

Charter Hall Retail REIT Meeting of Unitholders

17 October 2014

Good morning and welcome everyone to the Charter Hall Retail REIT's (REIT) Meeting of Unitholders. It is now 10am and as the necessary quorum is present, I declare this meeting properly constituted and open.

My name is John Harkness and I am the Independent Chairman of Charter Hall Retail Management Limited, the Responsible Entity of the REIT.

Board of directors

Firstly, I would like to introduce my fellow board members:

- Maurice Koop, Independent Non-Executive Director
- Alan Rattray-Wood, Independent Non-Executive Director
- David Harrison, Executive Director and Joint Managing Director of the Charter Hall Group
- David Southon, Executive Director and Joint Managing Director of the Charter Hall Group.

Also present today and I welcome:

- Scott Dundas, Fund Manager for the REIT (whom will address you shortly)
- Rebecca Pierro, our Company Secretary
- Jane Reilly, from PricewaterhouseCoopers, our Auditor
- Stuart McCulloch, from our Legal Advisers, Allens.

Agenda

This morning I will provide you with an overview of the REIT and its key achievements and initiatives undertaken during the 2014 financial year. Scott Dundas will then provide a review of the year, an update on our current position and our outlook.

We will then move to the formal business of the meeting and the resolution for your consideration. At the conclusion of the meeting we look forward to joining you for refreshments in the foyer.

Independent Chairman's Presentation

Before I proceed, I would like to advise that today's meeting is being recorded and will be available as a delayed webcast on our website later today.

Charter Hall Retail REIT Summary

Charter Hall Retail REIT is one of largest owners of Australian high quality supermarket anchored shopping centres, with a total portfolio in excess of \$2 billion.

Following the completion of the sale of our European, United States and New Zealand properties over the past year, we are pleased to confirm that our focus is now solely on the active management and enhancement of our 77 strong Australian portfolio.

Our centres, which are well located within key growth corridors across Australia, are anchored by a strongly performing Coles or Woolworths supermarket and complemented by non-discretionary specialty retailers. The Woolworths and Wesfarmers owned anchor tenants continue to provide over



50% of our portfolio's annual base rent, which is split 41% from supermarkets and liquor and 12% from discount department stores

REIT Strategy

Our goal is to be the pre-eminent owner and manager of Australian supermarket anchored sub-regional and neighbourhood shopping centres to optimise returns for our investors.

With the sale of our offshore assets now complete, our strategy is focused on:

- The active management of our portfolio through:
 - Maintaining strong tenant relationships;
 - Optimising our centre's tenancy mix via proactive leasing; and
 - Enhancing the overall shopper experience for our 100 million shopper visitations per year.
- The enhancement of our portfolio quality via:
 - Value enhancing redevelopments;
 - Selective acquisitions (which I will talk through in a moment); and
 - Non-core disposals.
- And finally, prudent capital management with a key focus on:
 - A strong and flexible balance sheet;
 - Prudent capital management; and
 - A sustainable payout ratio.

Disciplined Investment Strategy

We continue to maintain a disciplined investment strategy when building on our portfolio through acquisitions. We invest in neighbourhood and sub-regional supermarket anchored centres valued between \$20 to \$100 million, anchored by a strong performing Woolworths or Coles supermarket and targeting a five year unlevered internal rate return of at least 8.5%.

Our four acquisitions acquired since 30 June 2013 all meet this criteria. Scott will talk through these centres shortly.

Delivering on our Commitment to Sustainability

Finally, I am pleased to confirm that we are continuing our journey to enhance the environmental performance of our centres and building a stronger connection with the local communities in which we operate.

Through the active management of our assets and by working with our retailers, we have reduced our energy and water usage by 3% and over 10% respectively over financial year 2014.

We are also continuing the rollout of our 'the community square for today' brand and are currently developing a community engagement program, which we will align with Charter Hall Group's broader CR&S strategy work to ensure our centres continue to play a vital role in the life of local communities across Australia.

I would now like to hand over to Scott to provide a review of the year, an update on our current position and our outlook.

