

Secret Harbour Square
Charter Hall 

19 FEBRUARY 2018

Charter Hall Retail REIT

FY18 half year results

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Greg Chubb
Retail CEO and
Executive Director



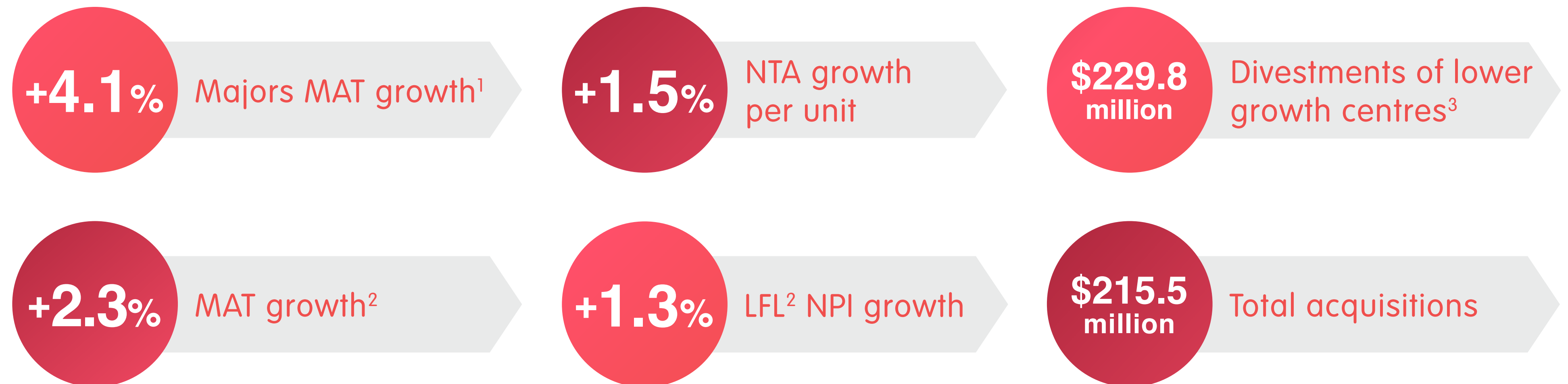
Christine Kelly
Head of Retail Finance and
Deputy Fund Manager

Highlights and Strategy

01

Key Achievements

Half year ended 31 December 2017



Execution of strategy
delivering growth

Key metrics	1H 18	1H 17	Movement
Operating earnings ⁴	\$61.9m	\$61.7m	+0.3%
Operating earnings ⁴ per unit	15.30 cents	15.21 cents	+0.6%
Distributions per unit	14.00 cents	14.10 cents	(0.7%)

	Dec 17	Jun 17	Movement
Net tangible assets per unit	\$4.19	\$4.13	+1.5%
Property portfolio	\$2,907m	\$2,764m	+5.2%

1. For stores in turnover

2. Like-for-like

3. Divestments calculated at CQR's share and include divestments settling post balance date

4. Operating earnings is equivalent to the Property Council definition of Funds From Operations

The leading owner and manager of convenience based retail

KEY DRIVERS

Active asset management

- Maintain strong tenant relationships
- Enhance the overall experience
- Optimise the tenancy mix through proactive leasing

Enhance portfolio quality

- Active portfolio curation
- Value enhancing redevelopments

Prudent capital management

- Sustainable payout ratio
- Prudent gearing
- Strong and flexible balance sheet

Providing a secure and growing income stream for our investors

Active asset management

- Stable occupancy at 97.8%
- LFL¹ NPI growth of +1.3%
- 118 renewals and 74 new leases reflecting continued focus on specialty leasing
- Portfolio MAT growth¹ of +2.3%
- Portfolio WALE of 6.7 years

Enhance portfolio quality

- Portfolio valued at \$2.9 billion, a 5.2% increase over the period
- Acquired Salamander Bay and Highfields for \$215.5 million at a yield of 6.0%
- Disposed of 11 lower growth properties² for \$229.8 million, at an average yield of 6.9%
- Lake Macquarie and Wanneroo developments underway

Prudent capital management

- Weighted average debt maturity of 5.6 years
- Pro-forma balance sheet gearing³ of 33.9%
- Repaid and cancelled \$50 million debt facility
- No debt maturing until FY21

1. Like-for-like
2. Divestments calculated at CQR's share and include divestments setting post balance date
3. December 2017 pro-forma balance sheet gearing post contracted asset disposals (for more detail refer to Annexure 6)

Lansell Square, Vic

Charter Hall 

Financial Performance

02

Operating Earnings and Distributions

- 1H 18 operating earnings in line with market guidance
- Total NPI and JV income has increased +6.2%, driven by same property NPI growth of +1.3% and the impact of acquisitions, offset by divestments during the period
- Net finance costs are higher, due to the timing of asset acquisitions and disposals

\$m	1H 18	1H 17
Net property income	80.1	74.4
Net income from joint ventures	7.5	8.1
Total net income	87.6	82.5
Net finance costs	(19.1)	(14.1)
Other expenses	(6.6)	(6.7)
Operating earnings	61.9	61.7
Operating earnings per unit (cents)	15.30	15.21
Distribution per unit (cents)	14.00	14.10
Payout ratio	91.5%	92.7%



Balance Sheet

- Property portfolio increased by \$143 million over the 6 month period due to:
 - Acquisitions net of divestments¹ of \$73 million
 - Development and capital expenditure totaling \$28 million
 - Revaluation uplift of \$42 million
- Investment in joint ventures has been reduced by the sale of Gladstone in July 2017
- Borrowings have increased due to acquisitions and capital expenditure, offset by divestments
- Other liabilities include derivative FX revaluations on derivative movements
- NTA growth is due to revaluation uplift during the period

\$m	Dec 17	Jun 17
Cash	10	59
Investment properties	2,520	2,367
Investment in joint ventures ²	246	250
Other assets	22	31
Total assets	2,798	2,707
Borrowings	(1,015)	(938)
Other liabilities	(93)	(95)
Total liabilities	(1,108)	(1,033)
NTA	1,690	1,675
Units on issue (millions)	404	406
NTA per unit (\$)	4.19	4.13

1. Excludes 4 assets contracted for sale in 2H 18 for a total value of \$87.7 million
 2. For the breakdown of investment in joint ventures, refer to Annexure 4

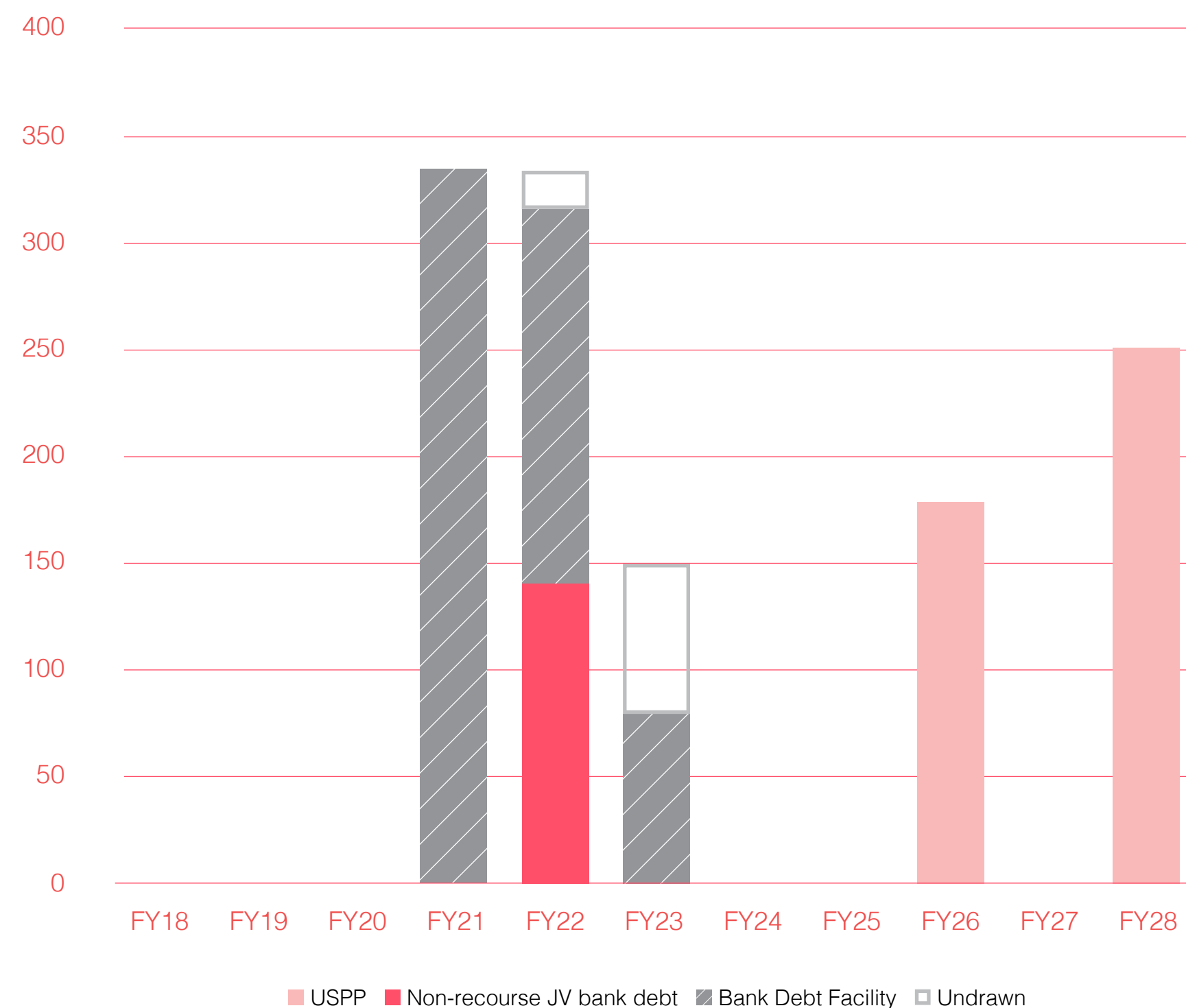
- 36% of the portfolio by value was externally revalued at 31 December 2017 (52% at 30 June 2017)
- Property values on a like for like basis increased by \$42 million representing +1.5% growth over the whole portfolio
- Revaluation growth for the 6 months to 31 December 2017 was driven by income growth and cap rate compression

