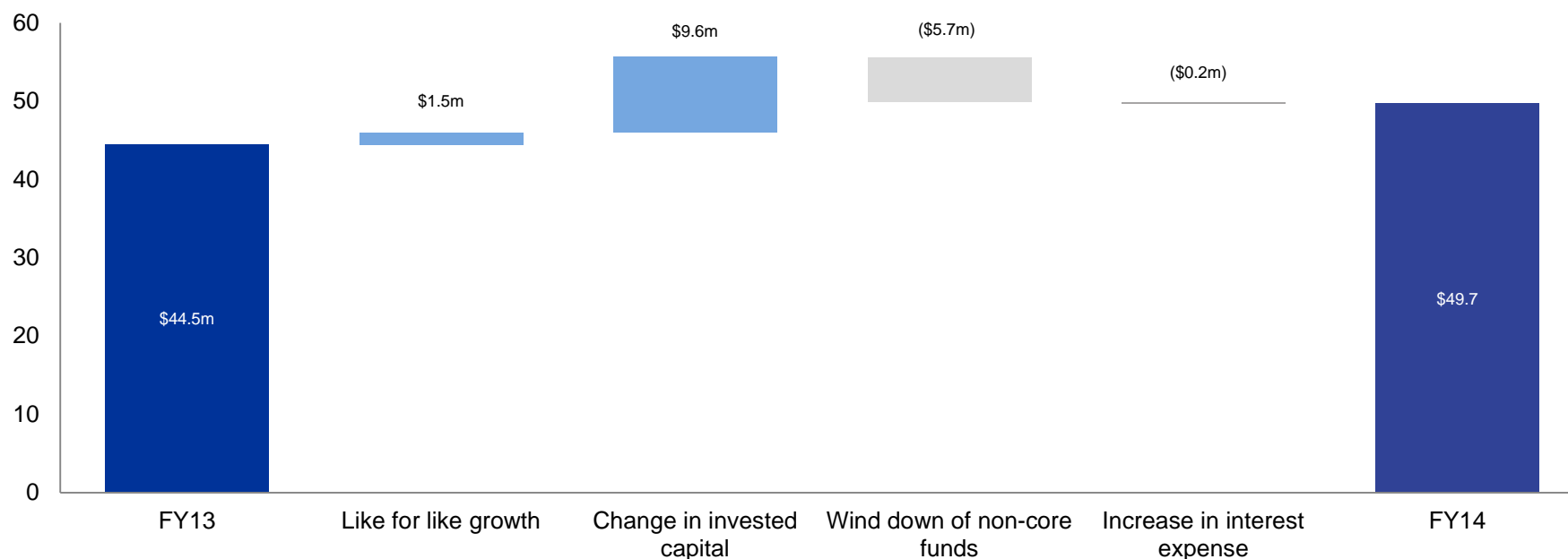
\$m	FY14	FY13 ⁽¹⁾	Change %
Direct property investment	1.0	5.0	(79.9%)
Property funds investment	48.7	39.5	23.3%
Total property investment	49.7	44.5	11.7%
Property funds management	34.6	27.3	26.6%
Security based benefits expense	(3.1)	(3.0)	(1.8%)
Operating earnings¹	81.2	68.8	▲ 18.0%
Property valuations (net)	14.4	(3.6)	
Amortisation of management rights	(8.5)	(7.8)	
Other non-operating items	(4.9)	(2.5)	
Non-operating items	1.0	(13.9)	
Profit after tax	82.1	54.8	49.8%
OEPS (cps)	25.31	22.93	▲ 10.4%
DPS (cps)	22.30	20.20	▲ 10.4%
Payout ratio	88.1%	88.1%	

1. FY13 operating earnings is restated to include non-cash security based benefits expense

Property Investments earnings growth of 11.7%

Financial result

- **Operating earnings from property investments up 11.7% to \$49.7m**
 - 3.8% like for like¹ earnings growth driven by improved leasing performance and reduced borrowing costs in CPIF and CHOT
 - \$9.7m contribution from increased investments in CLP, CQR, CHOT, BP Fund and Keperra Square Fund
 - \$5.7m reduction in investment earnings due to the sale of the DRF portfolio and the continued wind down of CHUF and DPF



1. Like for like growth represents the annualised growth in investment earnings from investments that were held for a comparable period in FY13 and FY14

Property Funds Management earnings up 26.6%

Financial result

- **PFM operating earnings up 26.6% to \$34.6m**
- PFM EBITDA margin has expanded by 2.1% to 36.2%
- Revenue growth of \$15.6m or 18.7% driven by
 - \$5.6m (54.2%) increase in transactional revenue with \$2.1m performance fee on 130 Stirling Street sale and contribution from new syndicates in the Direct business.
 - \$5.6m (14.3%) increase in investment management fees attributable to the impact of prior year FUM growth now generating recurring fees
 - \$2.0m increase in contribution from CIP
- Expenses up \$8.2m (14.9%) primarily due to 15.6% increase in net employee expenses
 - increased as a result of a domestic FUM growing by 36% over the past 2 years and continued reinvestment in improved capabilities

\$m	FY14	FY13	Change %
Investment management	44.7	39.1	14.3%
Property management	14.3	12.7	13.0%
Transaction and performance fees	16.1	10.5	54.2%
Development management (incl. CIP)	10.7	9.0	19.6%
Leasing	10.5	9.7	7.9%
Facilities and project management	2.7	2.5	7.7%
Total PFM revenue	99.1	83.5	18.7%
Net operating expenses	(63.2)	(55.0)	14.9%
PFM EBITDA	35.9	28.5	26.1%
Depreciation	(1.4)	(1.2)	15.9%
Income tax	0.0	0.0	-
PFM operating earnings	34.6	27.3	26.6%
PFM EBITDA margin on revenue	36.2%	34.1%	+2.1%
PFM EBITDA margin on cost	56.9%	51.8%	+5.1%
Net Operating Expenses / Average FUM	58bps	57bps	+1bps

Balance Sheet Capacity

Financial result

- **Strong balance sheet maintained**
 - Continued capital recycling of \$86m
 - \$161m of new equity raised on FY14
- Property Investments represent 87% of net tangible assets
 - WALE increased by 2.0 years to 7.6 years
- \$139m available liquidity at 30 June 2014 and increased by further \$30m since June 14
- 12% growth in NTA over the year, including a 2.3% net revaluation increment on a look through basis
- Deferred tax asset recognised at June 14 for carry forward tax losses, which are expected to be fully absorbed in FY16
- The Group expects to be in a tax payable position from FY16

\$m	30 June 14	30 June 13
Cash	50.2	12.2
Property Investments	719.8	603.0
Development investments	47.2	59.7
Deferred tax assets	8.0	6.4
Other tangible assets	73.3	41.4
Intangibles	87.6	96.1
Total assets	986.1	818.8
Borrowings	-	27.5
Other liabilities	69.0	51.0
Total liabilities	69.0	78.5
Total equity	917.7	740.3
NTA per security	2.38	2.13
NAV per security	2.64	2.45
Balance sheet gearing (net of cash)	0.0%	1.9%
Look-through gearing ¹	31.0%	34.3%
Available liquidity (\$m)	139.2	65.2

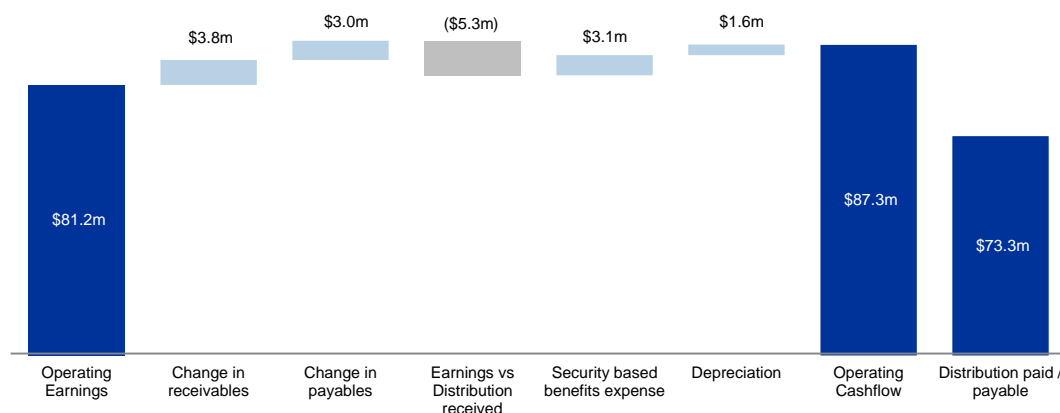
1. Calculated by incorporating Charter Hall's proportional share of total assets (net of cash) and debt (net of cash) of the funds in which it invests

