

ASX Release

Charter Hall announces \$1.25 billion of acquisitions and upgraded Earnings Guidance

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Charter Hall Group (ASX: CHC) today announces that \$1.25 billion of acquisitions have been secured across the Platform including a \$840 million investment in a new managed Partnership that has contracted to acquire a 49% interest in a \$1.7 billion portfolio comprising 225 Convenience Retail properties leased to BP Australia Pty Limited (BP) with a 20-year WALE triple net lease. Additionally, the Group announces the \$398.9 million acquisition of a 32-year WALE triple net leased industrial facility, in a sale and leaseback from Arnott's, located within the prime Huntingwood precinct of Sydney's western suburbs.

The BP portfolio consists of the majority of BP's owned Convenience Retail properties in Australia. The portfolio has a WALE of 20 years, with staggered lease expiries from 18 to 22 years and triple-net structure with annual CPI increases.

The Charter Hall managed Partnership will be owned 50% by Charter Hall Long WALE REIT (ASX:CLW), 30% by the Charter Hall Retail REIT (ASX: CQR) and 20% by Charter Hall Group.

Charter Hall's equity commitment for its 20% interest is approximately \$90 million, which will be funded through existing investment capacity.

CLW is undertaking an underwritten \$350 million equity raising today which includes an accelerated non-renounceable entitlement offer (ANREO) and Placement. Charter Hall Group intends to subscribe for its maximum entitlement as part of that ANREO offer which equates to approximately \$20 million. This increased investment in CLW which will see the CLW WALE grow to 14.9 years with higher FY20 EPS growth of 5.2% over FY19, is consistent with the CHC Property Investment portfolio strategy to optimise WALE, earnings growth and tenant customer quality with many of our customers being leaders in the industry or market segment.

Charter Hall's Managing Director and Group CEO, David Harrison said: "We welcome the establishment of these significant tenant customer relationships with BP and Arnott's. Our success in partnering with Global multi-national and Australian-based corporates in sale and leaseback activities continues to benefit our tenant customers while providing opportunities for our diverse range of investors and securityholders. The creation of this Partnership continues Charter Hall's growth of new partnerships and funds, whilst further extending the Group's long WALE investment strategy."

FY20 Earnings Guidance

The Group's previous FY20 guidance was for post-tax operating earnings per security (OEPS) growth of 18- 20% over FY19.

Given the significant acquisition activity and resultant FUM growth beyond \$38 billion in recent times and based on no material change in current market conditions, the Group's FY20 guidance has been upgraded to approximately 30% growth in post-tax operating earnings per security over FY19.

FY20 guidance continues to include \$82 million for the CHOT performance fee (unchanged from previous guidance), noting that of the total estimated fee payable in April 2020 of \$132 million, \$50 million was recognised in FY19. When the impact of the CHOT performance fee is removed from both FY19 and FY20 earnings, OEPS post tax guidance implies growth of approximately 24% over FY19.

Charter Hall will report 1H20 Results on Friday 21 February.

Distribution for the half year ended 31 December 2019

Charter Hall Funds Management Limited, as responsible entity for Charter Hall Property Trust and Charter Hall Limited declares a distribution of 17.5 cents per security (cps) for the half year ending 31 December 2019. This represents a 6% increase on 1H FY19 distribution per security of 16.5cps in line with previously announced DPS growth target strategy.

A portion of this distribution will be paid from both stapled entities based on the following composition:

- 10.5 cents per security distribution from Charter Hall Property Trust
- 7.0 cents per security fully franked dividend from Charter Hall Limited

The franking credit attached to the fully franked dividend from Charter Hall Limited is equal to 3.0 cents per security.

Proposed payment details are:

Distribution:	17.5 cents per security
Record date:	31 December 2019
Securities trade ex-distribution:	30 December 2019
Payment date:	On or around 28 February 2020

CHC advises that the Distribution Reinvestment Plan will remain suspended until further notice.

Announcement Authorised by the Board

Charter Hall Group (ASX: CHC)

With over 28 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors – office, retail, industrial and social infrastructure.

Operating with prudence, we've carefully curated a \$38 billion plus diverse portfolio of over 1100 high quality, long leased properties. Partnership and financial discipline are at the heart of our approach. Acting in the best interest of customers and communities, we combine insight and inventiveness to unlock hidden value. Taking a long term view, our \$6.5 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

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