



ASX/MEDIA ANNOUNCEMENT

DISTRIBUTION FOR THE HALF YEAR ENDED 30 JUNE 2012 AND BUSINESS UPDATE

Monday, 18 June 2012

Distribution for the Half Year ended 30 June 2012

Charter Hall Funds Management Limited, as responsible entity for Charter Hall Property Trust and Charter Hall Limited (ASX: CHC) (Charter Hall or the Group) is pleased to announce a distribution of 9.10 cents per security (cps) for the half year ending 30 June 2012. The total distribution per security for the year ending 30 June 2012 will be 18.2 cps¹, which is a 10.0% increase on the 16.5 cps for the corresponding year ending June 2011.

Proposed payment details are:

Distribution:	9.10 cents per security
Record date:	29 June 2012
Securities trade ex-distribution:	20 June 2012
Payment date:	27 August 2012

Charter Hall advises that in recognition of the Group's current liquidity position the Distribution Reinvestment Plan will remain suspended, until further notice.

Management Rights for Charter Hall Office Trust (CHOT, formerly CQO)

Charter Hall refers to its announcement made on 1 May 2012 noting that the Charter Hall Board would appoint an independent adviser to assist the Board in assessing the carrying value of the management rights, post implementation of the privatisation of Charter Hall Office REIT (CQO), renamed Charter Hall Office Trust (CHOT). Charter Hall can confirm that an independent valuer, KPMG Corporate Finance, has provided a valuation that supports the carrying value of the management rights of \$47 million at 30 April 2012. On this basis the Board confirms there is no impairment to the \$47 million carrying value at that date. In addition, Charter Hall advises it will amortise the carrying value of the management rights on a straight line basis over a six year period commencing from 1 May 2012. Amortisation of these

¹ Barring unforeseen circumstances



management rights will have no impact on operating earnings however will be included in statutory earnings as a specific non cash item.

Provision for Potential Clawback of CHOF4 Performance Fees

Charter Hall refers to the announcement made on 1 May 2012 regarding the contingent liability of up to a maximum of \$14.2 million that may be incurred in relation to the potential Charter Hall Opportunity Fund No.4 (CHOF4) clawback of performance fees received in respect of the 2007, 2008, 2009 and 2010 financial years. The final amount of any clawback will not be known until all assets of CHOF4 are realised and this is not expected to occur until FY13 at the earliest. An independent valuation of the largest remaining un-realised asset of CHOF4, being Home HQ North Shore, Artarmon, NSW, has been commissioned by the CHOF4 financier and is not yet finalised. Having regard to this and current market conditions, the Charter Hall Board has resolved to raise a provision for the maximum potential liability, being \$14.2 million, in the year ending 30 June 2012 financial statements of Charter Hall. This provision represents a non-cash charge in the year ended 30 June 2012 and it reduces operating earnings by \$14.2 million or approximately 4.76 cps to 18.7cps (see table below).

Charter Hall confirms there are no other performance fees previously received by the Group from other Charter Hall managed funds in prior periods or the current year that are subject to clawback arrangements.

Updated Operating Earnings Per Share (OEPS) Guidance

Following the decision to raise a provision in the financial statements at 30 June 2012 for the potential repayment of previously received performance fees from CHOF4, based upon unaudited management accounts, Charter Hall updates its guidance for the year ending 30 June 2012 for operating earnings per security (OEPS) as follows:

Cents per security	Previous Guidance	Updated Guidance ¹
Operating Earnings from ordinary activities, before specific items	22.0c	21.5c
add: CQO fees net of US office closure costs, costs of retaining management rights and organisational restructure costs	2.0c	2.0c
Operating Earnings before CHOF4 provision	24.0c	23.5c
less: Provision for CHOF4 Performance Fee Clawback Fee	-	(4.8c)
Net Operating Earnings after specific items	24.0c	18.7c



The net 2.0 cps represents one off specific items relating to fees received for the sale of CQO's United States (US) portfolio after deducting costs associated with the closure of the US office, costs associated with retention of the management rights and implementation of the organisational restructure.

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About the Charter Hall Group:

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over 20 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has circa \$9 billion of funds under management across the office, retail, industrial and residential 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.