Cashflow

Financial result

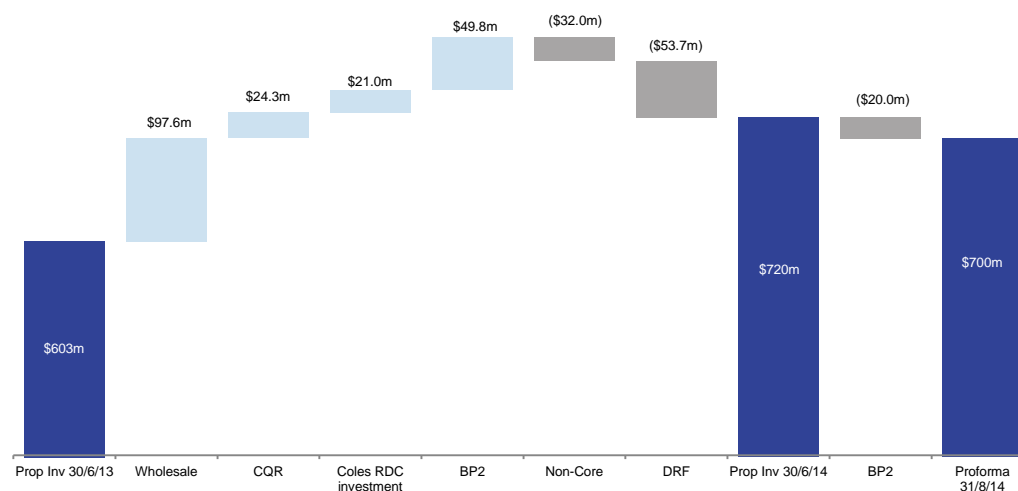
- Operating cashflow exceeds both earnings (107%) and distribution (119%)
- Fund distributions are based on fund specific investment mandates. Distribution payout ratio averages 95% of fund operating earnings across the portfolio

Operating Earnings to Operating Cashflow



- \$154m of new Property Investments in FY14 with \$71m increased investment in CLP to 19.1%
- \$21m investment (23.9%) in new Coles RDC Fund seed investment at 30 June 14, which is expected to be fully recycled by 2Q FY15
- \$50m investment in BP2 in June 14 sold down in August 2014 to 50.1% interest

Property Investment Cashflows



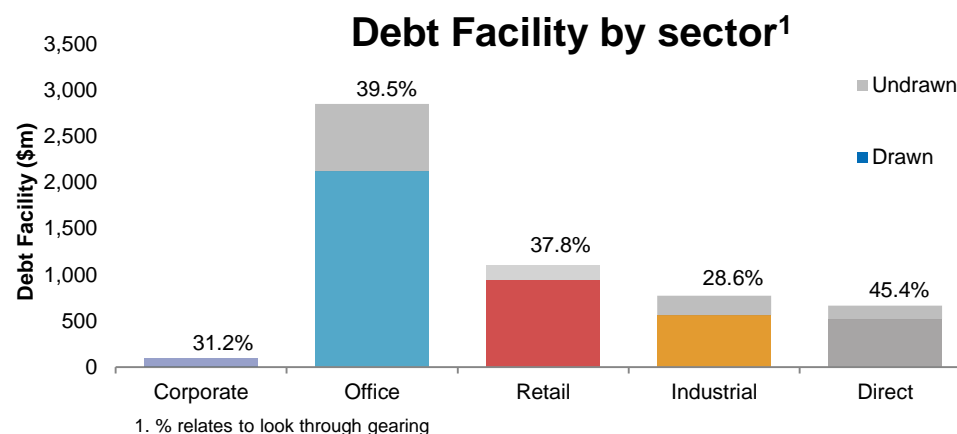
Capital management

Significant managed funds debt platform

- Substantial funding capacity available across the Group
 - \$5.5bn of debt facilities across 22 funds and the Group¹
 - \$1.3bn available undrawn debt¹ plus \$0.2bn of cash
- \$1.4bn of new debt facilities and \$3.3bn of refinanced debt in FY14¹
- WACD² reduced by 60 basis points to 5.1%
- Weighted average debt maturity³ of 3.6 years, up from 3.1 years
- \$87m of out-of-the-money interest rate swaps at 30 June 2014 for the total Group managed funds CHC look through share is \$8.5m
- Increased interest rate hedging to 66%⁴, up from 52% for the total Group

Key Debt Metrics

Managed Funds Platform	Jun-14	Jun-13
Facility Limit (\$m) ⁽¹⁾	5,485	4,880
Drawn Debt (\$m) ⁽¹⁾	4,160	4,260
Undrawn Debt (\$m) ⁽¹⁾	1,325	620
Total Cash (\$m)	195	200
Gearing (%)	35%	38%
Weighted Average Debt Maturity (yrs) ⁽³⁾	3.6	3.1
Weighted Average Cost of Debt ⁽²⁾	5.10%	5.70%
Interest Rate Hedging (%) ⁽⁴⁾	66%	52%



1. Debt includes transactions completed in FY15 YTD

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, amortised borrowing costs and includes transactions completed in FY15 YTD

3. Debt duration is based on facility limits and includes transactions completed in FY15 YTD

4. Hedging includes trades executed in FY15 YTD

Strategy, Outlook and Guidance

5

Strategy

Strategy outlook and guidance

Strategy

- Continuing to deliver strong fund performance for our investors
- Securing quality assets within our core property sectors
- Active management of our property portfolio
- Investing alongside capital partners
- Focus on high quality growing earnings streams
- Maintaining growth in FUM across all equity sources
- Improving the efficiency and scalability of the platform

FY15 activity to date

- Investors voted to rollover CPIF with the next liquidity review in 31 July 2019
- \$268m of non-core retail and office assets sold, with funds partially redeployed
- The Group exchanged a conditional contract for the sale of 685 La Trobe Street, Melbourne
- Introduced 50% capital partner in BP2 investing \$30m of equity

Chairman retirement and new appointment

- Chairman, Kerry Roxburgh has advised of his intention to retire at the Annual General Meeting scheduled for 12 November 2014
- Kerry has chaired the Group during its first decade as an AREIT, in which time core FUM has grown from \$400m to \$11.5bn today
- David Clarke, who was appointed to the Board in April this year and is a member of the Audit, Risk and Compliance Committee, has been appointed Chair-elect
- David has over 25 years experience in investment banking, funds management, property finance and retail banking, most recently as CEO Investec Bank (Australia)
- We thank Kerry for his contribution to the Group and his exceptional leadership and judgement

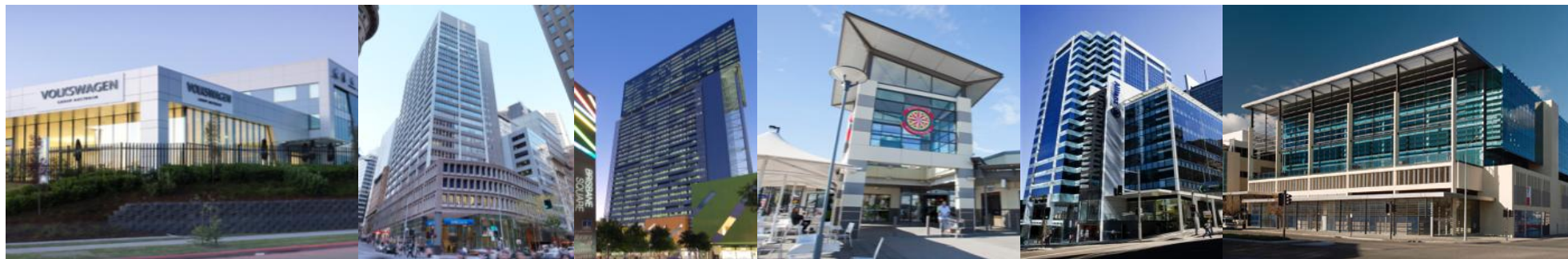
FY15 outlook and earnings guidance

Strategy outlook and guidance

- Australian property income to debt spreads remain attractive for domestic and offshore investors
- Charter Hall continues to focus on investing in assets with strong tenant covenants and long leases, delivering sustainable income and capital growth for investors

Our guidance is as follows:

