CHARTER HALL

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ASX Announcement – CHCCA

Charter Hall Group and AMP Capital Investors managed opportunity fund secures $94m deal at Sydney Olympic Park

The Charter Hall Group (ASX code: CHCCA) through its jointly managed opportunity fund with AMP Capital Investors, Property Development Portfolio No. 3 (PDP No.3) announces the sale of a 99 year leasehold interest in Site 5, Dawn Fraser Avenue, Homebush, Sydney Olympic Park for $94m. This represents a significant start for Zone at Sydney Olympic Park, a $210 million environmentally advanced 48,500 sqm campus office development in the heart of Sydney.

In the $94 million deal, Commonwealth Property Office Fund (CPA) and Direct Property Investment Fund (DPIF), both managed by Colonial First State Property Limited, (the 'Purchasers') will jointly acquire the 99 year leasehold interest and simultaneously enter into a development agreement for the construction of an A-grade office building comprising a total net lettable area (NLA) of approximately 23,267sqm with completion scheduled for early 2007. The Commonwealth Bank of Australia ('CBA') has pre-committed to lease 98% of NLA for a 12-year term.

Charter Hall secured planning approval for the development in January this year and has been working closely with CPA, DPIF and CBA to include a number of tenant specific requirements into the 23,267 square metre building.

Charter Hall Joint Chief Executive Officer, David Southon said that the deal demonstrated the value placed by large corporates on high quality decentralised office developments that can demonstrate a point of difference in the market place.

"This is clearly an impressive first deal for Zone at Sydney Olympic Park and a great result for PDP No.3 unitholders and the Charter Hall Group. This further underpins development revenue, with the Group well on track to deliver its FY06 forecast and growth projections as per the PDS/Prospectus," said Mr Southon.

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"We spent a lot of time in the conceptual stage of the development, understanding the real needs of occupiers in the marketplace so we could create a product that really delivers excellent outcomes. There is significant interest in the remaining development sites comprising Zone at Sydney Olympic Park," Mr Southon said.

"Zone at Sydney Olympic Park was the first of the four projects in the Property Development Portfolio No.3 Fund. We're excited to have secured such a strong result for the Fund which is on target for a total return on equity exceeding 25 per cent per annum".

Zone at Sydney Olympic Park has been positioned as one of the most advanced, environmentally sustainable campus office developments in Australia comprising three, six-level commercial buildings, including the building to be occupied by CBA. These buildings are located directly opposite the Olympic Park Railway Station and surrounded by one of the world's largest urban parklands with immediate access to world class sporting and leisure facilities.

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