

ASX Release

CQR focuses on non-discretionary retail portfolio divesting \$91 million of non-core assets

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Charter Hall Retail REIT (CQR or the REIT) today announced that it has exchanged contracts to divest three assets for a total consideration of \$91 million. The properties contracted for sale include a freestanding Woolworths neighbourhood centre in Wynyard, Tasmania, Albany Creek Square in Brisbane and Renmark Plaza in Renmark, South Australia.

Settlement of the Wynyard and Albany Creek Square properties is scheduled to occur in December 2017 and the settlement of Renmark Plaza will occur during Q3 FY18. The combined total sale price is broadly in line with book value.

Charter Hall Retail CEO, Greg Chubb commented on the REIT's divestment strategy and focus on reshaping the portfolio into the leading Australian retail non-discretionary and convenience based portfolio.

"With continued investor demand for smaller retail assets, we have taken the opportunity to divest these three assets in order to maximise the value to the fund. Our transactions during the past 12 months demonstrate our ability to execute on our strategy of recycling capital into assets that are well located with good population growth and which are positioned to be the dominant convenience based shopping centres in their respective local markets."

"We have taken a judicious approach to reshaping the CQR portfolio into what is the leading convenience based supermarket-anchored shopping centre portfolio in Australia. During FY17, we completed the disposal of a number of lower growth assets along with the acquisition of potential higher growth assets to build a more resilient non-discretionary portfolio focused on the provision of food and services to local communities," Mr Chubb added.

The REIT will continue its disciplined investment strategy to enhance portfolio earnings through value accretive redevelopments, selective acquisitions of properties with potential for higher growth, share buybacks and the divestment of lower growth assets.

Barring any unforeseen changes to operating conditions FY18 earnings guidance remains unchanged of 30.2cpcu to 30.6cpcu.

**About Charter Hall Retail REIT**

Charter Hall Retail REIT is a leading listed real estate investment trust with a \$2.8 billion portfolio of high quality Australian supermarket anchored neighbourhood and sub-regional shopping centres.

Charter Hall Retail REIT is managed by Charter Hall Group (ASX:CHC), is one of Australia's leading fully integrated property groups, with over 25 years' experience managing and investing in high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has \$20.4 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. For further information on Charter Hall Group and Charter Hall Retail REIT go to www.charterhall.com.au

For further information, please contact

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