	Total (\$m)
30 June 2017 portfolio value	2,764
Net transactions	73
Developments and additions	28
Valuation uplift	42
31 December 2017 portfolio value	2,907
June 2017 weighted average cap rate	6.31%
December 2017 weighted average cap rate	6.16%



- Repaid and cancelled \$50 million debt facility maturing in July 2018
- RP2 JV bank debt facility upsized and extended to FY22
- No debt maturing until FY21

Debt maturity profile



Key metrics

	Dec 17	Jun 17
Weighted average cost of debt ¹	3.8%	4.0%
Weighted average debt maturity	5.6 years	6.1 years
Weighted average hedge maturity	3.8 years	4.4 years
Interest rate hedging ²	60%	59%
Interest Cover Ratio	4.3x	4.6x
Balance sheet gearing ³	33.9%	33.1%
Look through gearing ³	36.9%	36.2%
Cash and undrawn debt capacity	\$84m	\$260m

1. Includes line fee (including cost of undrawn debt) and usage fee and excludes amortisation of upfront debt costs
 2. December 2017 pro-forma interest rate hedging post contracted asset disposals
 3. December 2017 pro-forma balance sheet and look through gearing post contracted asset disposals (for more details refer to Annexure 6)

Capital Transactions

- Strategy of enhancing the REIT's portfolio quality by recycling out of lower growth properties into higher growth properties
- Requirement that all assets are the dominant convenience based shopping centre within their catchment
- Average size of assets sold are 6,338sqm by area and \$22.3 million by value

Acquisitions	GLA (sqm)	Value \$m	Yield	Settlement
Highfields Village, Qld	10,314	41.0	6.0%	Jul-17
Salamander Bay Centre, NSW	23,931	174.5	6.0%	Jul-17
Total	34,245	215.5	6.0%	

Divestments	GLA (sqm)	Value \$m	Yield	Settlement
Wharflands Plaza, SA	10,215	21.0	8.7%	Jul-17
Gladstone Square, Qld ¹	3,462	15.8	7.2%	Jul-17
Narrabri Coles & Target, NSW	3,185	10.5	6.7%	Sep-17
Rosehill Woolworths, NSW	2,440	13.0	5.1%	Sep-17
Albany Creek Square, Qld	10,062	55.9	6.2%	Nov-17
Kerang Safeway, Vic	4,247	15.7	6.0%	Dec-17
Wynyard Woolworths, Tas	2,488	10.2	6.8%	Dec-17
Settled in 1H 18	36,099	142.1	6.6%	

Moranbah Fair, Qld	7,053	25.0	8.0%	Jan-18
Goonellabah Village, NSW	6,137	14.5	6.0%	Jan-18
Springfield Fair, Qld	5,127	23.5	6.4%	Feb-18
Renmark Square, SA	11,837	24.7	7.8%	May-18
To be settled in 2H 18 (held for sale at 31 December 2017)	30,154	87.7	7.2%	
Total	66,253	229.8	6.9%	

1. CQR's ownership share - 50%

Woolworths 

Operational Performance

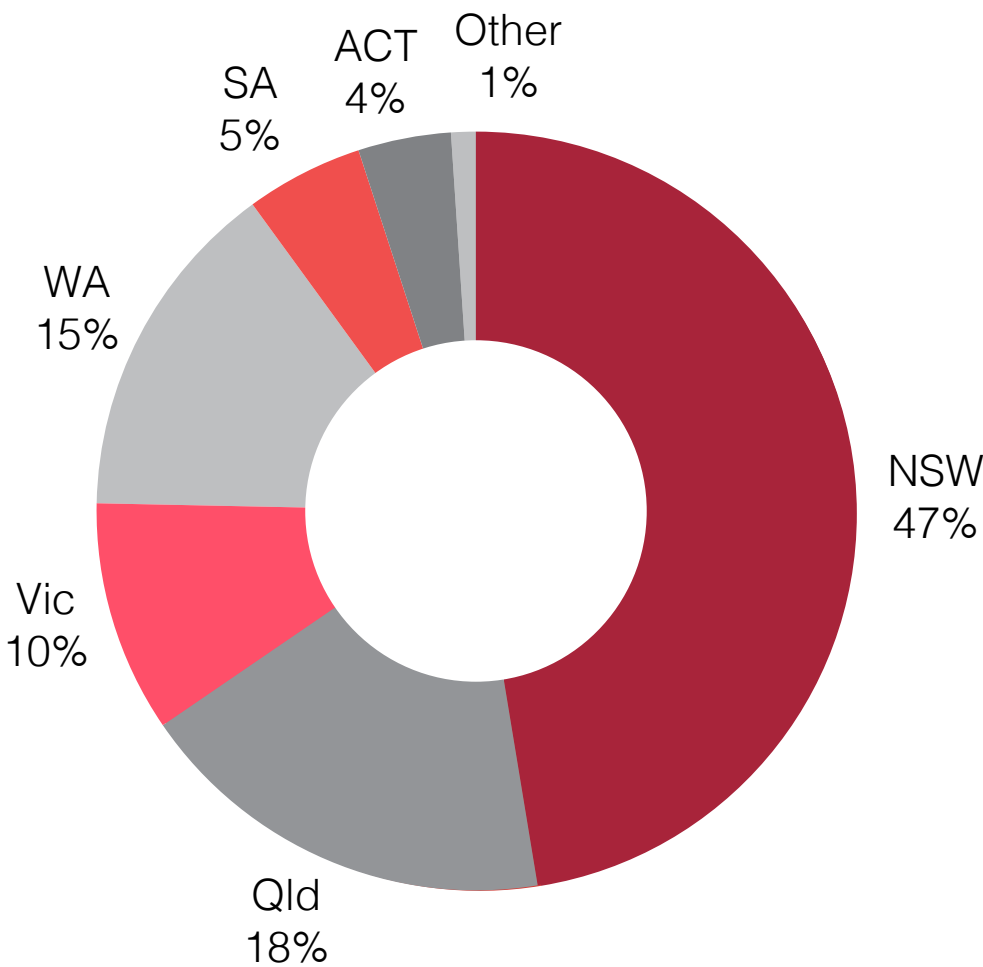
03

Portfolio Summary

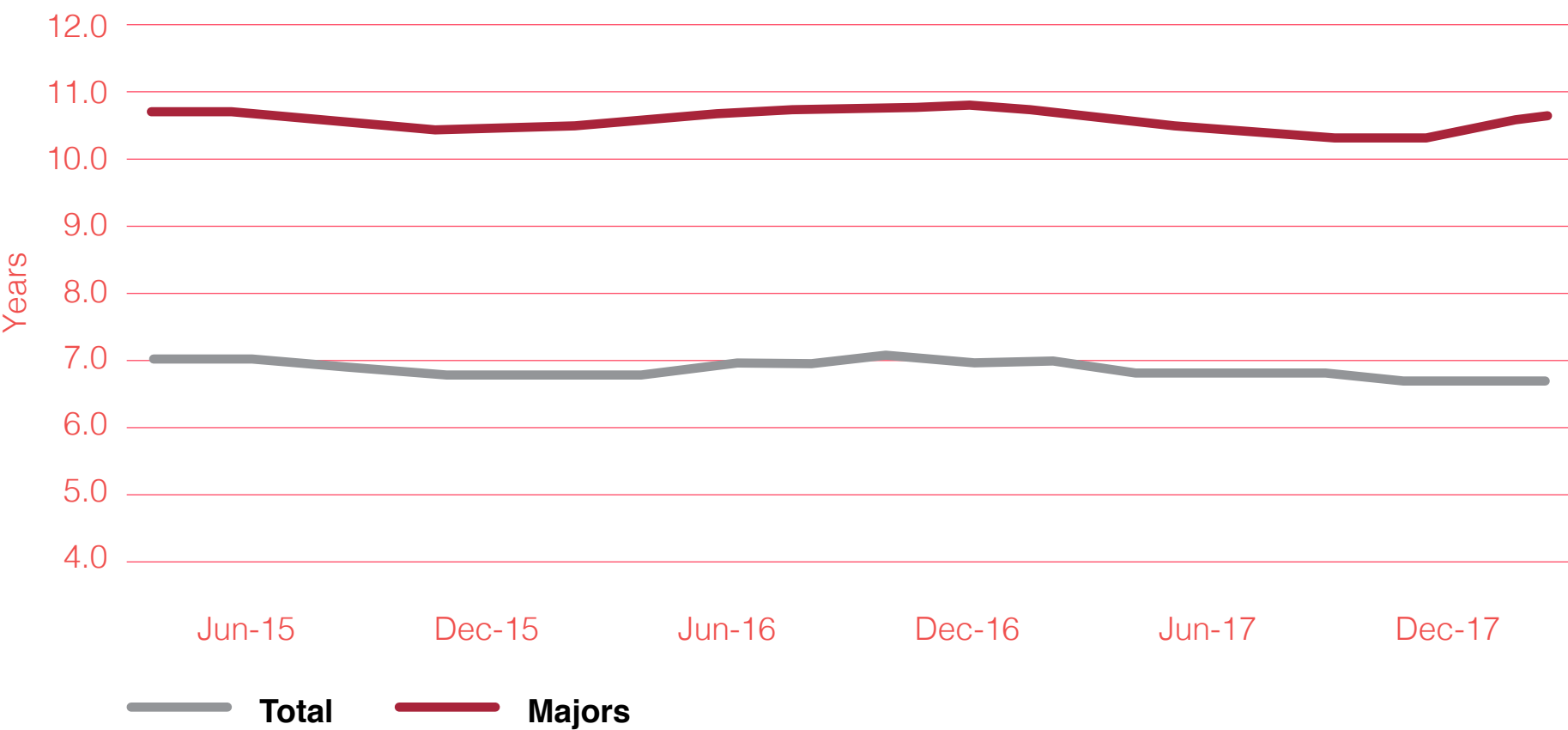
- Total MAT growth¹ of +2.3% driven by majors (+2.8%) and mini-major (+3.3%) tenants
- Wesfarmers and Woolworths stores in turnover delivered +4.1% MAT growth
- Like-for-like NPI growth has improved 30bps to +1.3%
- Average asset value increased 12% over the period to \$50.1 million