John Harkness

Independent Chairman

Charter Hall Retail Management Limited

17 October 2014

Charter Hall Retail REIT

Meeting of Unitholders



Board of Directors



John Harkness
Independent
Chairman



Alan Rattray-Wood
Independent Director



Maurice Koop
Independent Director



David Southon
Executive Director



David Harrison
Executive Director

Agenda



John Harkness
Independent Chairman



Scott Dundas
Fund Manager

- 1 Independent Chairman's Presentation**
 - 2 Fund Manager's Presentation**
 - 3 Item of Business**
 - 4 Questions**
-

Independent Chairman's Presentation



REIT Summary

- Focus on supermarket anchored non-discretionary retail
- With a portfolio of 77 Australian retail properties valued at \$2.0 billion¹ the REIT is one of the largest owners of these assets
- Woolworths and Wesfarmers owned retail businesses represent 53% of the REIT's annual base rent
- We optimise returns for our investors and create vibrant environments for our retailers and the estimated 100 million shopper visitations to our centres each year



Gordon Centre, NSW

1. Includes Coomera City Centre acquisition and Glen Innes disposal

REIT Strategy

Goal

The pre-eminent owner and manager of Australian neighbourhood and sub-regional supermarket anchored shopping centres that optimises returns for our investors

Key Drivers

Active management

- Maintaining strong tenant relationships
- Optimising tenancy mix through proactive leasing
- Enhancing the overall shopper experience

Enhance portfolio quality

- Value enhancing redevelopment
- Selective acquisitions
- Non-core disposals

Prudent capital management

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

Disciplined Investment Strategy

	Typical GLA	Typical Anchor Tenants	
Neighbourhood	< 10,000sqm	Woolworths Coles	}
Sub-regional	10,000 to 40,000sqm	Woolworths Coles Kmart Big W Target	
Regional	40,000sqm+	Myer David Jones Woolworths Coles DDS	

Investment Strategy

- Neighbourhood and sub-regional supermarket anchored
- \$20 - \$100m asset value
- 5yr unlevered IRR 8.5%+
- Average NOI growth 3%+



Source: PCA

Sustainability

Sustainability continues to be a core part of how we manage risks and enhance value across our business

Priority	Key FY14 Achievement
Business	<ul style="list-style-type: none">Charter Hall (manager of CQR) has implemented an internal audit function and was highly rated in the Australian Council of Superannuation Investors' 2014 report, which benchmarks the public disclosures of ASX200 companies
Environment	<ul style="list-style-type: none">Energy usage across portfolio reduced by 3%Water usage reduced by over 10% through a mixture of targeted reduction, efficient fittings, installations and education
Community	<ul style="list-style-type: none">Community Square shopping centre brand and engagement rollout launchedSupported local charities

Fund Manager's Presentation

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Highlights for Financial Year 2014

Operating earnings
29.60 cpu
3.0%¹ growth

Net Tangible Assets
per unit up 2.4% to
\$3.40

20% increase in
Australian portfolio to
\$2.0 billion

Offshore exit now
complete

Balance sheet gearing
down 6.9% to 32.9%²

Occupancy increased
to 98.5%

1. Operating earnings for the current and prior period excludes German operations
2. Post German, New Zealand and Glen Innes disposals and Coomera acquisition

Completed Acquisitions and Disposals

Acquisitions	Price \$m	Yield	Settlement
Secret Harbour, WA	33.2	7.8% ¹	Jul 2013
Southgate Plaza, SA	60.0	7.5%	Oct 2013
Rosebud Plaza, Vic.	100.0	7.8%	Nov 2013
Coomera City Centre, Qld	59.2	7.4%	July 2014
Total	252.4	7.6%	

Disposals

- Offshore exit now complete
- Glen Innes, a Bi Lo and Target anchored shopping centre, sold in July 2014 for \$3.6 million
- Other small non-core Australian assets identified for sale in FY15
- Continues strategy of enhancing the REIT's portfolio quality



