

Charter Hall Retail Management Limited

ABN 46 069 709 468

AFS Licence No. 246996

as responsible entity of

Charter Hall Retail REIT

ASX/MEDIA ANNOUNCEMENT

CHARTER HALL RETAIL REIT QUARTERLY OPERATIONAL UPDATE

Monday, 19 November 2012

Charter Hall Retail REIT (ASX:CQR) (the 'REIT') today announced an operational update for the quarter ending 30 September 2012.

During the quarter the REIT contracted to sell the Mile End Homemaker Centre in Adelaide and acquired three supermarket anchored shopping centres funded from a \$100 million institutional placement, announced on 18 October 2012. The REITs' Australian Portfolio now comprises 75 shopping centres¹.

The three new acquisitions, comprising Tamworth City Plaza, Dubbo Shopping Centre and the remaining 50% of Lake Macquarie Fair and Mount Hutton Shopping Centre, have now settled and Charter Hall has commenced property management services across the centres from its existing NSW management hubs.

The REIT completed 68 new leases and renewals across the Australian portfolio, delivering specialty rental rate growth of 3.5% and maintaining occupancy at 98.5%. Same property net operating income growth for the Australian portfolio for the 12 months to September 2012 was in line with expectations at 3.6%.

The REIT's Australian specialty tenants delivered moving annual turnover (MAT) growth of 2.0% during the period, with a low sustainable occupancy cost of 8.7%. Anchor tenant MAT growth for stores in turnover was 3.9% at 30 September 2012, highlighting the resilience of the REIT's non-discretionary Australian portfolio.

The REIT's strategy to exit the European market is progressing, with all five Polish assets currently being marketed for sale. The European portfolio has maintained its occupancy at 97.6%.

¹ Adjusted for the disposal of Mile End Homemaker Centre due to settle 10 December 2012



During the quarter, the REIT also finalised the sale of a small asset in the United States at Northlake in Atlanta Georgia for US\$3.4 million, in line with book value.

Scott Dundas, Fund Manager of the REIT, said: "We are pleased to report the continued strength and stability of our Australian portfolio, driven by a high proportion of non-discretionary retail stores and the ongoing performance of our anchor tenants, Coles and Woolworths.

"At this point in the cycle, we will continue to look at opportunities to enhance our portfolio through refurbishments and redevelopments, while also looking for future acquisition opportunities that meet our strict investment criteria," he added.

For further information please contact:

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About Charter Hall Retail REIT

Charter Hall Retail REIT is a leading listed real estate investment trust with a portfolio of predominantly Australian high quality supermarket anchored neighbourhood and sub-regional shopping centres, with a smaller portfolio of quality shopping centres in Poland and Germany in Europe.

Charter Hall Retail REIT is managed by Charter Hall Group (ASX:CHC), 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 \$9.6 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. For further information on Charter Hall Group and Charter Hall Retail REIT go to www.charterhall.com.au