Portfolio snapshot	Dec 17	Jun 17
Number of assets	66	71
Value (\$m)	2,907	2,764
Weighted average cap rate	6.16%	6.31%
GLA ('000sqm)	621	626
Occupancy	97.8%	98.0%
Total MAT growth ¹	+2.3%	+1.6%
NPI growth ¹	+1.3%	+1.0%
WALE – total	6.7 years	6.8 years
WALE – majors	10.8 years	10.4 years

Asset value by state



Portfolio and majors WALE

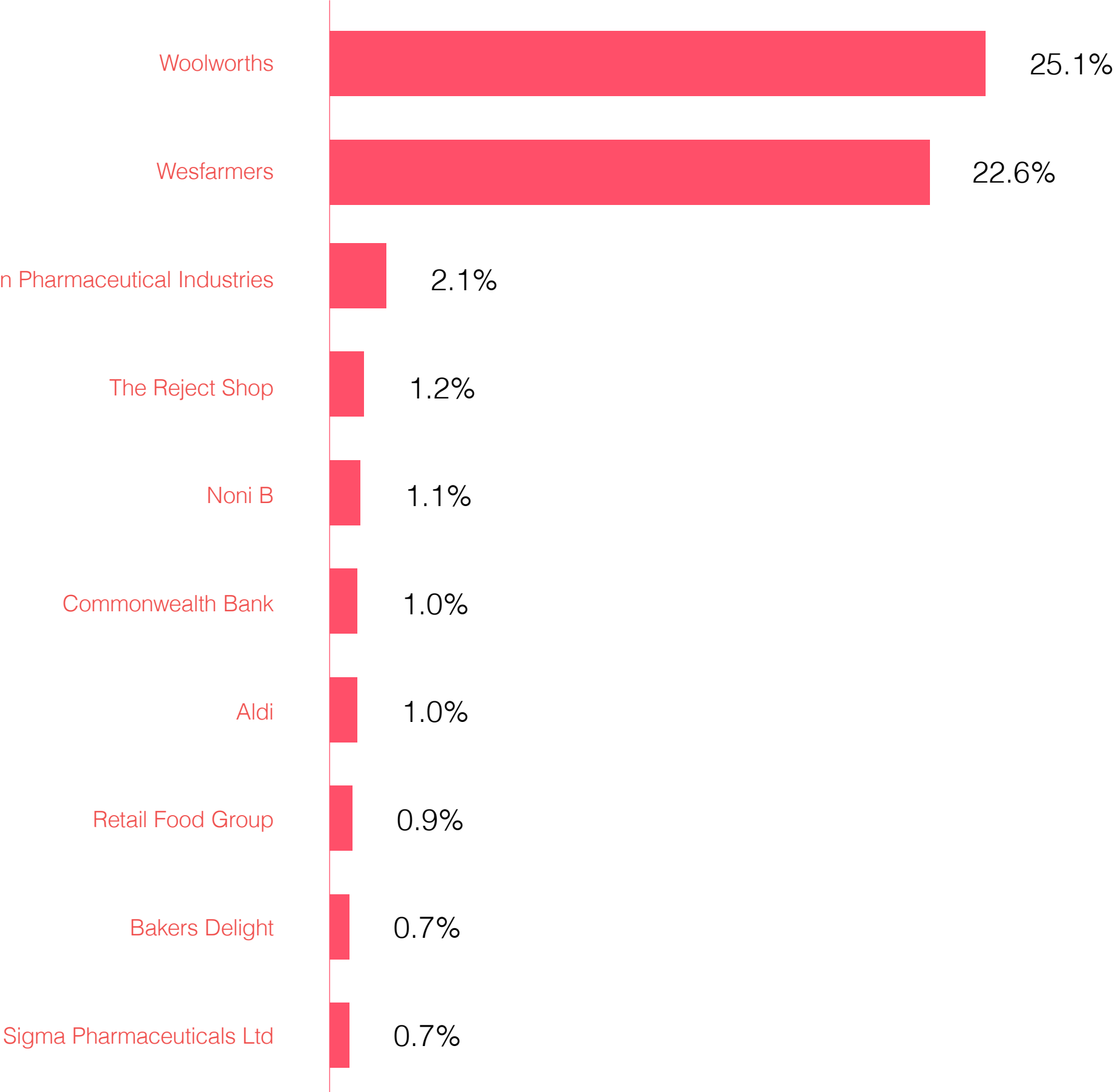


1. Like-for-like

Portfolio Tenant Composition

- Wesfarmers and Woolworths businesses represent 48% of rental income
- 93% of rental income is generated from convenience based non-discretionary retailers¹

Top 10 retail groups²

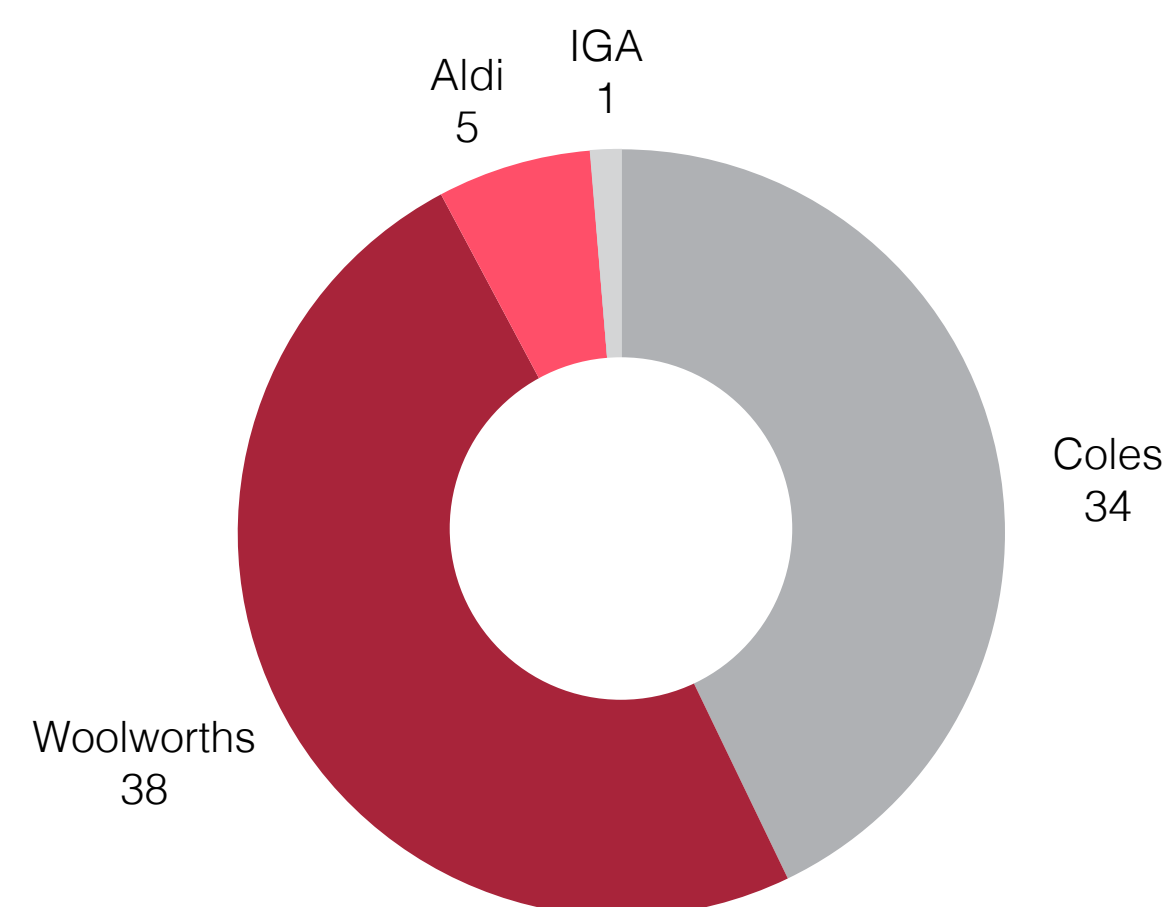


1. Limited exposure to discretionary categories (jewellery, homeware and clothing and apparel)
2. Calculated by rental income

