

ASX Release

Charter Hall increases Group FUM by \$700 million from net revaluations

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Charter Hall Group (ASX: CHC) today announced that, subject to Audit review and approval by the CHC and other responsible entity Boards of the 1HFY17 financial statements, net revaluations exceeding \$700m across its funds management platform are expected, resulting from predominantly independently assessed valuation gains net of capex. This \$700 million increase in FUM represents 4% growth over the \$17.5 billion FUM portfolio as at 30 June 2016. This FUM increase excludes the impact of on-going development expenditure and net acquisitions.

As a result of the net valuation uplifts across the funds management platform, the Charter Hall Group's balance sheet Property Investments are expected to increase by approximately \$88 million, or 8% from the reported carrying value as at 30 June 2016 of \$1.1 billion. These net valuation impacts exclude any other impacts from normal movements in the balance sheets of Charter Hall Group and of its managed funds.

Group CEO and Managing Director David Harrison commented, "We continue to see positive net valuation uplifts across all sectors, with particularly strong uplifts in office and long WALE retail assets, whilst industrial growth has moderated after strong 30 June 2016 valuation growth. Over 75% of the Group's stabilised portfolio has been independently valued as at 31 December 2016, reflecting average cap rate compression of 35 bps across independently valued assets and minimal internal valuation cap rate compression, resulting in 26 bps of cap rate compression to 6.28% across the managed funds platform."

About Charter Hall

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over 25 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$18.0 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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