- Absent unexpected events, our guidance for FY15 operating earnings per security growth is currently towards the lower end of a range of 5-7%, with achievement within this range primarily dependant on the timing of deployment of balance sheet investment capacity in FY15



Additional Information

Additional information

Section		Slide
1	Group overview and strategy	38
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6	Capital management and funding	53
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Charter Hall Group

Group overview

Property Funds Management platform

\$11.5bn FUM

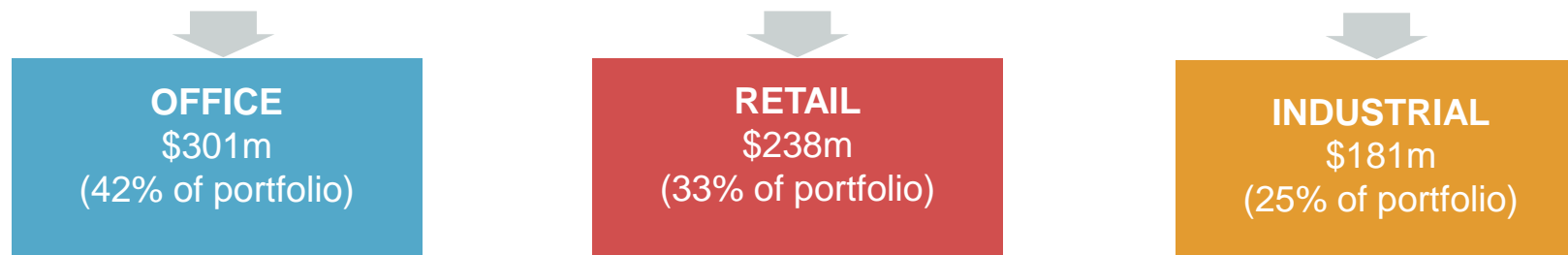
- Investment management
- Transaction services
- Capital management

30 Jun 2014	
FUM	\$11.5bn
No. of properties	209
Gross income	\$1.0bn

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

Charter Hall Group Property Investment

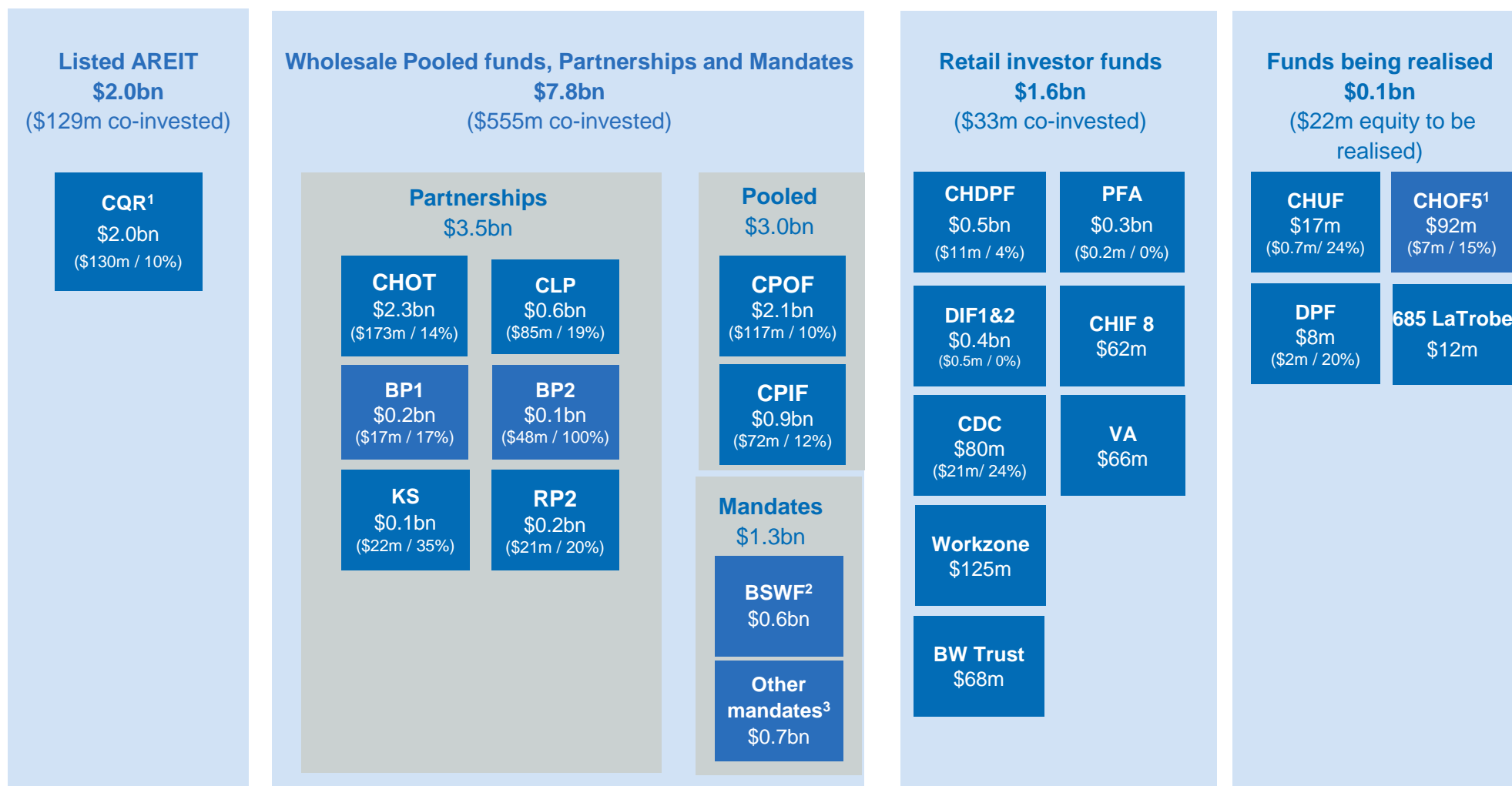
\$720m co-investments



1. Figures are as at 30 June 2014

Charter Hall managed funds

FUM as at 30 June 2014



1. FUM definition includes on completion value for development assets

2. Brisbane Square Wholesale Fund (BSWF) includes 67% of Bankwest Place and Brisbane Square

3. Includes interest in 275 George St (50%) and Adelaide ATO (50%), (which are both co-owned with CPOF); Riverside Centre, 100 Skyring Road, RP1 and other assets

Charter Hall managed funds

As at 30 June 2014

	Total property assets (\$m)	Sector	Equity Source	No. of Properties	Lettable area (Sqm)	Occupancy ¹	Weighted average rent review	WALE ¹ (in years)	Weighted average cap rate
Top 5 Managed Funds									
CQR	1,989	Retail	Listed	77	528,368	98%	4.2%	7.4	7.7%
CHOT	2,321	Office	Wholesale	18	359,898	96%	4.0%	5.8	7.5%
CPOF	2,062	Office	Wholesale	16	323,148	95%	3.9%	6.4	7.5%
CPIF	907	Industrial	Wholesale	32	545,086	100%	3.1%	8.4	7.9%
CLP	608	Industrial	Wholesale	13	507,900	98%	3.1%	10.9	7.7%
Total Other Funds				156	2,264,400				
Wholesale (RP2, BP1, BP2, KS)	552	Retail	Wholesale	13	150,128	99%	3.7%	7.8	7.3%
Retail investor funds (CHDPF, PFA, DIF, DIF2, CDC, Workzone, BW, VA, CHIF8)	1,639	Office / Retail / Industrial	Retail	40	650,017	96%	3.5%	7.5	8.2%
3 rd party mandates ³	1,251	Office / Retail	Wholesale	16	212,249	98%	3.9%	8.4	7.2%
Sub-total / Weighted average	11,329			225	3,276,794	97%	3.8%	7.3	7.6%
Assets jointly owned by CHC funds				(20)					
Sub-total / Weighted average	11,329			205	3,276,794	97%	3.8%	7.3	7.6%
Funds being realised (DPF, CHUF, CHOF5)	118	Office / Retail	Retail / Wholesale	4	10,462	100%	1.7%	5.5	10.0%
Direct Property (685 La Trobe St)	12								
Total / Weighted average	11,459			209	3,287,256	97%	3.8%	7.3	7.7%

1. Includes interest in 275 George St (50%), BankWest Place (67%) and Brisbane Square (67%), co-owned with CPOF; 50% of RP1, co-owned with CQR; Riverside Centre and other assets. No. of properties excludes properties already in CPOF and CQR

