

ASX Release

Charter Hall Expands Wholesale Partnerships with \$127m Bunnings Portfolio Acquisition

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Charter Hall Group (ASX:CHC) (Charter Hall or the Group) today announced its newly established Bunnings Partnership Fund 2 (BPF2) has acquired a \$127 million portfolio from Bunnings. The transaction reflects a range of initial yields from 6.95% to 7.5%.

The BPF2 portfolio comprises approximately 50%(by value) of metropolitan located stores in the Perth suburb of Armadale and the Gold Coast suburb of Burleigh Heads, with the balance regionally located Bunnings stores at Gympie and Mackay in Queensland. All properties are leased to Bunnings on new 12 year leases and provide average 3% per annum rental increases.

This off-market portfolio acquisition increases Charter Hall Group's total Bunnings assets under management to \$400 million and total retail assets under management to \$3.2 billion.

Charter Hall has made an equity commitment of \$59.2 million, which, combined with non-recourse bank debt facilities, will fund the acquisition. The Group is in advanced discussions with co-investors to partner in the portfolio.

Charter Hall's Joint Managing Director, David Harrison, said: "We are pleased to acquire an additional high quality Bunnings portfolio directly from Bunnings, which we believe provides defensive characteristics from a high quality retail business".

"This sector continues to perform well and we will expand the Group's Bunnings Partnerships as the right opportunities arise," Mr Harrison added.

The acquisition is expected to be slightly earnings accretive in FY15 for Charter Hall Group and substantially deploys equity raised from the Group's February 2014 placement.

About Charter Hall

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. Charter Hall has over \$10.6 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.

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