



CHARTER HALL

30 June 2005

Charter Hall acquires Mulgrave office building for \$5.77 million for new investment fund

Charter Hall Group is pleased to announce that it has acquired a 1,869 sqm office building inclusive of 65 car spaces in the Melbourne hi-tech eastern suburb of Mulgrave for \$5.77 million for its new core investment fund, Charter Hall Investment Fund No.11 (CHIF 11), an ASIC registered managed investment scheme (ARSN 113 339 503).

The purchase involves the acquisition of the land for \$1.03 million from Leighton Properties providing a 10% pa rental return until completion which is expected toward the end of 2006. Upon completion of the building, CHIF 11 will pay the balance of \$4.77 million which equates to an initial yield of 8%. The property features a 5 year rent guarantee from Leighton Properties with 3% pa annual increases and requires new leases to be for a period of 5 years or more.

Charter Hall Joint CEO David Harrison confirmed that the Mulgrave property would sit within CHIF 11 along with the \$11.9 million (25%) interest in 400 Kent street Sydney and potentially other assets, before the new Fund's launch in Q3 2005. "We are pleased to announce the second off market purchase for the CHIF 11 fund and are actively seeking additional appropriate investments".

CHIF 11 will be Charter Hall's 11th core investment fund, which will acquire core investment properties featuring attractive lease terms, annual fixed increases and high levels of tax deferred distributions. A broad range of investors will be targeted.

Yours faithfully

Nathan Francis
Chief Financial Officer

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