2. Occupancy and WALE includes income support

3. Portfolio WALE is weighted by gross income. CQR disclose WALE based on annual base rent

CHC Property investment portfolio

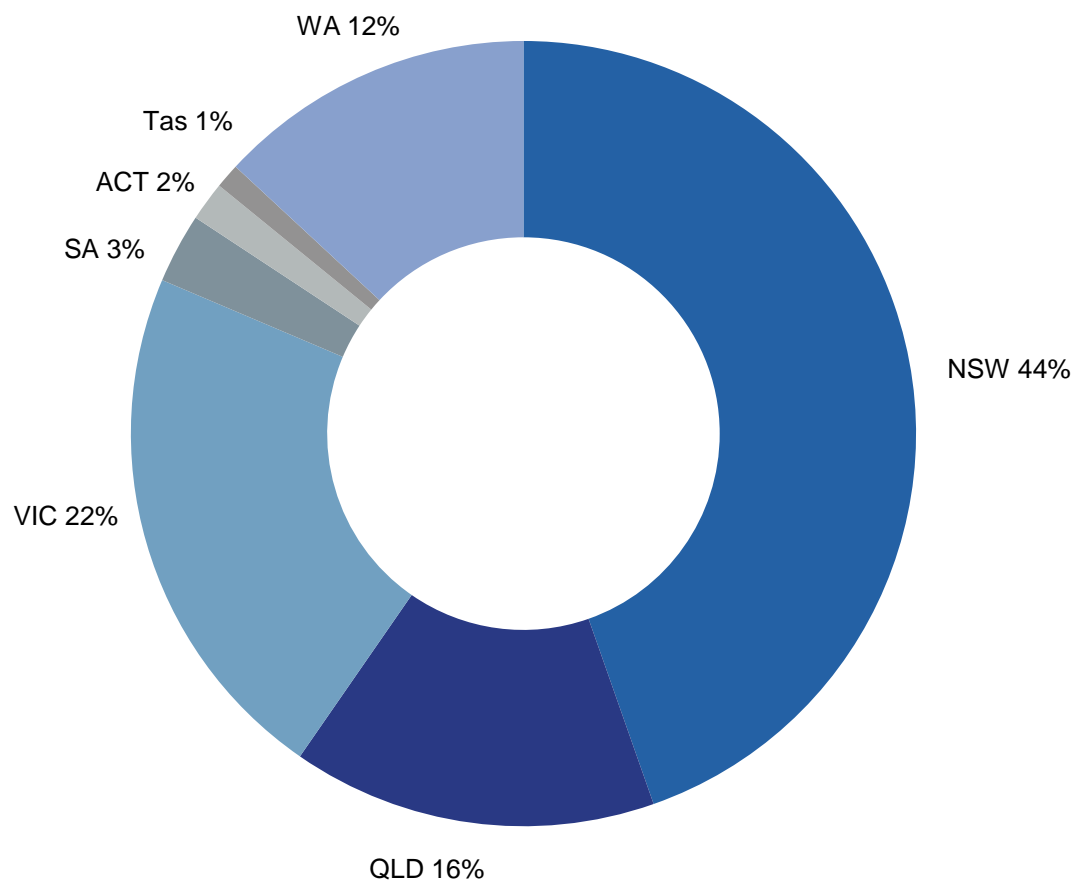
As at 30 June 2014

	Ownership Stake (30 June 14) (%)	Charter Hall Investment (30 June 14) (\$m)	Charter Hall Investment Income (FY14) (\$m)	WALE (years)	Market Cap Rate (%)	Discount Rate (%)	Minimum rental reviews (%)	Charter Hall Investment Yield (FY14) (%)
Listed Fund		129.9	10.4					
Charter Hall Retail REIT (CQR)	10.2%	129.9	10.4	7.4	7.7%	9.2%	4.2%	9.1%
Wholesale		555.3	34.9					
Charter Hall Office Trust (CHOT)	14.3%	172.9	13.2	5.8	7.5%	8.9%	4.0%	7.6%
Core Plus Office Fund (CPOF)	9.9%	116.9	7.9	6.4	7.5%	8.9%	3.9%	6.9%
Core Logistics Partnership (CLP)	19.1%	84.8	4.1	10.9	7.7%	9.3%	3.1%	6.9%
Core Plus Industrial Fund (CPIF)	11.7%	72.2	4.6	8.4	7.9%	9.6%	3.1%	7.6%
BP Fund No.1 (BP1)	16.8%	17.2	1.3	10.3	7.1%	8.8%	3.0%	8.4%
BP Fund No.2 (BP2)	100.0%	48.4	0.2	12.0	7.3%	9.1%	3.0%	7.8%
Keperra Square Fund (KS)	35.1%	22.2	2.0	4.0	7.5%	9.3%	4.0%	9.1%
Retail Partnership No. 2 – Bateau Bay (RP2)	20.0%	20.7	1.6	3.7	7.5%	9.0%	4.6%	8.8%
Retail Investor Funds		32.7	1.0					
Charter Hall Direct Property Fund (CHDPF)	4.2%	11.0	0.8	4.3	8.1%	9.0%	3.7%	7.9%
PFA Diversified Property Trust (PFA)	0.1%	0.2	0.0	3.2	9.4%	9.6%	3.3%	9.9%
Direct Industrial Fund (DIF)	0.2%	0.2	0.0	11.3	7.7%	9.6%	3.3%	8.2%
Direct Industrial Fund No. 2 (DIF2)	0.3%	0.3	0.0	12.3	7.7%	9.5%	3.0%	8.0%
Coles RDC Fund (CDC)	23.9%	21.0	0.2	12.7	7.5%	8.8%	2.8%	7.9%
Funds being realised		2.5	1.1					
Diversified Property Fund (DPF)	19.6%	1.8	0.2	5.5	10.0%	10.1%	1.7%	6.2%
Charter Hall Umbrella Fund (CHUF)	24.2%	0.7	1.2	8.0	8.2%	9.7%	2.9%	5.6%
Total		719.8	47.7	7.6	7.6%	9.1%	3.7%	7.7%

1. Total property investments excludes development investments (co-investments in CHOF4/5, 685 La Trobe and CIP)
2. Includes \$21.2m preferred equity notes (PENS)
3. CQR WALE reported based on total WALE. Anchor WALE at 11.2 years (refer to CQR property investment portfolio slide)
4. Weighted average property statistics reflects based on the funds where CHC has an investment

Property Investment geographic breakdown

Charter Hall Group balance sheet

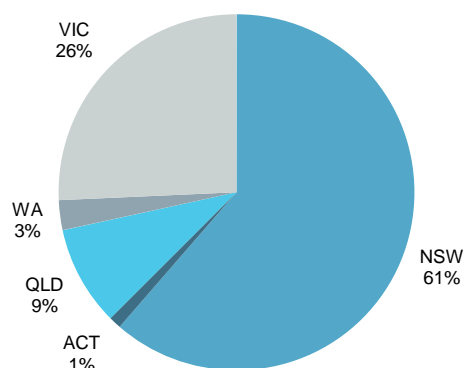


Charter Hall Office Trust (CHOT)

Property investment portfolio

Key events during FY14

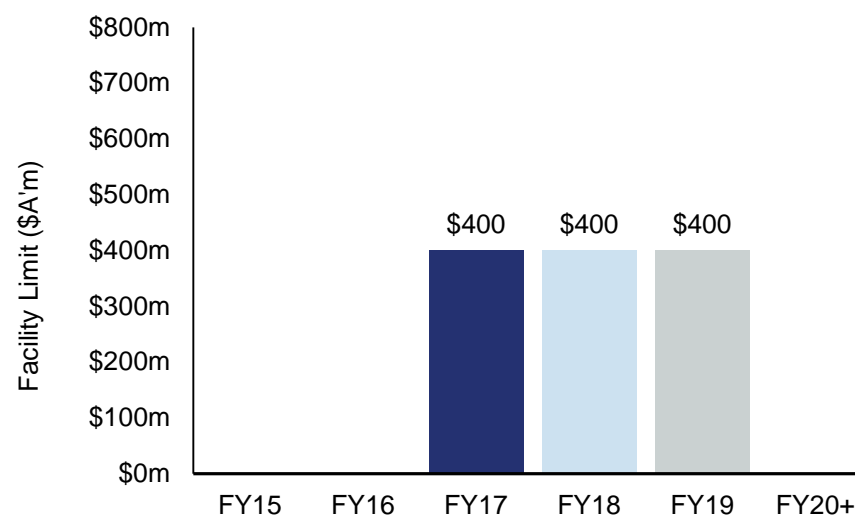
- Total leasing of 87,516sqm, including leases with QBE and Unilever at 2 Park St, Sydney; APRA, LinkedIn and Macquarie at No. 1 Martin Place, Sydney; Telstra at 150 Lonsdale St, Melbourne; Wood Group, Myer Family, McGrath Nicol and Vic Super at 171 Collins Street, Melbourne
- Leasing achievements during the 12 months to June 2014 have resulted in a 1% increase in occupancy to 96%, and a 1.4 year increase in WALE from 4.4 years to 5.8 years
- \$103m equity raising in August 2013 from existing investors (pro-rata) to fund the acquisition of the remaining 50% of 1 Martin Place, Sydney
- Top tenants include Australian Governments, Macquarie Group, Telstra, Citigroup, Aurizon, Allianz and Wilson Parking



