

ASX Media Release

Charter Hall and Global Institutional Partner confirms entry into Put Option to acquire Innaloo Shopping Centre for \$255 million 11 September 2013

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Charter Hall Group (ASX:CHC) ('Charter Hall') today announced that a new Charter Hall managed entity has entered into a put option agreement to acquire the Innaloo Shopping Centre and Shoppers Village, and the adjoining Innaloo Mega Centre in the inner metropolitan Perth suburb of Innaloo for a contract price of \$255 million.

The exercise of the put option was conditional on the current owners, Westfield Group and Westfield Retail Trust (together 'Westfield'), changing its ownership of the Karrinyup shopping centre. Westfield announced yesterday that it is committed to selling its interest in the Karrinyup shopping centre, and therefore the put option is now unconditional and able to be exercised by Westfield at any time until 25 December 2013.

If the put option is exercised by Westfield, the Innaloo properties would be held within the newly established unlisted wholesale trust, RP3, which will be 85% owned by a global institutional partner with the remaining 15%, equating to a \$21 million equity investment, to be owned by the Charter Hall Group. The acquisition, if it proceeds, is expected to be marginally earnings accretive in FY14 for Charter Hall.

The acquisition would also be partially funded by a property level debt facility at 45% LVR, for a 4 year term with an all up interest rate of approximately 5%.

If Innaloo is acquired, it will not have a material impact on Charter Hall's earnings or net tangible assets.

Located in the Perth suburb of Innaloo and approximately eight kilometres north-west of the city's CBD, the 37,200 square metre Innaloo Shopping Centre incorporates the attached Innaloo Shoppers Village, and is anchored by K-Mart, Target, Coles and Woolworths, and supported by over 140 specialty tenants. The adjoining 9,245 square metre Innaloo Mega Centre is anchored by a Progressive Super IGA supermarket with 24 specialty tenants.

**About Charter Hall**

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over 22 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$10 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.

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