FY18 Half Year Results

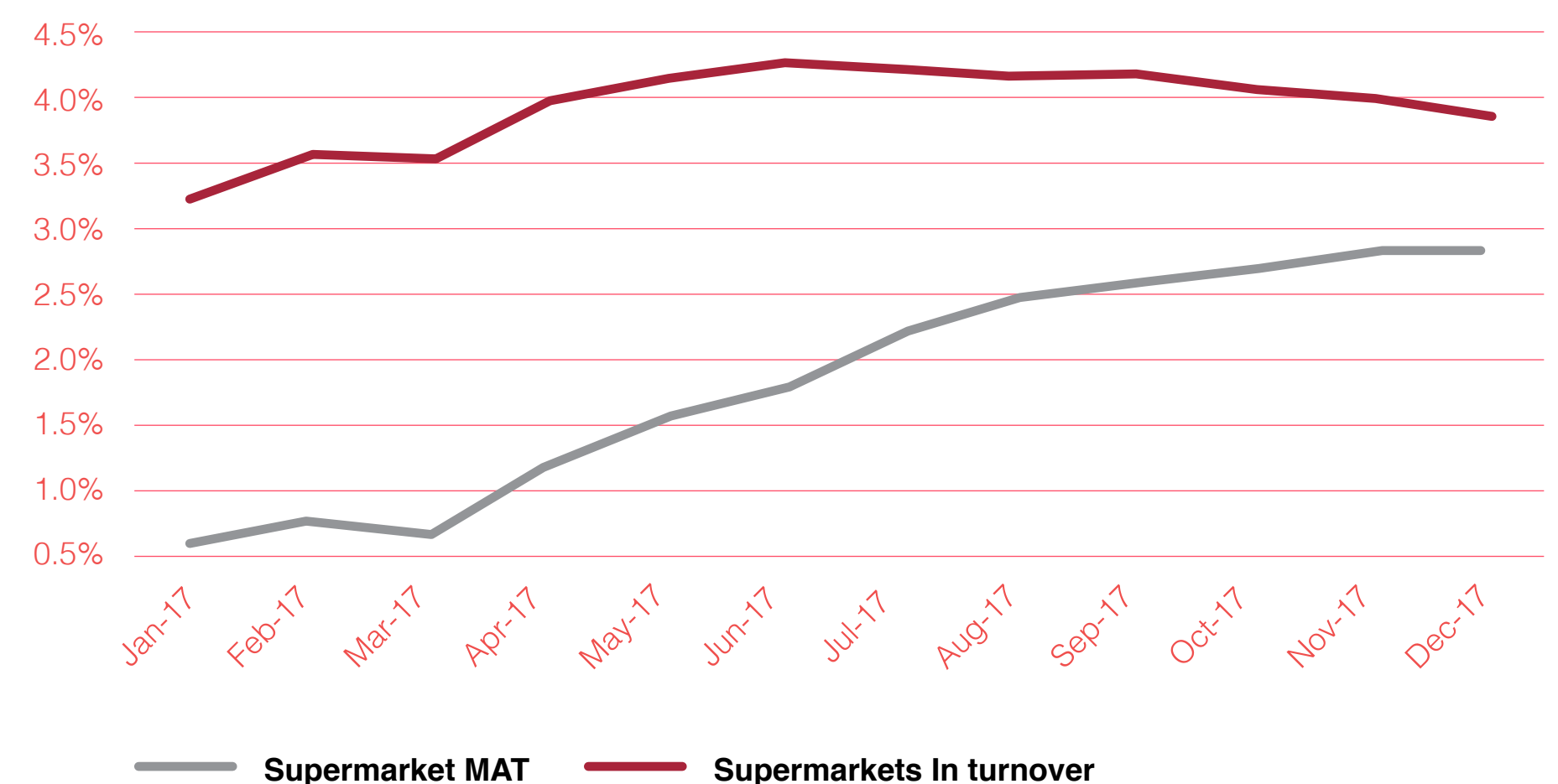
- 76% of major tenant rental income generated by supermarkets
- Supermarket MAT increased strongly with higher customer visitation, offset by ongoing price deflation
- Increased Aldi supermarket representation (now 7th largest tenant by rental income) with further stores to be added to the portfolio
- 17 supermarkets (22%) have been refurbished in the last 24 months

78 Supermarket stores in portfolio



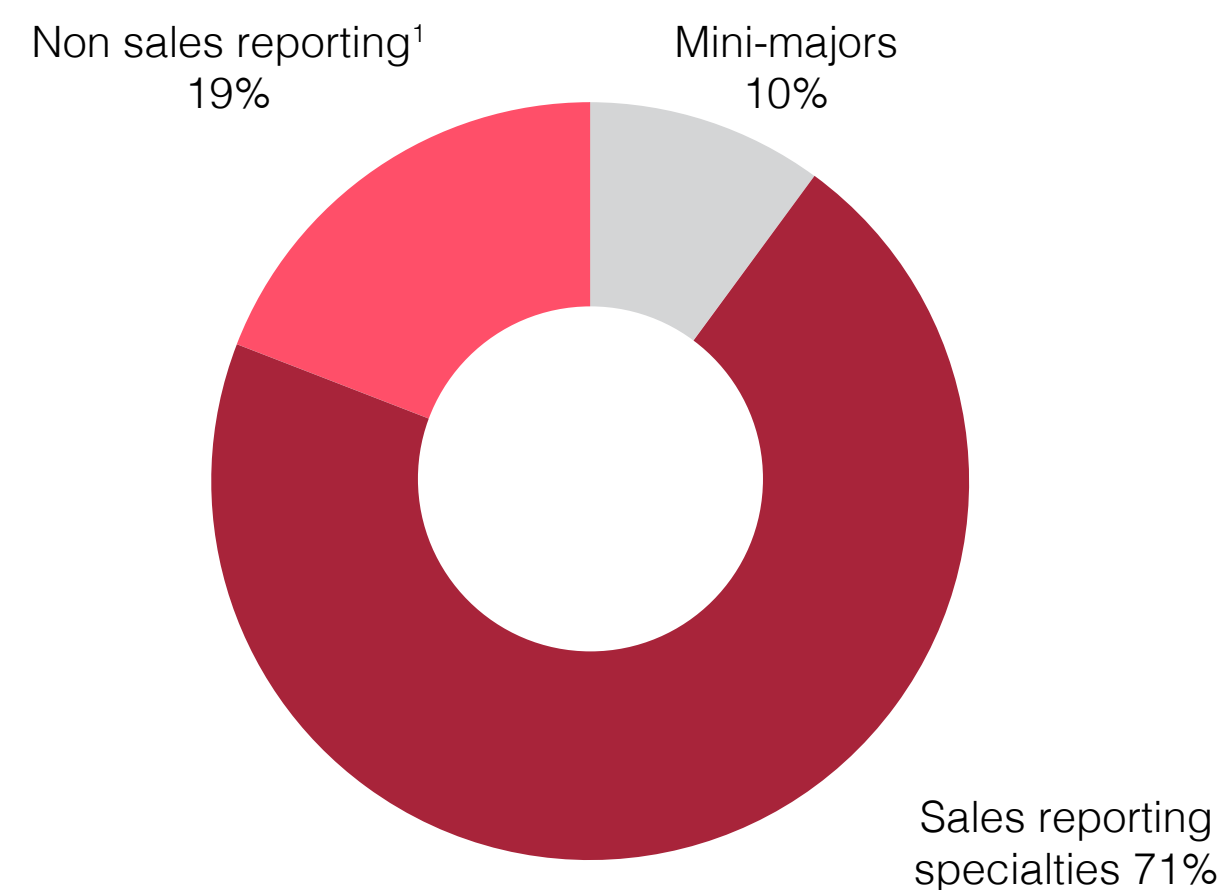
Supermarket performance	Dec 17	Jun 17
MAT growth	+2.9%	+1.8%
MAT growth – supermarkets in turnover	+3.8%	+3.8%
Supermarkets in turnover ¹	51%	52%
Supermarkets within 10% of turnover	19%	14%

Supermarket MAT growth²

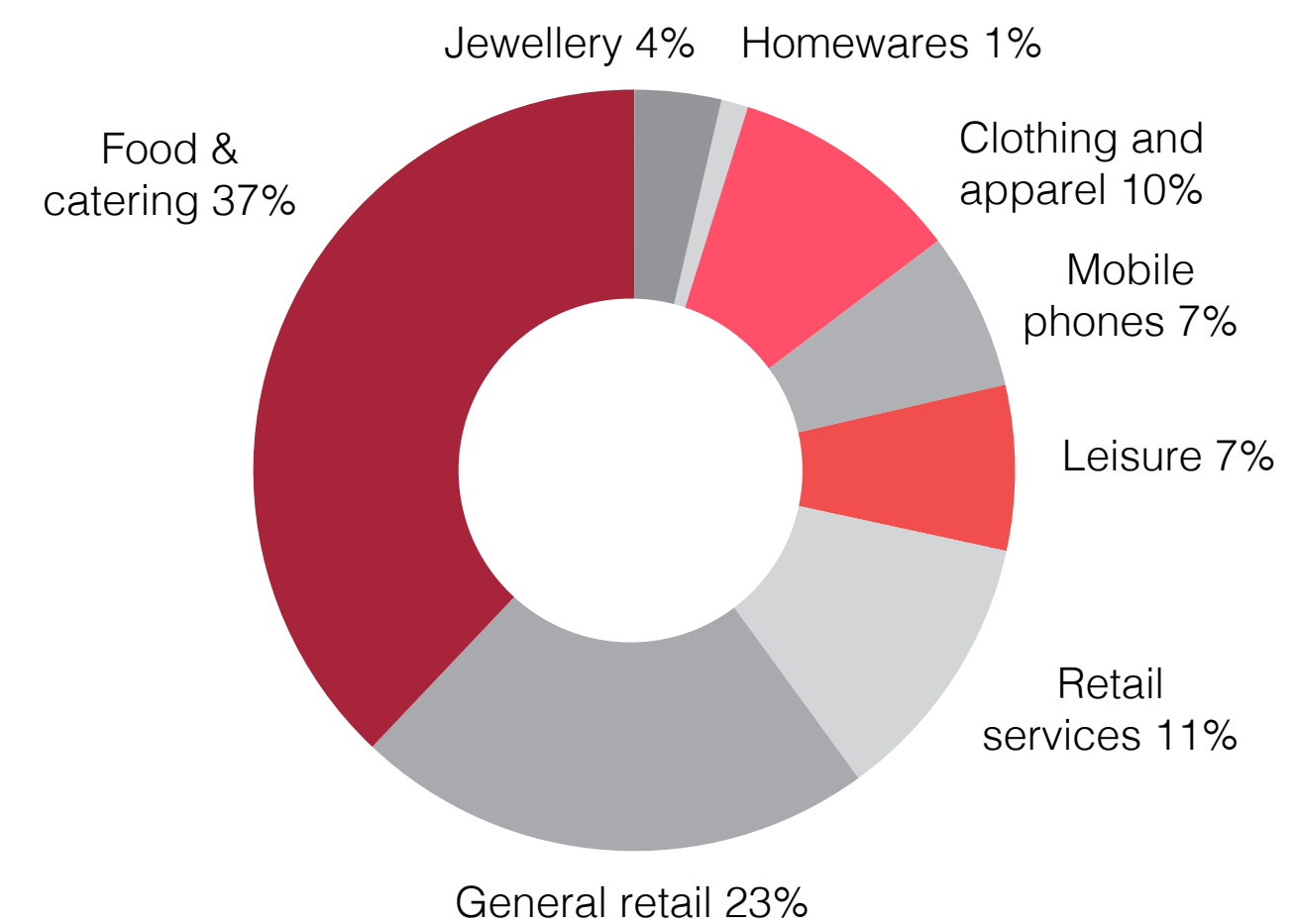


1. Includes supermarkets with fixed rent reviews
2. Supermarket MAT growth for the portfolio as at December 2017

Rental income by tenant type



Specialty MAT by category



Specialty performance	Dec 17	Jun 17
MAT growth	+0.3%	+0.2%
Sales productivity (per sqm)	\$9,439	\$9,186
Average gross rent (per sqm)	\$994	\$989
Specialty occupancy cost	10.5%	10.8%
Average fixed rental increase p.a.	4.1%	4.1%
Retention rate	86%	87%

