CHARTER HALL

9 June 2005

ASX Announcement and Media release

Charter Hall Group to commence trading on ASX

Charter Hall Group (ASX: CHCCA) stapled securities will commence trading on the Australian Stock Exchange on Friday 10 June 2005 at 11am. The listing follows the successful Initial Public Offer which capitalises the Group at $270 million on a fully paid basis.

Joint Chief Executive Officer David Southon said the response to the offer was extremely positive in what has been a tough listed property trust market in recent months.

"The offer received strong support from institutional, sophisticated and retail investors. Our established track record, experienced management team and strong deal sourcing capabilities were compelling investment features" he added.

The Group raised $188 million of new equity under the offer. Both the institutional and retail offers closed oversubscribed and subscriptions were scaled back. At listing, institutional and sophisticated investors hold approximately 76% of the securities on issue.

The stapled securities are partly paid with an initial instalment of $0.75. The second and final instalment of $0.25 is payable on 30 June 2006.

The stapled Group comprises Charter Hall Limited and Charter Hall Property Trust. Charter Hall Limited undertakes property funds management, development management, property investment banking and property management. The recently created $256 million Charter Hall Property Trust comprises six institutional grade assets, diversified across the bulky goods retail, office and industrial sectors.

The Trust portfolio was secured off-market, showcasing Charter Hall's deep industry relationships and deal sourcing capabilities. The Trust is forecast to generate 68% of Group EBITDA in FY06 which, combined with the Group's fund management activities, provides stable, growing earnings for stapled security holders.

Joint CEOs David Southon and David Harrison will report to a majority independent board chaired by Kerry Roxburgh. Founding directors Andre Biet and Cedric Fuchs continue in their executive roles and as directors.

"Demonstrating our commitment to the future success of the Group, employees will own approximately 11% of the stapled securities on issue which, when combined with Transfield Holding's 20% stake, ensures a strong alignment of interests between the existing owners, staff and new stapled security holders," said Mr Harrison.

Group Update

Contracts have been executed for the sale of 43-47 O'Riordan Street, Alexandria, a property held by PDP No. 2, one of the three existing opportunity funds jointly managed by Charter Hall with AMP Capital Investors Limited. Mr Southon highlighted that the O'Riordan Street sale resulted from an unsolicited offer from an owner occupier and achieved an IRR of 32% representing an excellent result for investors in PDP 2.

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The Group is also finalising the capital raising for its fourth opportunity fund, CHOF 4. Mr Southon confirmed that "management is encouraged by the level of interest from both new and existing wholesale investors".

Since allotment, the Group has also fixed its borrowing rate at approximately 6.4% per annum for a period of five years, more than 50 basis points below that assumed in the offer document forecast.

The Group's relatively low gearing provides it with significant investment capacity to expand its funds under management and pursue opportunities to deliver corporate earnings growth.

Charter Hall is also pleased to announce that Chris Forbes will be joining the Group in the position of Portfolio Manager for the Charter Hall Property Trust. Chris has over 10 years property experience, including employment with a major listed property trust group over the past 5 years.

The Board re-affirms that the Group is on target to achieve the offer document earnings and distributions forecasts for FY06. Stapled security holders are forecast to receive an FY06 distribution of 6.56 cents per security, providing an 8.75% distribution yield.

Macquarie Bank was the financial adviser, sole lead manager and underwriter of the IPO.

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