Portfolio characteristics

Portfolio characteristics	Key metrics
Gross property assets	\$2.32bn
Total debt	\$1.08bn
Gearing (look-through)	46%
Number of assets	18
Occupancy	96%
Weighted average lease expiry	5.8 years
CBD assets	83%
Prime grade assets	97%
Weighted average cap rate	7.5%
Weighted average rent review (next 12 months)	4.0%
Charter Hall co-investment	\$172.9m / 14.3%

CHOT debt expiry profile (by facility limit)



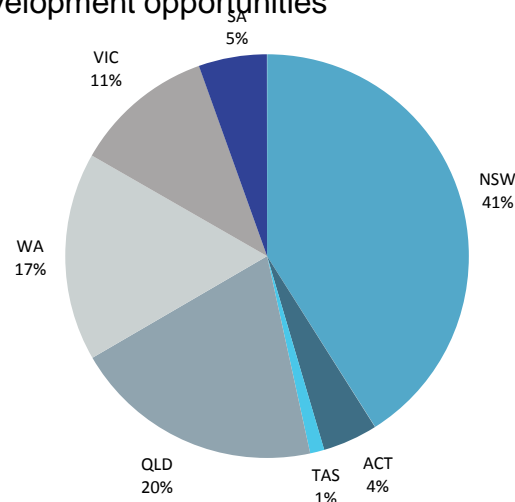
1. More information on the assets owned by CHOT is shown in the 30 June 2014 Charter Hall Group property portfolio book

Charter Hall Retail REIT (CQR)

Property investment portfolio

Key events during FY14

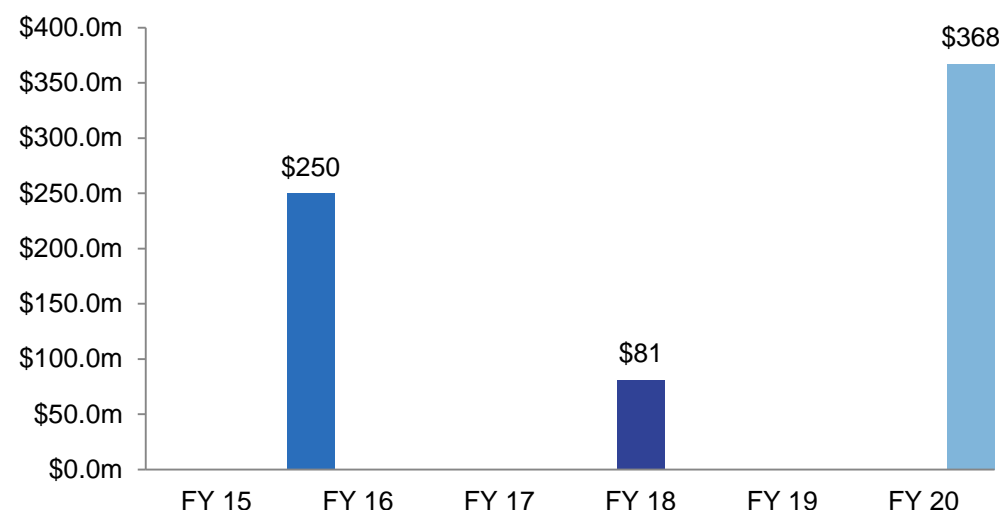
- Acquired four properties for \$252.4m at average initial yield of 7.6% (including Coomera post balance date)
- Completed \$84m of redevelopments and commenced \$61m of new projects
- Occupancy improved to 98.5%
- Offshore disposals largely complete following sale of Polish and US assets and sale of German assets post balance date
- Raised and deployed \$118m equity into new acquisitions and redevelopment opportunities



Portfolio characteristics ¹

Portfolio characteristics ¹	Key metrics ²
Gross property assets	\$2.0bn
Total debt (post balance date initiatives)	\$661m
Balance Sheet Gearing (post balance date initiatives)	33%
Total number of assets	77
Occupancy (weighted on GLA)	98.5%
Anchor WALE	11.3 years
Weighted average cap rate	7.65%
Like for like NOI growth	2.0%
Weighted averaged rent review (next 12 months)	4.2%
Charter Hall co-investment	\$129.2m / 10.2%

CQR Debt Expiry Profile



1. All statistics post Germany and New Zealand sale and Coomera acquisition

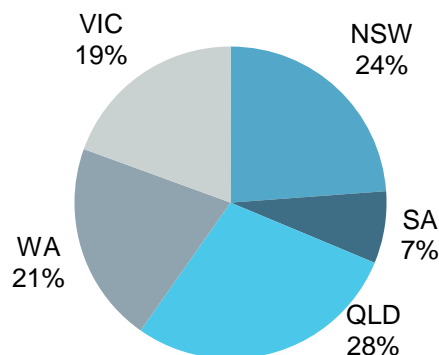
2. More information on the assets owned by CQR is shown in the 30 June 2014 Charter Hall Group property portfolio book

Core Plus Office Fund (CPOF)

Property Investment portfolio

Key events during FY14

- \$234m net equity raising increasing the total contributed equity since inception to \$1.26bn
- Acquired a 50% interest in the \$215m Adelaide Tax Office building located at 16 Franklin St Adelaide which improved the WALE by 0.4 years and increased the portfolio gross asset value to \$2.1bn
- Commenced work at 570 Bourke Street, Melbourne and 333 George Street, Sydney. 570 Bourke Street involves the redevelopment of the lower 12 levels of the existing 31 level building. 333 George St is currently being demolished to be replaced by a new 16 level landmark building comprising 14 levels of A-grade office space and 3 levels of premium retail. Completion of these projects is scheduled for mid 2015 and 2016 respectively.



1. Core assets, including income support

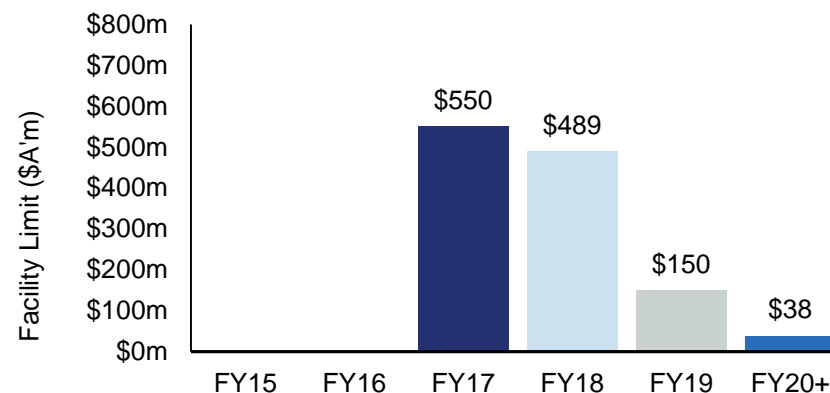
2. Includes look through assets and debt

3. More information on the assets owned by CPOF is shown in the 30 June 2014 Charter Hall Group property portfolio book

Portfolio characteristics³

Portfolio characteristics ³	Key metrics
Gross property assets ²	\$2.1bn
Total debt	\$787m
Gearing (look-through)	39%
Number of assets	16
Occupancy ¹	95%
Weighted average lease expiry ¹	6.4 years
CBD assets ¹	92%
Prime grade assets	89%
Weighted average cap rate	7.5%
Weighted average rent review (next 12 months)	3.9%
Rent reviews (FY14)	81% fixed, 18% CPI, 1% market
Charter Hall co-investment	\$116.9m / 9.9%

Debt facility expiry profile (by facility limit)