- 192 specialty leases were completed in the period
- +0.8% leasing spread
- 74 new leases (+2.1% leasing spread)
- 118 renewals (+0.2% leasing spread)

1. Specialty tenants under SCCA guidelines who do not report sales – for example, banks and medical

Positive year on year increases in all areas of relationship satisfaction¹

- Tenant customers rate their relationship with Charter Hall Retail as positive
- 70% of specialty tenants intend to renew their lease on expiry
- Efficiency and commitment to long term relationships are driving preference, satisfaction and performance with Charter Hall Retail
- Charter Hall is in the top 5 landlords in Australia that are likely to be recommended by retailers

How tenants view Charter Hall Retail

Committed to long term relationships

Trustworthy

Flexible and fair

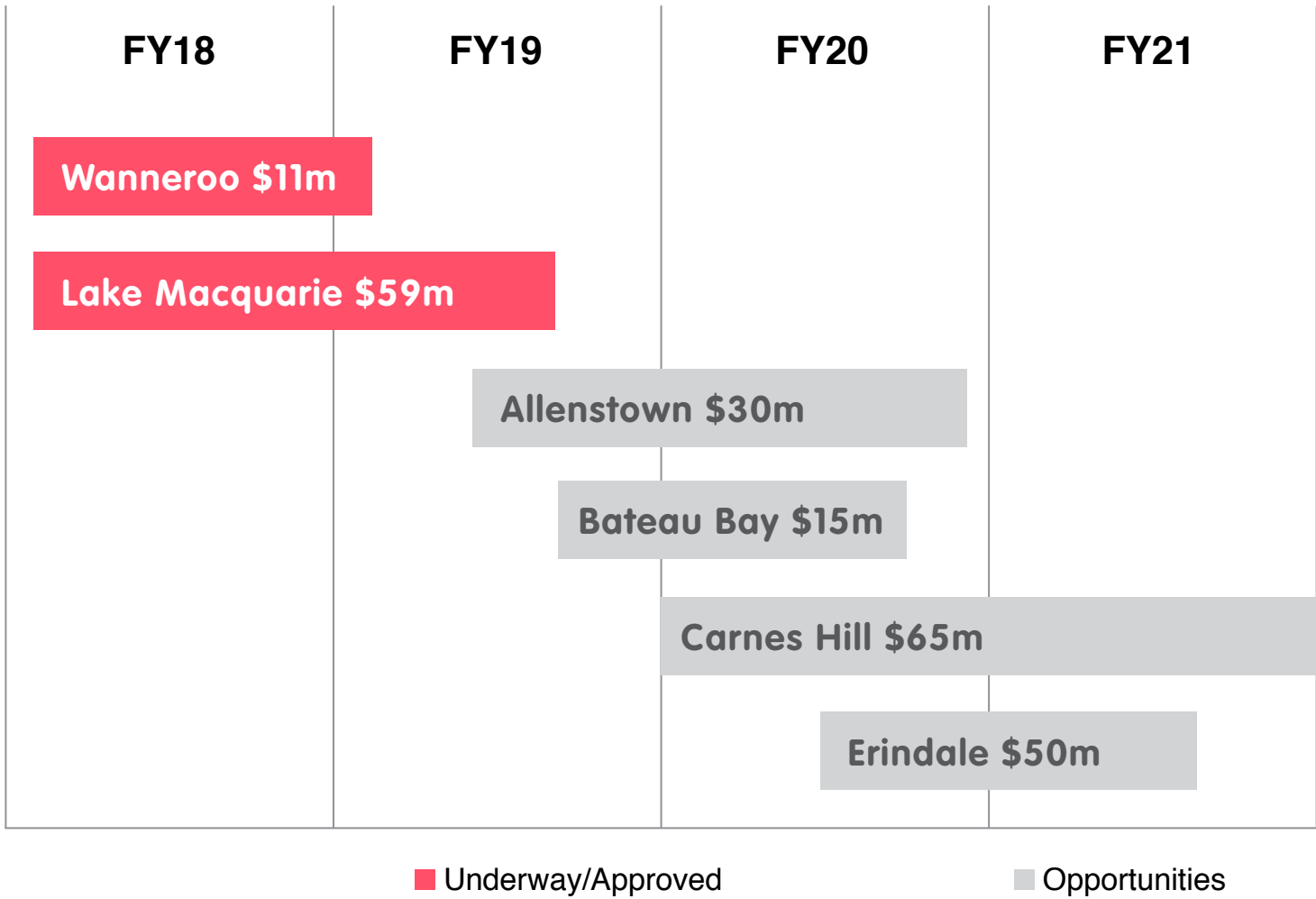
Easy to do business with

Prompt with responses



1. As measured by Monash University as part of the annual Net Promoter Score survey 2017

Redevelopments¹ (\$70m committed, \$160m pipeline)



1. CQR's ownership share

- LED upgrades resulting in 1.5 GWh savings in energy. Further projects being undertaken
- 250kWh solar system fully operational at Singleton Square with positive economic contribution
- Investigating solar energy projects with the aim of concurrent rollout across 20 retail centres
- Energy contracts locked in until FY20
- Installation of refund, reverse-vending stations as part of the NSW Container Deposit Scheme

3.75

Star average NABERS
Energy (up from 3.70
in FY16)

3.43

Star average NABERS
Water (up from 3.40
in FY16)

62

Green Star
Performance ratings

72

Climate Risk
ratings



Bateau Bay Square, NSW

Outlook

04

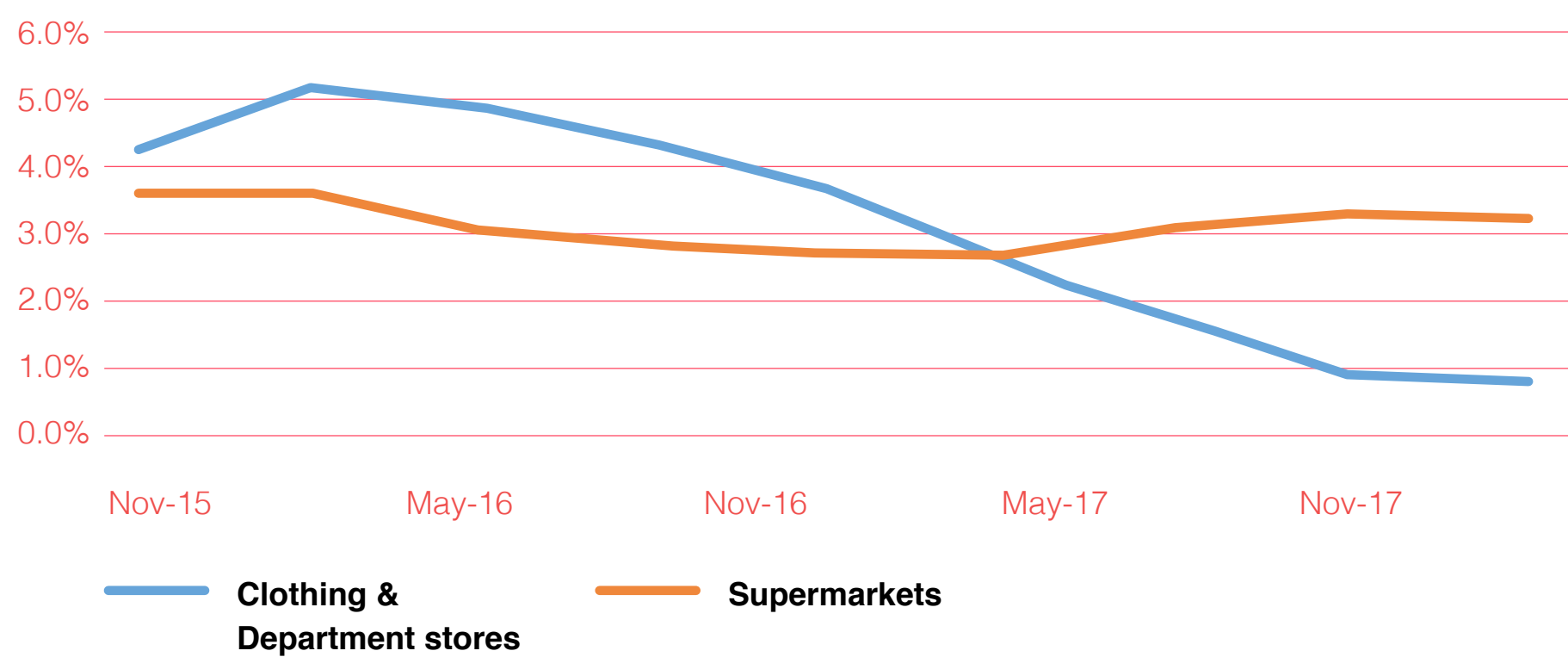
Supermarket sales maintain their steady and consistent sales growth without the volatility attached to clothing and department stores

Clothing and apparel and household goods along with department stores continue to decline

