

ASX Release

Charter Hall Retail REIT restructured debt platform

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Charter Hall Retail REIT (ASX:CQR) (the REIT) today announced the completion of several key initiatives to restructure its debt funding platform:

- US\$200 million (A\$252 million) US Private Placement (USPP) issuance:
 - 12 year duration
 - Fixed US\$ coupon of 3.55% which is 100% hedged in Australian dollars and represents a margin of 194 basis points over BBSW
- Transition to a fully unsecured debt facility: To complete on 28 September 2015.
- Restructured syndicated bank debt facility: Agreed terms for tranches of 18 months (\$150 million), 3 years (\$150 million) and 5 years (\$285 million) for a total facility limit of \$585 million, from a previous limit of \$535 million.

Moody's have assigned a provisional issuer credit rating of (P) Baa1, conditional on completion of these initiatives. The REIT's covenant package has changed, and now includes a gearing covenant¹ of 50% and interest cover ratio covenant of 2.0 times.

The REIT's existing CMBS facility will remain in place until 28 September 2015 and will be repaid from the proceeds of the USPP issuance. The USPP will be funded on 22 July 2015 and is subject to standard investor due diligence and documentation. The revised unsecured bank debt facility will be effective from this date.

Commenting on the USPP, Deputy Fund Manager Philip Schretzmeyer said: "We are very pleased with the response from US investors to this inaugural issue. It was well supported with the offering being approximately six times oversubscribed. This is a reflection of the quality of the REIT's non-discretionary focused portfolio".

These initiatives will increase the REIT's weighted average debt maturity from 3.1 years to 6.0² years and significantly reduce the weighted average debt margin³ from 177 basis points to 155 basis points per annum.

Fund Manager Scott Dundas said: "These transactions reflect the REIT's focus on prudent capital management and results in enhanced tenor, flexibility and scalability of the REIT's debt platform".

¹ Based on Look through Total Liabilities divided by Look through Total Assets.

² Calculated at 30 April 2015 and excludes A\$CMBS facility.

³ Includes the REIT's share of JV debt (\$117.5m) and amortisation of upfront debt costs and excludes line fee on undrawn debt.



About Charter Hall Retail REIT

Charter Hall Retail REIT is a leading listed real estate investment trust with a 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 23 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$12.7 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

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