ASX RELEASE

CHARTER HALL

ASX Announcement – CHCCA

Friday, 19th May 2006

Charter Hall announces 8.2% FY06 upgrade and raises $100 million to fund acquisitions and growth

Charter Hall Group (ASX: CHCCA) is pleased to announce the successful completion of the institutional bookbuild component of its $100 million two for nine accelerated non-renounceable Entitlement Offer, Placement and Public Offer ("Offer"). The institutional bookbuild was well supported and the issue price was set at $1.27, representing a 3.1% discount to the adjusted prior day volume weighted average price.

The Offer will:

- Provide Charter Hall with funding capacity to continue the growth of its fund management activities and further grow Charter Hall Property Trust's ("CHPT") assets;
- Allow new and existing securities to receive a forecast distribution of 9.53 cps for the year ending 30 June 2007. This represents a forecast distribution yield of 7.5% on the issue price; and;
- Improve property portfolio diversification and deliver more annuity income through the management of new funds and the acquisition of the trust properties.

As part of the transaction, Charter Hall is very pleased to announce an 8.2% upgrade in the FY06 distribution forecast from 6.56 cps to 7.10 cps.

Joint CEO David Harrison said, "Charter Hall has been very active since listing in June last year. The group established three new funds and has acquired a number of properties. Charter Hall co-invests in these funds and warehouses properties on balance sheet if required. This Offer will provide Charter Hall with sufficient balance sheet capacity to meet co-investment funding commitments and position it for the next growth phase."

Application of Funds

The proceeds of the Offer will primarily be used to fund:

- The acquisition of Melbourne Airport Business Park in Tullamarine for $23.67m. This acquisition comprises two industrial properties that are currently being developed by the vendors. The properties have been pre-leased to three strong covenants for 5 to 10 years;
- The acquisition of 25 Nepean Highway, Mentone for $21.90m. This bulky retail property adjoins Charter Hall's Nylex property which has been granted Ministerial consent for a 40,000 sqm bulky retail development;
- The investment in the Atrium property which will seed Charter Hall Core Plus Office Fund ("CPOF"). CHPT warehouses this asset until CPOF closes (expected to be June 2006); and
- Future commitments for CPOF and the Diversified Property Fund ("DPF").

Offer details

The Offer comprises an accelerated non renounceable entitlement offer, placement and public offer.

Under the Entitlement Offer, Charter Hall is making a non renounceable offer of two new securities for every nine existing securities held as at the record date of 24 May 2006 to eligible securityholders of a total of 61,859,776 securities at the application price of $1.27 per new security. Securities not taken up under the Entitlement Offer will be offered under the Public Offer at the same application price to Australian investors only. The Public Offer is subject to scale back.

The new securities will be fully paid securities and will rank equally with all other securities from 1 July 2006 (ie. the new securities will not receive the six month distribution to 30 June 2006).

The Offer is fully underwritten by Macquarie Equity Capital Markets Limited.

Directors, staff and original vendors have confirmed their intention to take up 14% of the Entitlement Offer representing approximately $11 million.

The Offer is being made under a combined Prospectus and Product Disclosure Statement ("Offer Document") lodged with Australian Securities & Investments Commission on 19 May 2006. Anyone considering making an application for new securities under the Offer should read the Offer Document carefully. Please refer to Appendix A for the key dates of the offer.

Retail Securityholders in Australia and New Zealand, who are registered holders on the Record Date and wish to make an application, need to complete the Entitlement and Acceptance Form accompanying the Offer Document which is being dispatched on or around 1 June 2006. Members of the public in Australia who wish to participate in the Offer may only make an application by completing the Public Application Form in the Offer Document which can be obtained by calling 1300 664 498.

Final Instalment Payable

In addition, we remind all Securityholders of the existing securities that the second call of $0.25 per security is due and payable on 30 June 2006. The Instalment Notice was sent to Securityholders on 18 May 2006.

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Appendix A

Key Dates

Offer Document lodged with ASIC	19 May 2006
Institutional Entitlement Offer	18 – 19 May 2006
Securities trade ex-Entitlement	22 May 2006
Record Date for Entitlement Offer	24 May 2006
Retail Entitlement Offer and Public Offer open	1 June 2006
Initial Retail Closing Date for Eligible Retail Securityholders to participate in the Initial Allocation	5:00pm, 7 June 2006
Settlement of New Securities under the Initial Allocation	14 June 2006
Initial Allotment Date	15 June 2006
Normal trading of New Securities allotted under the Initial Allocation	15 June 2006
Closing Date for Retail Entitlement Offer and Public Offer to participate in the Final Allocation	5:00pm, 22 June 2006
Final Instalment of $0.25 on Existing Securities due	30 June 2006
Final Allotment Date	3 July 2006
Normal trading	4 July 2006

Note:
These dates are subject to change and are indicative only. The Issuers, in consultation with the Sole Lead Manager and Underwriter, reserve the right to amend this indicative timetable including, subject to the Corporations Act and Listing Rules, to extend the latest date for receipt of Applications or to cancel the Entitlement Offer, Public Offer and/or Placement without notice.

For more information contact:

Charter Hall Group

David Harrison	David Southon	Nathan Francis
Joint CEO	Joint CEO	Chief Financial Officer
02 8908 4033	02 8908 4025	02 8908 4073
davidh@charterhall.com.au	davids@charterhall.com.au	nathanf@charterhall.com.au

About the Charter Hall Group:
Charter Hall Group is a leading Australian diversified property group, listed on the Australian Stock Exchange in June 2005 as a stapled security (CHCCA). The Charter Hall Group comprises Charter Hall Limited and Charter Hall Property Trust, operating across the core business activities of property funds management, property development, property investment banking, property management and property investment.

Since its inception the Group has developed, or is in the process of developing, property with an estimated completion value of more than $1 billion, diversified across the various commercial and residential sectors, on behalf of private and institutional investors, principally through its Opportunity Funds.

Realised projects to date have delivered a weighted average equity IRR in excess of 20%. The Group also manages approximately $420 million of investment property within eight core investment funds, including the Charter Hall Property Trust's $256 million portfolio comprising interests in six investment grade properties diversified across the bulky goods retail, retail, office and industrial sectors in New South Wales and Victoria.