

APPENDIX 4D

Half Year Report for the period ended 31 December 2017

Name of Entity: Charter Hall Long WALE REIT comprising of the three 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); and
- Franklin Street Property Trust ("FSPT") (ARSN 614 714 206).

Results for announcement to the market

	6 months to 31 December 2017 \$m	6 months to 31 December 2016 \$m	Variance (%)
Revenue from ordinary activities	32.2	14.5	122%
Profit/(loss) from ordinary activities after tax attributable to members	45.9	(2.8)	(1739%)
Operating earnings ¹	27.3	11.8	131%

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 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 to operating earnings is provided in Note A1 of the consolidated interim financial statements.

	6 months to 31 December 2017 cents per stapled security	6 months to 31 December 2016 cents per stapled security	Variance (%)
Basic earnings/(loss) per stapled security	21.88	(3.28)	(767%)
Operating earnings per stapled security	13.01	13.83	(6%)

Distributions	Amount per stapled security, cents per stapled security
<i>Current period:</i>	
Distributions made by:	
- DIF	10.00
- Other Stapled Trusts	3.00
	13.00
<i>Previous corresponding period:</i>	
Distributions made by:	
- DIF	1.90
- Other Stapled Trusts	1.50
	3.40
Record date for determining entitlements to the distribution	29 December 2017

Results for announcement to the market (continued)

The REIT recorded a statutory profit of \$45.9 million for the period ended 31 December 2017 (31 December 2016: loss of \$2.8 million).

Operating earnings amounted to \$27.3 million for the period ended 31 December 2017 (31 December 2016: \$11.8 million).

The REIT's statutory accounting profit of \$45.9 million includes a number of unrealised, non-cash and capital items:

- \$16.6 million of net fair value gain on investment properties;
- \$1.7 million of straightlining of rental income;
- \$0.2 million of net fair value gain on financial assets; and
- \$0.1 million of net gain from derivative financial instruments.

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 A2: Distributions and earnings per security).

Net Tangible Assets

	31 December 2017	30 June 2017
Net tangible asset backing per stapled security ¹	4.02	3.93

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

During the period, the REIT established LWR Canning Vale Trust, a wholly owned subsidiary of DIF.

Details of Associates and Joint Venture entities

Refer attached interim financial report (Note B2: Investments in joint venture entities).

Other significant information

For additional information regarding the results of the REIT for the half year ended 31 December 2017 please refer to the Half Year Results – ASX Media Announcement and the Half Year Results Presentation for the six months to 31 December 2017 lodged with the ASX. Attached with this Appendix 4D is a copy of the interim financial report for the half year ended 31 December 2017.

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.