Coomera City Centre, Qld

1. On the shopping centre component of the property, vacant land acquired at \$274 per sqm of site area

Australian Redevelopments

Current and completed major projects

Complete



South Hedland Square, WA

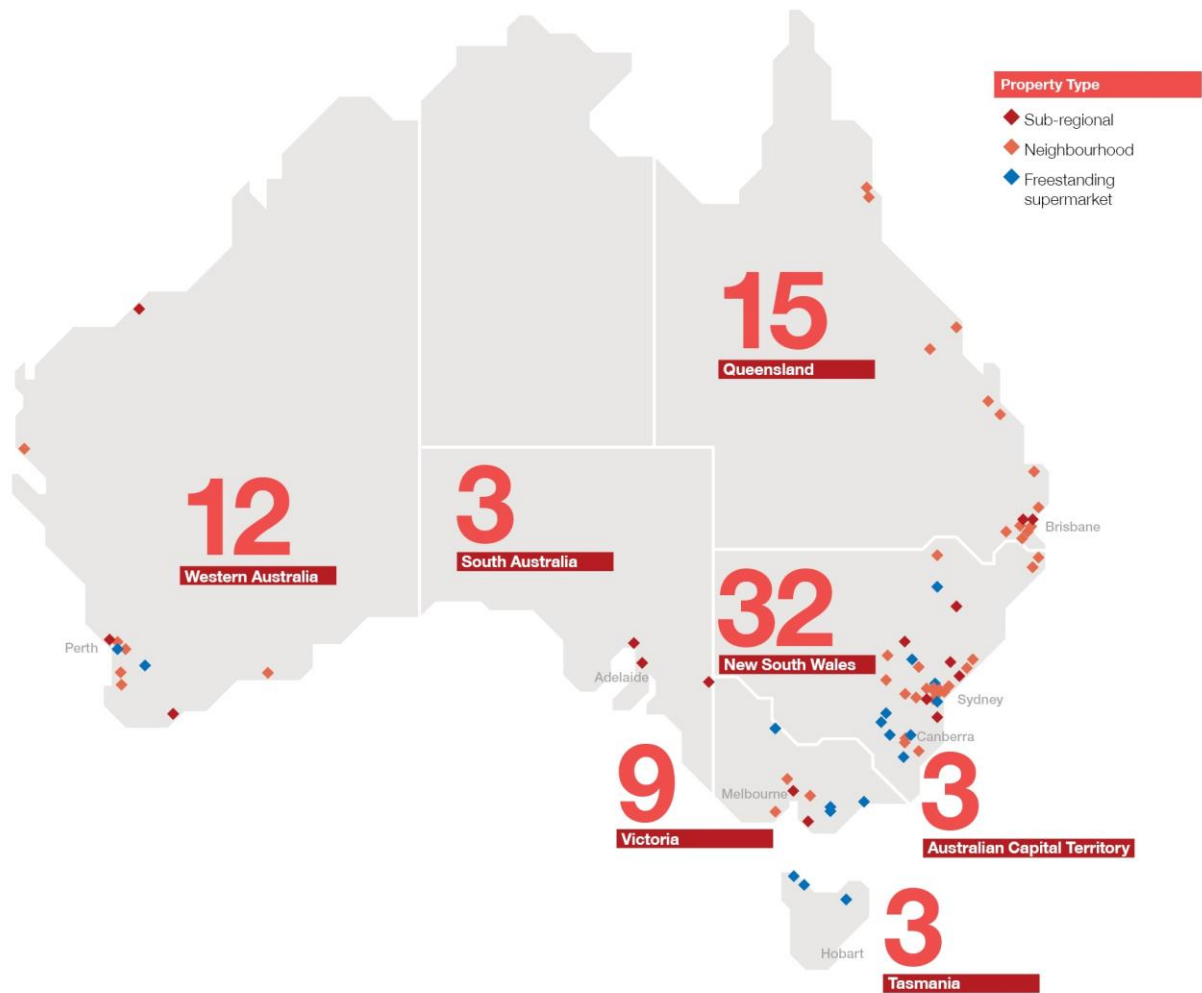
In progress



Lansell Square, Vic

\$84 million of projects completed in FY14 at an average stabilised yield of 9.6%

Australian Portfolio



77 properties

\$2.0 billion value

Occupancy 98.5%

GLA 538,070sqm

1,433 specialty
tenancies

Australian Portfolio Update

As at 30 September 2014

Australian portfolio well positioned to continue to deliver a secure and growing income stream

- Occupancy remains strong at 98.5%
- Anchor WALE of 11.2 years
- Specialty occupancy cost at 9.1%
- Specialty MAT growth of 1.9%
- Anchor tenant MAT growth of 3.3%¹