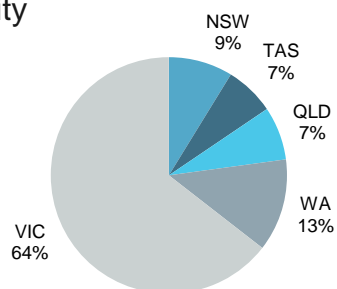


Core Logistics Partnership (CLP)

Property investment portfolio

Key events during FY14

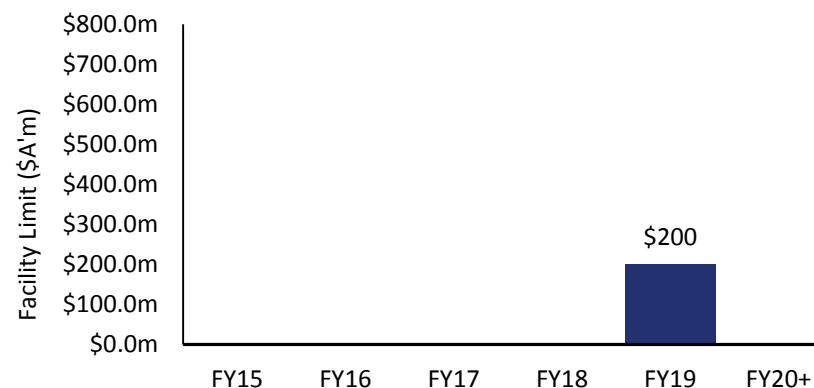
- 7 assets of 13 in portfolio acquired during FY14 (54% GAV)
- Developments at Truganina, Blackwoods Mackay, Chullora and Mt Druitt completed during FY14
- Development projects underway including 41.5ha land at Darra, QLD currently undergoing re-zoning, site works and servicing with the intention of subdivision into industrial lots with a usable area of circa 30ha; 5,680sqm warehouse expansion at Scoresby (Practical completion anticipated early Sept 14) design and approval process underway for a new office building at Peters, Mulgrave
- Portfolio GAV expected circa \$620m once all current pre-leased forward funded developments are completed
- Top Tenants include Woolworths, Metcash and Amcor
- Refinanced \$140m secured debt facility with a new \$200m unsecured facility



Portfolio characteristics ¹

Portfolio characteristics ¹	Key metrics
Gross property assets	\$608m
Total debt	\$111m
Gearing (look-through)	20%
Number of assets	13
Occupancy	98%
Weighted average lease expiry	10.9 years
Weighted average cap rate	7.7 %
Weighted average rent review (next 12 months)	3.1%
Charter Hall co-investment	\$84.8m / 19.1%

Debt Expiry Profile (by facility limit)



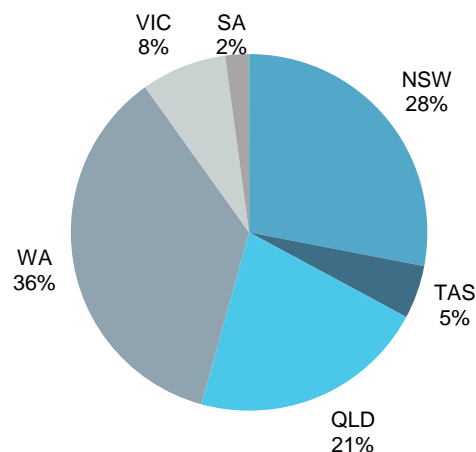
1. More information on the assets owned by CLP is shown in the 30 June 2014 Charter Hall Group property portfolio book

Core Plus Industrial Fund (CPIF)

Property investment portfolio

Key events during FY14

- CPIF ranked as Australia's strongest performing unlisted wholesale fund (all sectors) over the 3 years to 30 June 2014 according to IPD data
- CPIF secured a total \$207m of gross equity commitments during the period, and acquired or developed 10 properties for a total value of \$275m
- CPIF has now officially moved into its next Investment Term. The Fund's rolling Investment Term is now 5 years and the next Review Event is now scheduled for 31 July 2019



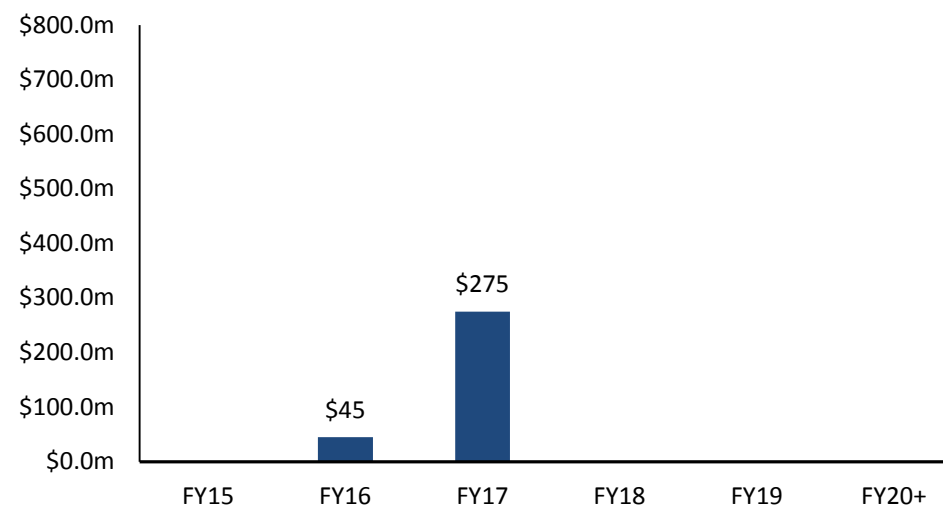
1. Includes look through assets and debt

2. More information on the assets owned by CPIF is shown in the 30 June 2014 Charter Hall Group property portfolio book

Portfolio characteristics ¹

Portfolio characteristics ¹	Key metrics
Gross property assets ²	\$907m
Total debt	\$202m
Gearing (look-through)	24.0%
Number of assets	32
Occupancy	100%
Weighted average lease expiry	8.4 years
Core assets	83%
Weighted average cap rate	7.9%
Weighted average rent review (next 12 months)	3.1%
Charter Hall co-investment	\$72.2m / 11.7%

Debt Facility expiry profile (by facility limit)



Key financial metrics

Financial performance overview

GROUP	FY14	FY13	Change
Statutory profit after tax	\$82.1m	\$54.8m	49.8%
Operating earnings ¹	\$81.2m	\$68.8m	18.0%
Operating earnings per security (OEPS) ¹	25.31cps	22.93cps	10.4%
Distribution per security (DPS)	22.30cps	20.20cps	10.4%
Return on Equity ² (NTA basis)	11.4%	10.7%	0.7%
BALANCE SHEET	At 30 June 2014	At 30 June 2013	Change
Funds under management – Total	\$11.5bn	\$10.3bn	10.9%
Funds under management – Australia	\$11.5bn	\$9.9bn	15.2%
Total Group assets	\$986m	\$819m	20.4%
NAV per security	\$2.64	\$2.45	7.6%
NTA per security	\$2.38	\$2.13	11.9%
Balance sheet gearing ³	0.0%	1.9%	(1.9%)
Look through gearing	31.0%	34.3%	(3.3%)

1. FY13 operating earnings is restated to include security based benefits expense

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

3. Gross assets less cash / Debt net of cash

Capital recycling program substantially completed

Capital management of the Charter Hall investment portfolio

CHC capital recycled (\$m)	FY12	FY13	FY14	Total
Equity realised				
Mentone Showrooms	16	-	-	16
DPF	14	3	6	23
CQO special distribution	38	4	-	42
CHUF	-	8	27	35
CHOF4/5	-	13	15	28
DRF	-	30	40	70
Total proceeds realised	68	58	86	212
CHC capital redeployed				
CQR	16	4	24	44
CHOT	-	7	15	22
CPIF	-	-	11	11
PFA	-	5	-	5
Seed Investments - Coles RDC	-	-	21	21
RP2 (Bateau Bay Square)	2	18	-	20
BP Fund	-	15	-	15
BP Fund 2	-	-	50	50
Core Logistics Partnership	-	11	72	83
DRF minority buyout	-	16	-	16
Keperra Square	-	22	-	22
Other	-	1	-	1
Total Redeployment	18	99	193	310

We recycle our capital to seed additional high value opportunities for Charter Hall and our investors

- Over the past 3 years, \$212m has been realised and \$310m redeployed
- A further \$75m is targeted for recycling over the next 12 months
- Since 30 June 2014, \$43m of equity targeted for recycling has been realised / contracted