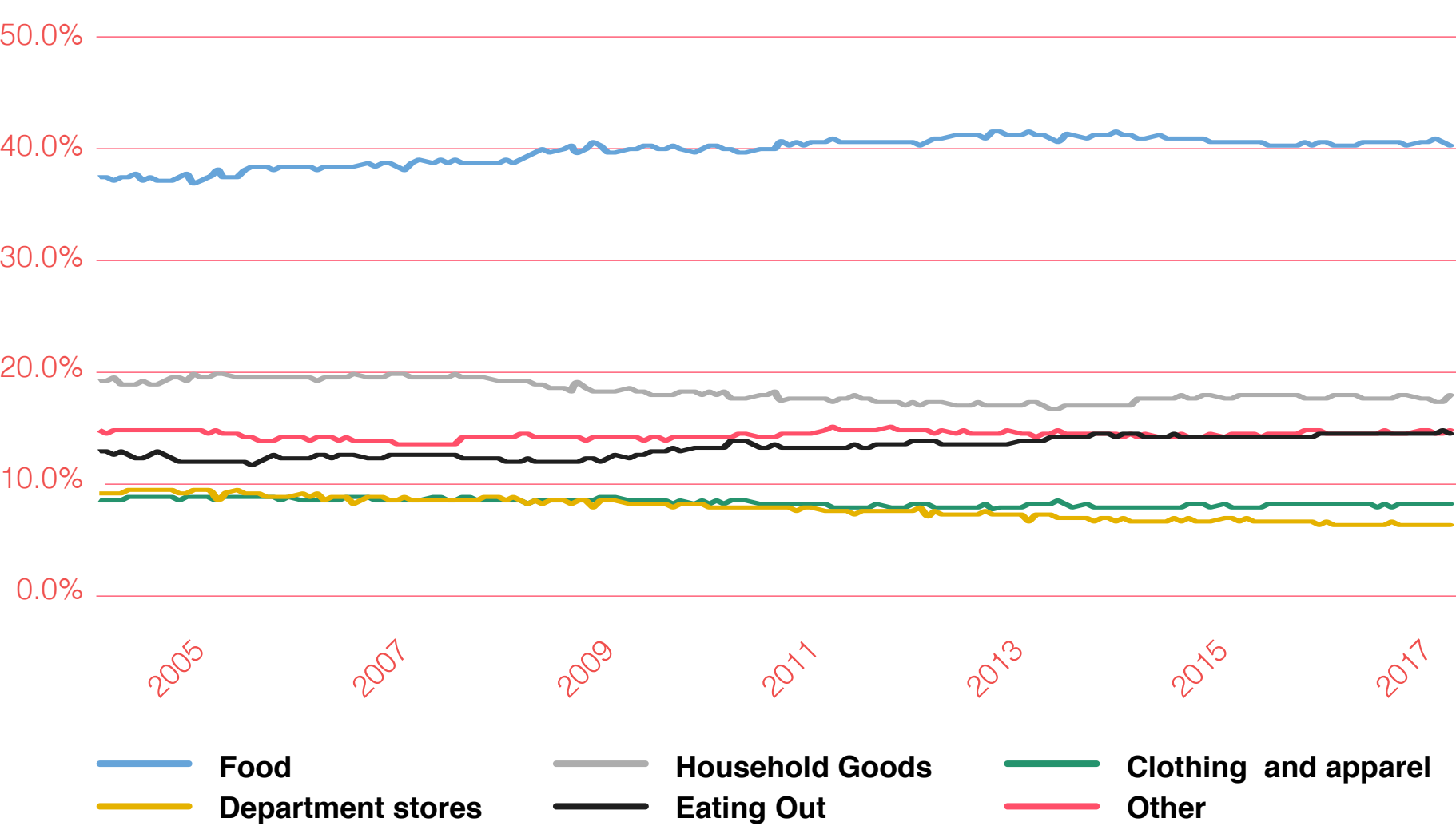
Food and eating out continue to grow as a share of total retail trade

CQR remains well positioned to capture these trends with food-based convenience centres

Annual sales growth¹



Composition of retail trade¹



1. Source: ABS

Portfolio positioned for growth

- Supermarkets sales will continue to remain strong, underpinning financial performance
- Continue to actively manage the portfolio for convenience, curating the tenancy mix towards food and non-discretionary needs, offsetting challenging specialty sales and leasing conditions
- 80% of the portfolio is located on the eastern seaboard
- Additional asset sales will be opportunistic, proceeds could be used to reduce gearing and/or buyback units, subject to price

Following the repositioning of the portfolio and barring unforeseen events, the REIT's FY18 guidance for operating earnings is expected to be 30.40 to 30.60 cents per unit

Distribution payout ratio range is expected to be between 90% and 95% of operating earnings

Annexures

05



01 Reconciliation of statutory profit to earnings

02 Reconciliation of statutory profit to FFO and AFFO

03 NTA and operating earnings reconciliation

04 Investment in joint ventures

05 Debt maturities and covenants

06 Pro-forma gearing

07 Current redevelopments

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10 Typical lease structures

11 Specialty sales performance & portfolio metrics

12 Portfolio historical performance

13 Specialty sales reconciliation

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Reconciliation of statutory profit to earnings

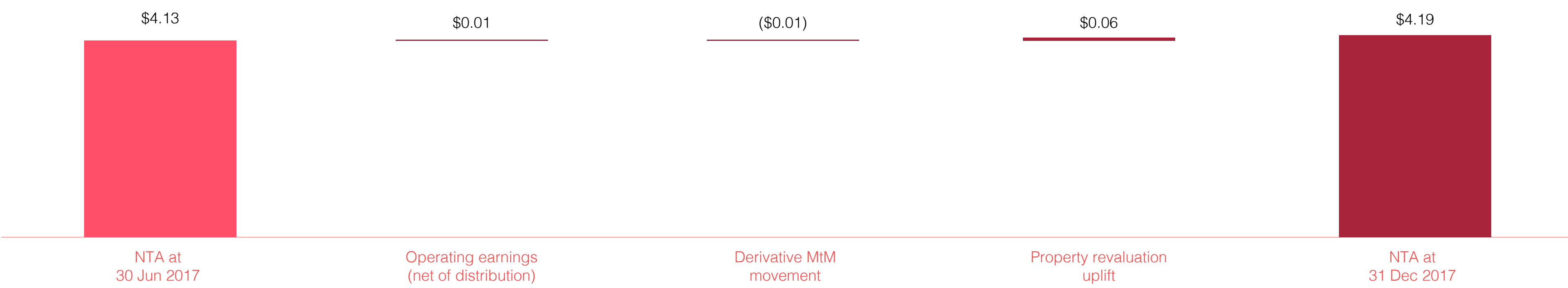
(All Values in \$m)	Dec 2017 Statutory profit	Dec 2017 Unrealised & capital items	Dec 2017 Operating earnings	Dec 2016 Operating earnings
Share of profits from investment in JV's				
Net property income				
– Sub-regional	8.5	-	8.5	8.5
– Neighbourhood	2.5	-	2.5	3.3
Property valuation gains	3.3	(3.3)	-	-
Loss on disposal of investment properties	(0.3)	0.3	-	-
Finance costs	(2.7)	-	(2.7)	(3.4)
Net unrealised gain on derivative financial instruments	0.1	(0.1)	-	-
Other expenses	(1.0)	0.2	(0.8)	(0.3)
Total	10.4	(2.9)	7.5	8.1
Net property income				
– Sub-regional	37.8	0.9	38.7	33.0
– Neighbourhood	34.2	1.4	35.6	34.3
– Freestanding	5.8	-	5.8	7.1
Property valuation gains	24.0	(24.0)	-	-
Loss on disposal of investment properties	(2.9)	2.9	-	-
Other income	0.1	-	0.1	0.1
Net unrealised loss on derivative financial instruments	(2.8)	2.8	-	-
Management fees	(5.0)	-	(5.0)	(5.4)
Finance costs	(19.1)	-	(19.1)	(14.1)
Trust expenses	(1.7)	-	(1.7)	(1.4)
Earnings	80.8	(18.9)	61.9	61.7
Operating earnings per unit (cents)			15.30	15.21
Distribution per unit (cents)			14.00	14.10

Reconciliation of statutory profit to FFO and AFFO

	1H 18 (\$m)	1H 18 (cpu)
Statutory profit	80.8	19.96
Revaluation increment on investment properties	(27.3)	(6.74)
Net loss on derivative financial instruments	2.7	0.67
Loss on sale of investment properties	3.2	0.79
Write off capitalised borrowing costs related to refinancing	-	-
Other	2.5	0.62
Funds From Operations (FFO) / Operating earnings	61.9	15.30
Less: Operational capex	(3.2)	(0.80)
Less: Lease incentives	(2.0)	(0.49)
Adjusted Funds From Operations (AFFO)	56.7	14.01
Distribution	56.5	14.00



NTA per unit reconciliation



Operating earnings to operating cash flows reconciliation



1. Excludes \$7.5m of capital return from the sale of Gladstone in the RP1 JV

Investment in joint ventures – balance sheet breakdown

\$m	1H 18	1H 17	Movement
Investment properties	387	397	(2.5%)
Borrowings	(137)	(139)	(1.4%)
Net other	(4)	(8)	(50.0%)
Investment in joint ventures	246	250	(1.6%)

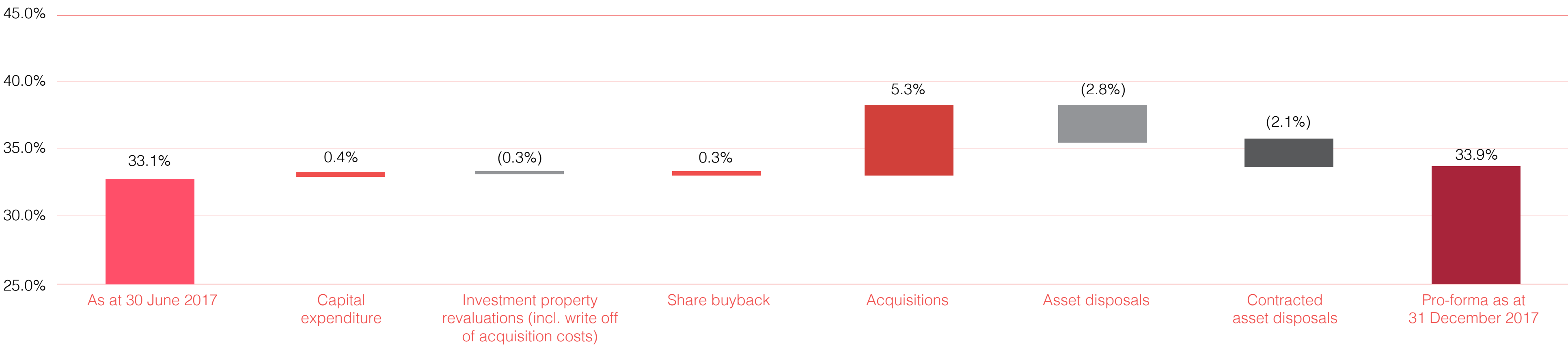
Debt maturities and covenants

Post refinance initiatives	Limit (\$m)	Drawn (\$m)	Rate	Maturity		Financial covenants	Covenant		Actual	
JV debt – CHRP1	110.0	90.9	Floating		Jun-22	LVR ICR	55.0% 2.0x		33.3% 3.9x	
JV debt – CHRP2	49.9	47.5	Floating		Nov-21	LVR ICR	60.0% 1.5x		43.4% 3.6x	
Syndicated bank debt facility	285.0	285.0	Floating	\$285m	Jul-20					
Bi-lateral bank debt facilities	375.0	301.2	Floating	\$50m \$175m \$150m	Feb-21 Jun-22 Jun-22	LVR ICR	50.0% 2.0x		42.2% 4.3x	
USPP – May 2016	177.4	177.4	Floating		May-26					
USPP – July 2015	251.6	251.6	Floating		Jul-27					
Grand total	1,248.8	1,153.5								