1. For the 52% of stores paying turnover rent

Capital Management

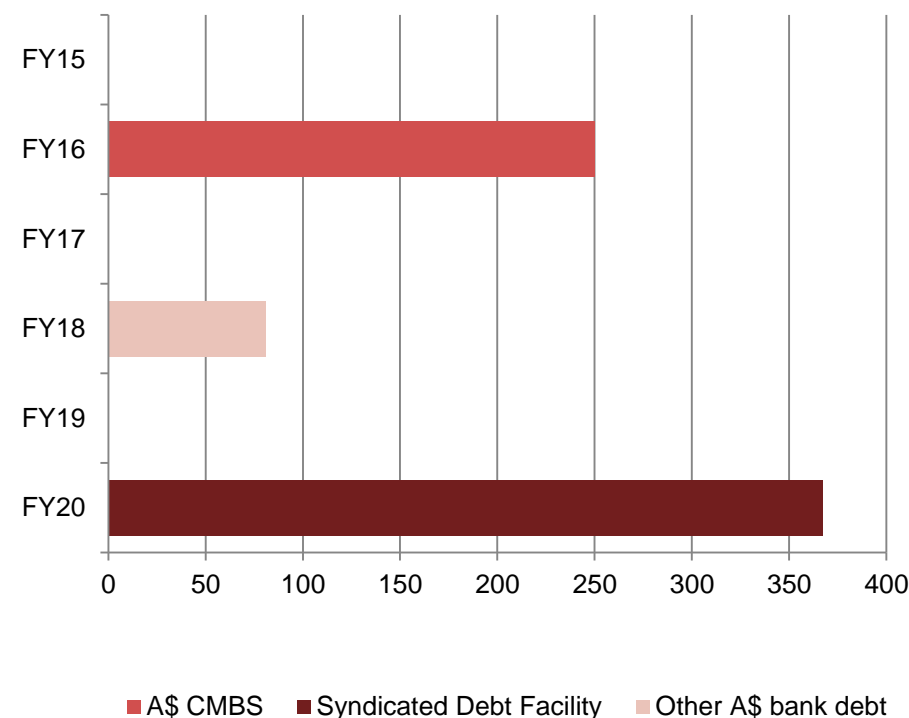
- Balance sheet gearing reduced by 6.9% to 32.9% post sale of NZ assets
- All offshore debt facilities now repaid following completion of offshore sales
- Australian debt cost reduced from 6.3% in FY13 to 4.5% in FY14

Key metrics (Australian debt)	Jun 14	Jun 13
Weighted average interest cost ¹	4.5%	6.3%
Weighted average debt maturity ²	3.7 years	2.8 years
Hedged debt	76%	71%
ICR	4.0x	3.0x

1. Includes line fee (including cost of undrawn debt) and usage fee and excludes amortisation of upfront debt costs

2. Includes Syndicated debt facility maturity extension to August 2019 and excludes German debt following sale of assets, both post balance date adjustments

Debt Maturity Profile at 30 June 2014²



FY15 Outlook

- We confirm that, barring unforeseen events, the REIT's FY15 guidance for operating earnings is between 29.6 and 30.0 cents per unit
- Distribution payout ratio range is expected to be between 90% and 95% of operating earnings



Coomera City Centre, Qld

Items of Business

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Procedural Matters

- If there are any Unitholders who are eligible to vote who have not received their yellow voting card, please see a representative from Link Market Services at the registration desk
- Unitholders holding a red card are not eligible to vote but can speak at the meeting
- Visitors holding a blue card are not eligible to vote or speak at the meeting
- Copies of the Notice of Meeting and Annual Report are available from the registration desk

Item of Business

Voting on this resolution will take place on a show of hands, unless a poll is demanded in accordance with the REIT's Constitution and the Corporations Act.

This resolution is advisory only and is non-binding on Charter Hall Retail Management Limited ("**CHRML**") or the Directors of CHRML. However, the Directors of CHRML intend to give due consideration to the results of this resolution to determine the composition of the Board of CHRML.

The Directors of CHRML (other than Mr John Harkness) unanimously endorse the ratification by the Unitholders of the re-appointment of Mr John Harkness as a Director of CHRML.

The Chairman of the Meeting will vote all undirected available proxies 'for' this item of business.

Resolution

Ratification of Re-appointment of Independent Director

To consider, and if thought fit, pass the following resolution, as an advisory, non-binding ordinary resolution of the Unitholders:

“That the re-appointment of Mr John Harkness as a Director of CHRML be ratified”

Resolution - Proxies

Ratification of Re-appointment of Independent Director

To consider, and if thought fit, pass the following resolution, as an advisory, non-binding ordinary resolution of the Unitholders:

“That the re-appointment of Mr John Harkness as a Director of CHRML be ratified”

Proxies

FOR:	259,983,406	98.43%
OPEN:	912,908	0.35%
AGAINST:	3,236,779	1.22%
ABSTAIN:	697,073	

Questions



Important Notice

This presentation has been prepared by Charter Hall Retail Management Limited (ABN 46 069 709 468: AFSL 246996) as the responsible entity for Charter Hall Retail REIT ("CQR"). It is a presentation of general background information about the CQR's activities as at 30 June 2014 unless otherwise stated. It is a summary and does not purport to be complete. It is to be read in conjunction with the CQR Preliminary Financial Report filed with the Australian Securities Exchange on 20 August 2014. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. A reader should, before making any decisions in relation to their investment or potential investment in CQR, seek their own professional advice. This presentation is not an offer or invitation or recommendation for subscription or purchase of securities or other financial products.

This presentation includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of CQR, and its officers, employees, agents or associate. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and CQR assumes no obligation to update such information.

All information contained herein is current as at 30 June 2014 unless otherwise stated, and all references to dollars (\$) or A\$ are Australian Dollars unless otherwise stated.