CHC capital to be recycled over the next 18 months	\$m
Equity to be realised	
Seed Investment – Coles RDC (expected 1H15)	21
BP2 – announced 18 August 2014 sell down	20
685 La Trobe Street – conditional contract	12
Other including - CHOF5, DPF, CHUF	22
Total proceeds to be realised (target)	75
Completed or contracted since 30 June 2014	43

Detailed operating earnings

	FY14 (\$000s)	FY13 (\$000s)	Variance (\$000s)	%
Direct Property Investment				
Direct Property Investment Income	1,018	9,101	(8,083)	(88.8%)
Interest Expense	(44)	(2,289)	2,245	98.1%
Non-controlling Interest	-	(1,613)	1,613	100.0%
Operating Costs	28	(208)	236	113.4%
Direct Property Investment	1,002	4,991	(3,989)	(79.9%)
Property Funds Investment				
Property Funds Investment Income	47,684	38,464	9,216	24.0%
Net Interest Income / (Expense)	1,236	1,486	(250)	(16.8%)
Operating Costs	(234)	(467)	233	49.9%
Property Funds Investment	48,686	39,487	9,199	23.3%
Property Funds Management				
Funds Management Income	99,144	83,505	15,639	18.7%
Net Operating Expenses	(63,205)	(55,012)	(8,193)	(14.9%)
Depreciation	(1,375)	(1,186)	(189)	(15.9%)
Property Funds Management	34,565	27,307	7,258	26.6%
Non-cash security based benefits expense	(3,089)	(3,035)	(54)	(1.8%)
Total Operating Earnings	81,163	68,750	12,413	18.0%

Property funds management operating earnings

	FY14 (\$000s)	FY13 (\$000s)	Variance (\$000s)	%
Revenue				
Investment management fees	44,725	39,123	5,602	14.3%
Property management fees	14,345	12,699	1,646	13.0%
Transaction and performance fees	16,150	10,472	5,678	54.2%
Development management fees	6,981	7,191	(210)	(2.9%)
CIP	3,750	1,784	1,966	110.2%
Leasing fees	10,515	9,749	766	7.9%
Facilities and project management fees	2,679	2,487	192	7.7%
Total funds management revenue	99,144	83,505	15,639	18.7%
Net Operating Expenses				
Employee costs	(69,377)	(59,696)	(9,681)	(16.2%)
Recoveries	19,523	16,573	2,950	17.8%
Net employee costs	(49,854)	(43,123)	(6,731)	(15.6%)
Non-employee costs	(13,352)	(11,889)	(1,463)	(12.3%)
Net Operating Expenses	(63,205)	(55,012)	(8,193)	(14.9%)
Depreciation	(1,375)	(1,186)	(189)	(15.9%)
Operating Earnings: Property Funds Management	34,565	27,307	7,258	26.6%

Reconciliation of operating earnings to statutory profit after tax

	FY14	FY13
	\$000s	\$000s
Operating Earnings	81,163	68,750
Fair value adjustments on derivatives ¹	(909)	1,472
Fair value adjustment on investments and property ¹	14,404	(3,615)
Amortisation of management rights	(8,489)	(7,838)
Transfer from reserves of cumulative FX losses on disposal of foreign investments ¹	(488)	(484)
Loss on disposal of investments and property ¹	(3,363)	(953)
Amortisation of lease incentives and straight-lining of rental income	208	(986)
Income tax (expense) / benefit ¹	1,007	(1,738)
Other ¹	(1,417)	234
Statutory profit after tax attributable to stapled securityholders	82,116	54,842

1. Included non-operating items equity accounted investments on a look-through basis

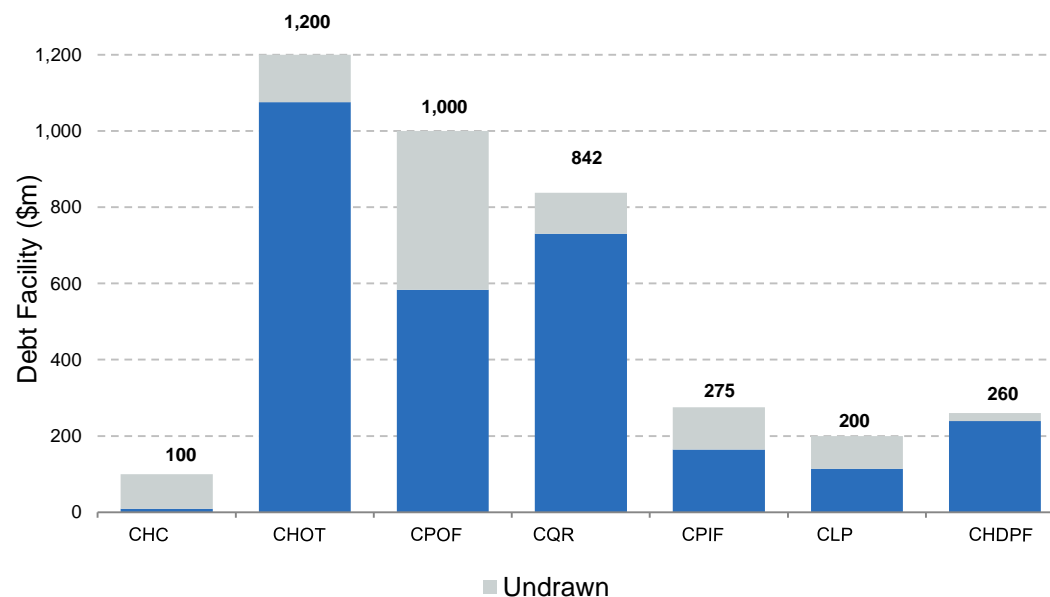
Group and managed funds debt summary

Six largest funds CHC has direct ownership interest

- The 6 largest managed funds that CHC has a direct investment comprise 83% of total property investment
- Group wide debt platform is managed under a Group Master Treasury Risk Management Framework approved by the Board
- Each managed Fund has an approved treasury risk management policy and investment mandate that is specific to each fund and is approved by the respective independent Fund Board or Investment Committee

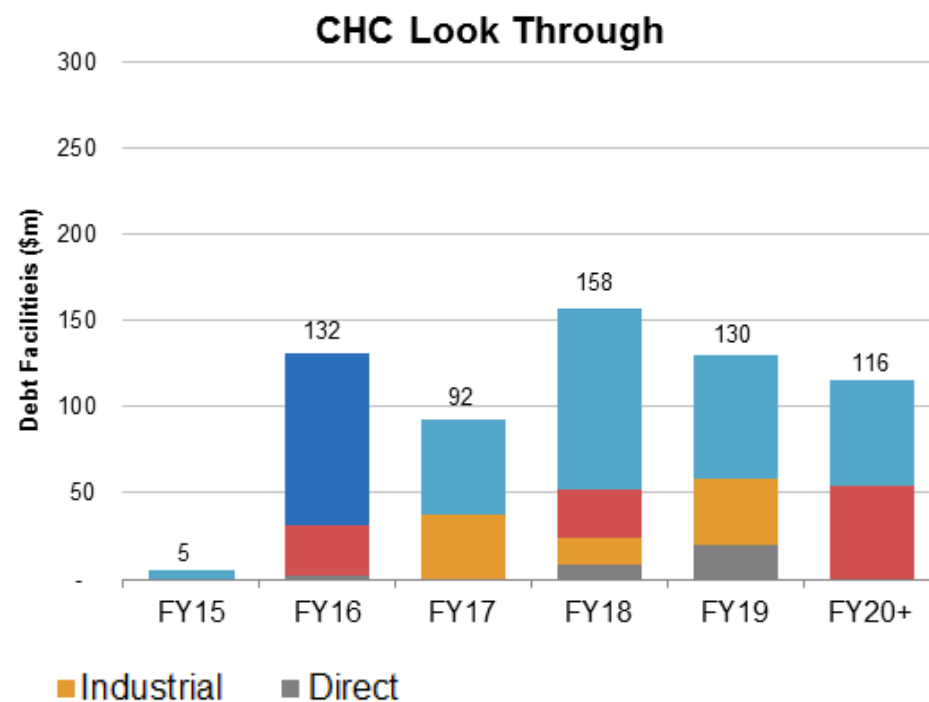
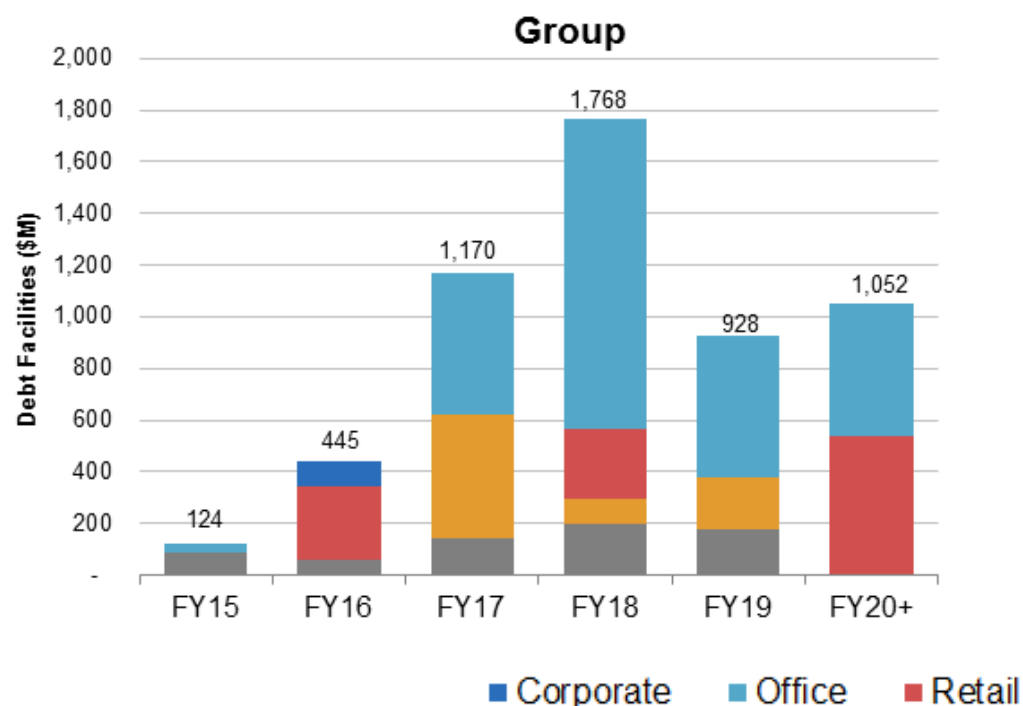
Debt Summary