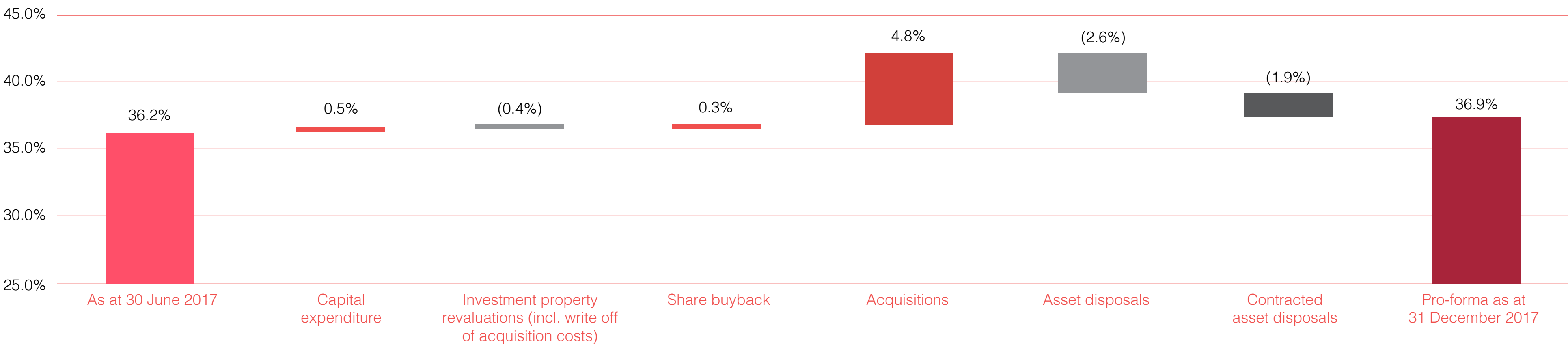
Interest rate risk management	FY18	FY19	FY20
Weighted average hedge book (\$m)	639	639	639
Weighted average debt margin ¹	1.7%	1.7%	1.7%
Weighted average hedge rate	2.2%	2.2%	2.2%

1. Excludes line fee on undrawn debt and assumes all debt refinanced at constant margin at maturity

Pro-forma gearing at December 2017 (post all contracted asset disposals)
Balance sheet



Look-through



Current redevelopments

Project	Project cost (\$m) ¹	Stabilised yield ²	Forecast completion ³	Description	Status
Lake Macquarie Fair, NSW	59	6.9%	March 19	Demolition of Mount Hutton Plaza and construction of a new 4,200sqm Coles and associated specialty stores to integrate with Lake Macquarie Fair.	The Principal Contractor commenced construction in September 2017. Construction of the the new Coles tenancy commenced in January 2018.
Wanneroo Central, WA (50%)	11	6.7%	July 18	Replacement of the existing IGA with an Aldi supermarket, additional specialty retail and on-grade car parking.	Principal contactor appointed in October 2017 and works commenced in November 2017. Works are on track to handover to Aldi in March 2017.
Grand total	70	6.9%			

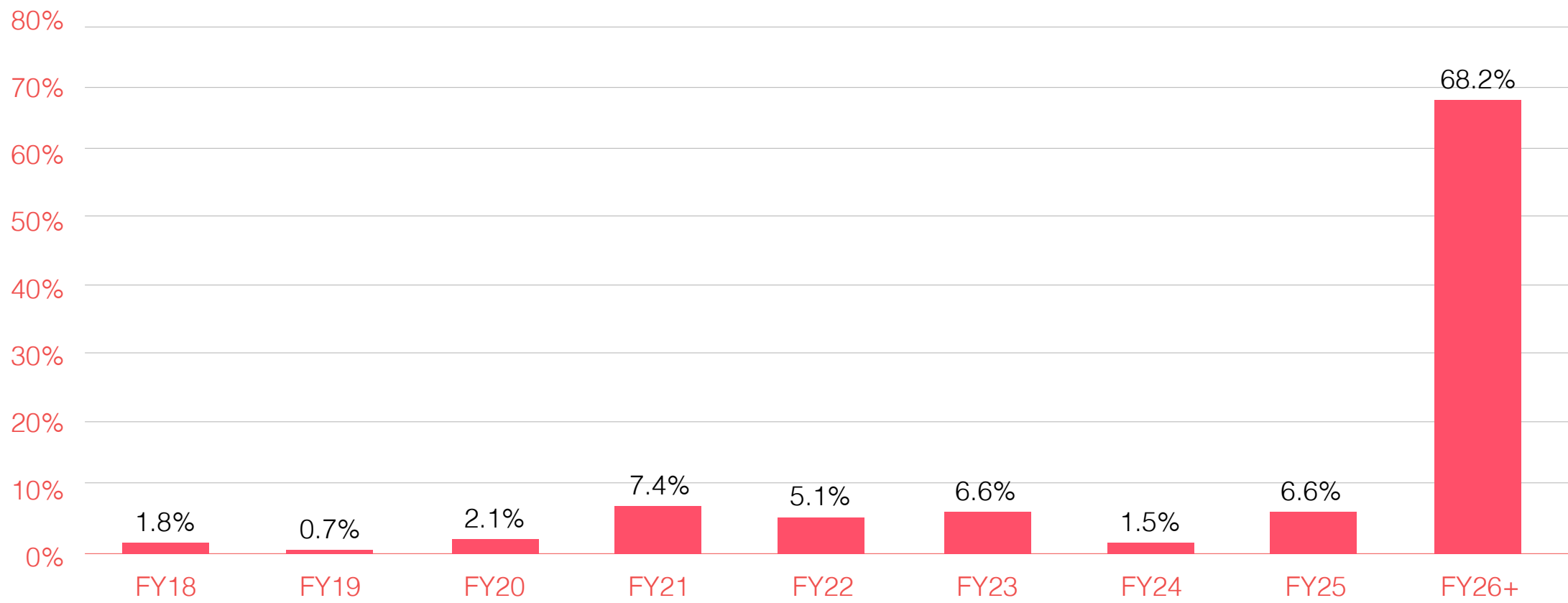


1. All values represent CQR's ownership share
2. Redevelopments typically achieve stabilised yield 12 months following completion (depending on prevailing market conditions)

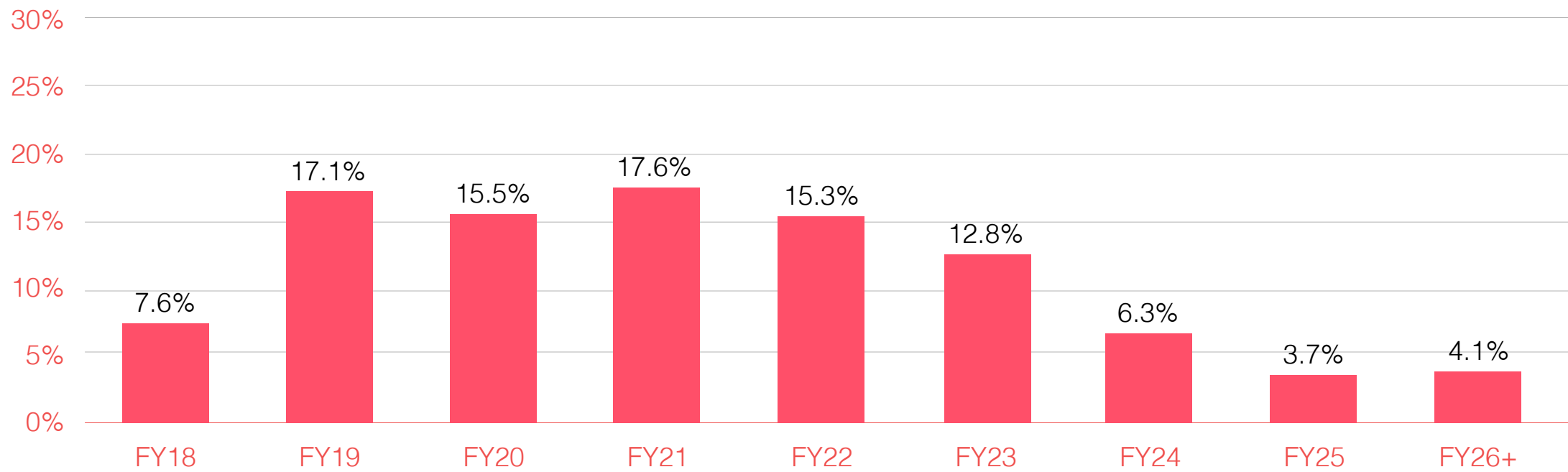
Lease expiry profile



Major tenant expiry



Specialty tenant expiry



1. Lease expiry profiles exclude properties under redevelopment.
WALE and lease expiry profile calculated by weighting the REITs share of base rent

