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 ACQUIRES SUB REGIONAL SHOPPING CENTRE IN AUSTRALIA

11 May 2010

Charter Hall Retail REIT (ASX: CQR) today announced it has entered into an unconditional agreement together with a Charter Hall managed unlisted retail fund (CPRF to be repositioned as CRF), to purchase a 50% interest in a sub regional shopping centre at Lake Macquarie, NSW for a total consideration of A$33 million.

The asset was acquired from a Centro managed syndicate following discussions with the current syndicate manager, and the existing financier who has agreed to provide a new three year debt facility secured against the asset representing a new banking relationship for the Trust.

Chief Executive Officer of Charter Hall Retail REIT, Mr Steven Sewell said: “The acquisition of this strongly performing sub-regional shopping centre is in line with our strategy to re-weight to the Australian market and will increase Charter Hall Retail REIT’s exposure to Australia and New Zealand to 58%[1] of the Trust’s gross asset value.”

The Lake Macquarie property consists of two adjacent retail centres, Lake Macquarie Fair and Mt Hutton Shopping Centre, anchored by strongly performing Woolworths and Coles supermarkets as well as a Big W discount department store comprising a total lettable area of 20,440 sqm. A substantial redevelopment of Lake Macquarie Fair was completed by the previous owners in 2008. The combined property purchase price of $66 million represents a year one yield of 8.75% before acquisition costs and approximately $3,200 per sqm of lettable area, benefiting from a combined anchor tenant WALE of 13 years and in excess of $100 million moving annual turnover generated by the anchor tenants alone.

Settlement of the acquisition, expected in July 2010, will be funded through existing cash reserves and undrawn debt capacity following the recent completion of the US$1.3 billion US portfolio sale announced this week, together with the new debt facility.

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[1] Based on 31 December 2009 asset values and post completion of the US portfolio sale and post balance date acquisitions.

In addition, following a process of detailed inspection and preliminary due diligence, Charter Hall Retail REIT has been granted an exclusive due diligence period in respect of two of the assets from Charter Hall's managed fund, CPRF, being Home HQ Nunawading, Victoria and a 5.5 hectare property at Stafford in Brisbane. Home HQ Nunawading is a 22,680 sqm fully integrated bulky goods retail centre constructed in 2006, anchored by JB Hi-Fi and The Good Guys and is located approximately 20km east of Melbourne. The property at Stafford is tenanted on long term leases to Bunnings hardware business and an adjacent industrial tenancy leased to a subsidiary of international firm John Wiley & Sons, and has future retail development potential.

The potential acquisition of these assets is in line with the Trust's strategy to expand into the bulky goods retail sub sector in Australia, with any acquisition subject to pricing and ensuring that it would be neutral or accretive to year one earnings per unit for Charter Hall Retail REIT. Commercial details will be announced in the event a binding agreement is executed, with these potential transactions requiring approval of the Trust's independent directors.

Further, Charter Hall Retail REIT also advises that it has received notice from its joint venture partner in New Zealand of their desire to terminate the co-ownership arrangement. This could lead to a sale of the Trust's 50% interest in the portfolio of 17 New Zealand properties at a price determined by independent external valuation, or potentially a negotiated outcome whereby each co-owner receives a distribution of wholly owned assets from the portfolio.

"The addition of the Lake Macquarie shopping centres to Charter Hall Retail REIT's existing portfolio of predominantly grocery anchored shopping centres across Australia, and our first partnered acquisition with the unlisted Charter Hall Retail Fund, is a positive transaction for the Trust. The long term income and capital growth forecast for both the Lake Macquarie and Mt Hutton properties, together with the potential addition of the high quality Home HQ property in the "golden mile" of Nunawading in Melbourne's eastern suburbs and a bulky retail centre in Stafford with its secure income and future retail development potential, is expected to underpin future earnings and capital growth for the Trust.".

Further detail on each of the completed property acquisitions is as follows:

Lake Macquarie Fair, NSW – acquisition price $28 million, initial yield 8.7%

Lake Macquarie Fair is a sub regional shopping centre, originally built in 1985 and extensively refurbished in 2007. The property has a gross lettable area of 15,739 sqm and 770 car parks. The centre is located in the suburb of Mt Hutton approximately 15 kms south west of Newcastle and 140 kms north of Sydney. The property is anchored by a strongly performing Woolworth supermarket and Big W discount department store, and includes The Reject Shop, 43 specialty shops, four kiosks, three office tenancies and two pad sites.

Mount Hutton Shopping Centre, NSW – acquisition price $5 million, initial yield 9.2%

Mt Hutton Shopping Centre is a single level open air neighbourhood centre located adjacent to Lake Macquarie Fair. The Centre was originally constructed in 1982 and refurbished in 1999. The centre is anchored by a Coles supermarket, supported by 14 specialty shops and has a GLA of 4,700 sqm and parking for 359 vehicles. The property offers redevelopment opportunities either in its current neighbourhood centre style or incorporated with Lake Macquarie Fair into a larger scale shopping centre format.

For further information please contact:

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About Charter Hall Retail REIT

Formerly known as Macquarie CountryWide Trust, Charter Hall Retail REIT is a leading listed real estate investment trust focused on investing in predominantly grocery anchored shopping centres around the world. The Trust's portfolio comprises assets across Australia, Europe, New Zealand and the United States anchored by some of the world's leading retailers.

Charter Hall Retail REIT is managed by Charter Hall Group (ASX: CHC), a specialist property funds management and development company, based in Sydney with offices in Melbourne, Brisbane, Perth, Adelaide, Auckland and Chicago. Established in 1991 and listed on the ASX in 2005 as a stapled security, Charter Hall Group combines Charter Hall Limited with Charter Hall Property Trust, which owns and manages over $10 billion in real estate assets. The Charter Hall Group has achieved a solid track record across its activities demonstrating a 19 year history of managing wholesale and retail capital, making it one of Australia's leading property fund managers. Charter Hall's success has been underpinned by a highly skilled and motivated management team with diverse expertise across property sectors and risk-return profiles.

For further information on Charter Hall Group and Charter Hall Retail REIT go to www.charterhall.com.au