	CHC	CHOT	CPOF	CQR	CPIF	CLP	CHDPF
Gearing (%)	0%	46%	31%	33%	23%	20%	47%
Look Through Gearing (%)	31%	46%	39%	36%	24%	20%	47%
Debt Maturity (yrs) ⁽²⁾	1.2	4.0	3.0	3.7	2.9	4.9	3.2
WACD (%) ⁽¹⁾	5.10%	5.30%	5.70%	4.50%	4.90%	5.00%	5.10%
Hedging (%) ⁽³⁾	63%	68%	64%	76%	44%	99%	49%
CHC Ownership (%)	100%	14%	10%	10%	12%	19%	4%



Debt maturity profile

Group debt maturity profile extended to 3.6 years

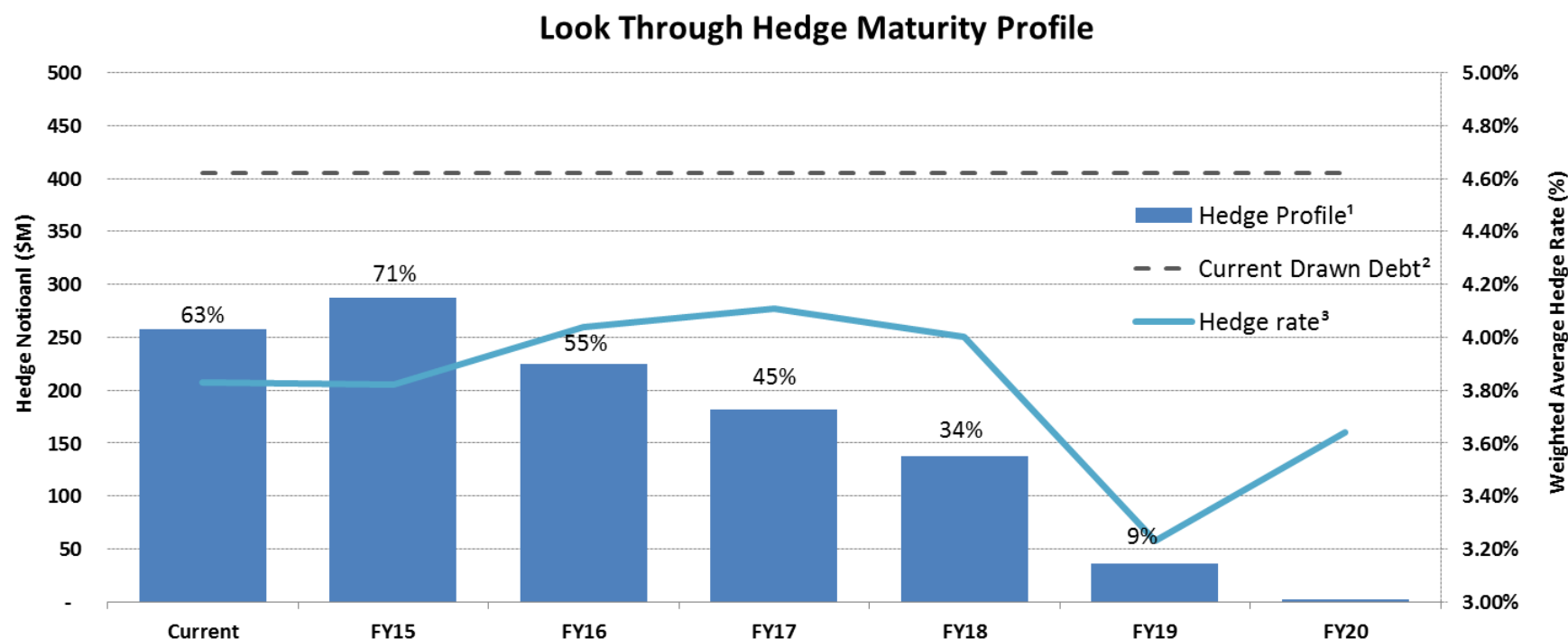


- Weighted average maturity at 30 June 2014 is 3.6 years up from 3.1 years at 30 June 2013

- Look through weighted average maturity at 30 June 2014 is 3.3 years
- CHC corporate debt facility credit approved to extend maturity to August 2017 (FY18 maturity)

Interest rate risk management

FY15 look through interest rate exposure hedged to 71%



- The hedge portfolio has a duration of 3.5 years¹
- The passing weighted average hedge rate is 3.8%¹
- The passing weighted average cost of debt is 5.1%¹

1. Interest rate hedging as at 30 June 2014 on a look through basis and includes hedges executed in FY15 YTD

2. Current Drawn Debt as at 30 June 2014 and is projected on a straight line basis for illustrative purposes only

3. Hedge Rate is the look through weighted average rate as at 30 June 2014 and includes hedges executed in FY15 YTD.

Fund Key

Listed entities		Funds being realised	
CHC	Charter Hall Group	DPF	Diversified Property Fund
CQR	Charter Hall Retail REIT	CHOF5	Charter Hall Opportunity Fund 5
Wholesale (Pooled and Partnerships)		CHUF	Charter Hall Umbrella Fund
CPOF	Core Plus Office Fund	Retail investor funds	
CPIF	Core Plus Industrial Fund	CHDPF	Charter Hall Direct Property Fund
CHOT	Charter Hall Office Trust	DIF, DIF2	Direct Industrial Fund series
BP1 & BP2	BP Fund + BP Fund No. 2	CHIF8	144 Stirling Street Trust
CLP	Core Logistics Partnership	PFA	PFA Diversified Fund
RP1	Retail Partnership No.1	Workzone	Charter Hall Direct Workzone Syndicate
RP2	Retail Partnership No.2 – Bateau Bay Square	VA	Charter Hall Direct VA Trust
KS	Keperra Square	CDC	Charter Hall Direct CDC Trust
BSWF	Brisbane Square Wholesale Fund	DRF	Direct Retail Fund
Other			
WALE	Weighted Average Lease Expiry		
FUM	Funds Under Management		
Cap Rate	Capitalisation Rate		
OEPS	Ordinary Earnings per Security		
NTA	Net Tangible Assets		
PFM	Property Funds Management		
PI	Property Investments		

Disclaimer

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All information here in is current as at 30 June 2014 unless otherwise stated, and all references to dollars (\$) or A\$ are Australian Dollars unless otherwise stated.

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About Charter Hall Group:

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over 23 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. As at 30 June 2014 Charter Hall had \$11.5 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.