Property valuations as at 31 December 2017

State	Property	Location	Ownership interest %	Book value (\$m)	Cap rate
ACT	Dickson Woolworths	Dickson	100.0%	19.0	5.75%
	Erindale Shopping Centre	Wanniassa	100.0%	39.0	6.50%
	Manuka Terrace	Manuka	100.0%	60.1	5.75%
ACT total				118.1	
NSW	Balo Square	Moree	100.0%	17.0	7.00%
	Bateau Bay Square	Bateau Bay	47.5%	109.5	5.50%
	Carnes Hill Marketplace	Horningsea Park	50.0%	66.6	5.50%
	Cooma Woolworths	Cooma	100.0%	13.2	6.50%
	Cootamundra Woolworths	Cootamundra	100.0%	14.0	6.75%
	Dubbo Square ¹	Dubbo	100.0%	50.0	n/a
	Earlwood Coles	Earlwood	100.0%	23.1	5.00%
	Gordon Village Centre	Gordon	100.0%	140.0	5.29%
	Goulburn Square	Goulburn	100.0%	83.0	6.00%
	Highlands Marketplace	Mittagong	50.0%	40.4	5.75%
	Jerrabomberra Village	Jerrabomberra	100.0%	27.2	5.75%
	Kings Langley Shopping Centre	Kings Langley	100.0%	43.0	5.75%
	Lake Macquarie Fair ¹	Mount Hutton	100.0%	73.5	n/a
	Morisset Square Shopping Centre	Morisset	100.0%	42.5	6.55%
	Mount Hutton Plaza ¹	Mount Hutton	100.0%	11.3	n/a
	Mudgee Metroplaza	Mudgee	100.0%	25.8	6.50%
	Orange Central Square	Orange	100.0%	54.1	6.25%
	Parkes Metroplaza	Parkes	100.0%	22.9	6.50%
	Pemulwuy Marketplace	Greystanes	50.0%	16.8	5.50%
	Rutherford Marketplace	Rutherford	50.0%	19.4	6.00%

1. Asset currently classified as redevelopment

Property valuations as at 31 December 2017

State	Property	Location	Ownership interest %	Book value (\$m)	Cap rate
NSW	Salamander Bay	Salamander	100.0%	174.5	6.00%
	Singleton Square and Plaza	Singleton	100.0%	120.0	6.34%
	Sunnyside Mall	Murwillumbah	100.0%	49.1	6.50%
	Tamworth Square	Tamworth	100.0%	49.9	6.75%
	Thornleigh Marketplace	Thornleigh	50.0%	21.0	5.50%
	Tumut Coles	Tumut	100.0%	10.8	5.75%
	West Ryde Marketplace	West Ryde	50.0%	27.5	5.50%
	Young Woolworths	Young	100.0%	17.4	6.25%
NSW total				1,363.5	
NT	Katherine Central	Katherine	100.0%	30.1	7.75%
NT total				30.1	
Qld	Allenstown Square	Rockhampton	100.0%	48.5	7.00%
	Arana Hills Plaza	Brisbane	100.0%	68.0	5.75%
	Atherton Square	Atherton	100.0%	35.7	6.25%
	Bribie Island Shopping Centre	Bribie Island	100.0%	59.7	6.00%
	Coomera Square	Coomera	100.0%	59.7	6.50%
	Currimundi Markets	Currimundi	100.0%	40.9	5.75%
	Gatton Square	Gatton	100.0%	23.6	6.00%
	Bay Plaza	Hervey Bay	100.0%	23.3	6.50%
	Highfields	Highfields	100.0%	41.5	6.00%
	Kallangur Fair	Kallangur	100.0%	18.6	6.50%
	Mareeba Square	Mareeba	100.0%	19.2	6.50%
	Sydney Street Markets	Mackay	100.0%	37.4	6.75%
Qld total				476.1	

Property valuations as at 31 December 2017

State	Property	Location	Ownership interest %	Book value (\$m)	Cap rate
SA	Brickworks Marketplace	Torrensville	50.0%	33.0	6.50%
	Southgate Square	Morphett Vale	100.0%	78.0	6.25%
SA total				111.0	
Vic	Bairnsdale Coles	Bairnsdale	100.0%	17.1	5.50%
	Kyneton	Kyneton	100.0%	19.5	5.75%
	Lansell Square	Kangaroo Flat	100.0%	102.1	6.25%
	Moe Coles	Moe	100.0%	20.4	5.50%
	Rosebud Plaza	Rosebud	100.0%	127.8	6.00%
Vic total				286.9	
Tas	Smithton	Smithton	100.0%	7.5	6.75%
Tas total				7.5	
WA	Albany Plaza	Albany	100.0%	62.1	6.75%
	Carnarvon Central	Carnarvon	100.0%	17.2	7.50%
	Esperance Boulevard	Esperance	100.0%	31.3	6.50%
	Kalgoorlie Central	Kalgoorlie	100.0%	41.2	6.50%
	Maylands Coles	Maylands	100.0%	17.1	5.25%
	Narrogin Coles	Narrogin	100.0%	12.1	6.00%
	Secret Harbour Square ¹	Secret Harbour	100.0%	96.3	n/a
	South Hedland Square	South Hedland	100.0%	76.5	7.00%
	Swan View Shopping Centre	Swan View	100.0%	19.2	6.25%
	Wanneroo Central ¹	Wanneroo	50.0%	53.0	n/a
WA total				426.0	
Held for sale				87.8	
Total CQR portfolio				2,907.0	

1. Asset currently classified as redevelopment

Typical lease structures

Attributes vary across different leases however key characteristics of supermarket and specialty leases are outlined below:

	Supermarket tenant leases	Specialty tenant leases
Lease term	15 years with options	Typically average 5 years
Rent	Base rent + % of turnover over threshold (2.0 - 2.5%)	Base rent with fixed/CPI increases at an average of 4.1% p.a.
Recovery of outgoings	Typically semi-gross leases, recover increase in centre operating costs and statutory charges	Net leases



Specialty sales performance and portfolio metrics

Portfolio by asset type	#	Value (\$m)	GLA ('000sqm)	Occupancy ¹
Sub-regional shopping centres	21	1,579	367.8	97.8%
Neighbourhood shopping centres	34	1,157	217.5	97.4%
Freestanding supermarkets	11	171	35.9	100.0%
Total	66	2,907	621.2	97.8%

Specialty sales by state and location	MAT Growth ¹
New South Wales & ACT	+0.7%
Western Australia	(3.8%)
Victoria	+0.3%
South Australia	+1.1%
Queensland	+1.4%
Total	+0.3%

Specialty sales by category	MAT growth ¹
Food and catering	+0.0%
General retail	+0.9%
Retail services	+5.0%
Clothing and apparel	+0.5%
Leisure	+0.5%
Jewellery	(3.1%)
Mobile phones	(5.5%)
Homewares	(1.9%)
Total	+0.3%

1. Excludes properties under redevelopment

Portfolio historical performance

Proven and consistent performance over time

	Dec-14	Jun-15	Dec-15	Jun-16	Dec-16	Jun-17	Dec-17
Number of properties	78	73	76	74	72	71	66
Occupancy	98.5%	98.4%	98.4%	98.0%	98.0%	98.0%	97.8%
Same property NPI growth	3.4%	2.4%	2.4%	2.2%	2.4%	1.0%	1.3%
Anchor tenant MAT growth	2.2%	1.0%	1.2%	1.7%	2.8%	4.0%	2.8%
Specialty rent growth	2.0%	1.5%	1.4%	1.4%	1.2%	0.2%	0.8%
Renewals	1.8%	1.9%	0.4%	1.0%	0.5%	0.0%	0.2%
New leases	2.6%	0.1%	4.3%	3.0%	2.9%	0.7%	2.1%
Number of leasing transactions	138	169	151	162	181	212	192
Average specialty gross rent psqm	\$895	\$905	\$942	\$973	\$982	\$989	\$994
Average specialty sales psqm	\$8,983	\$9,009	\$9,151	\$9,302	\$9,360	\$9,186	\$9,439
Average specialty occupancy costs	10.0%	10.0%	10.3%	10.5%	10.5%	10.8%	10.5%

Specialty sales reconciliation

➤ CQR has historically reported its specialty sales category to include any specialty tenant up to 700sqm. To move in line with Shopping Centre Council of Australia guidelines, CQR will be moving to reporting specialty sales on all specialty tenants below 400sqm. Below is a reconciliation of the two methods over the past three financial years.

	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17
Previous method							
Average specialty gross rent psqm	\$813	\$812	\$849	\$891	\$901	\$902	\$904
Average specialty sales psqm	\$8,658	\$8,741	\$9,020	\$9,173	\$9,085	\$8,954	\$9,090
Average specialty occupancy costs	9.4%	9.3%	9.4%	9.7%	9.9%	10.1%	9.9%
Average specialty MAT Growth	2.1%	2.8%	3.5%	4.9%	1.6%	0.2%	0.4%
Current method							
Average specialty gross rent psqm	\$895	\$905	\$942	\$973	\$982	\$989	\$994
Average specialty sales psqm	\$8,983	\$9,009	\$9,151	\$9,302	\$9,360	\$9,186	\$9,439
Average specialty occupancy costs	10.0%	10.0%	10.3%	10.5%	10.5%	10.8%	10.5%
Average specialty MAT Growth	2.1%	3.1%	3.9%	4.8%	1.4%	0.2%	0.3%

Glossary

- **1H 18**
1 July 2017 - 31 December 2017
- **GLA**
Gross lettable area
- **Gross rent**
Base rent and outgoings
- **In Turnover**
Tenant is paying a percentage of sales in rent (turnover rent)
- **MAT**
Moving annual turnover – calculated as a sum of rolling 12 month sales
- **Occupancy cost**
Calculated as the annualised gross rent divided by annual sales
- **Rental rate growth**
Percentage movement in gross rent on new lease and renewal transactions
- **Stabilisation period**
Redevelopments typically achieve stabilised yield 12 months following completion (depending on prevailing market conditions)

Further information



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All information contained herein is current as at 31 December 2017 unless otherwise stated. All references to dollars (\$) are to Australian dollars, unless otherwise stated.

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