ASX RELEASE

CHARTER HALL

ASX Announcement - CHC

Thursday, 7 September 2006

Charter Hall launches Core Plus Industrial Fund (CPIF). CPIF and Charter Hall Diversified Property Fund (DPF) acquire $155 million industrial asset subject to 20 year lease to Coles Myer Ltd

Charter Hall Group has launched an unlisted wholesale property fund known as "Core Plus Industrial Fund" (CPIF). CPIF and DPF have acquired a site to accommodate a new Coles Myer distribution centre adjacent to Perth Airport, with a total lettable of 72,834m^2, which is to be constructed over the next 18 months.

The total consideration payable by CPIF and DPF is expected to exceed $155 million and the asset is to be held 75% by CPIF and 25% by DPF. The development is being completed by a joint venture with Australand and CIP, who take construction and delivery risk.

Charter Hall Listed Property Trust (CHPT) is facilitating this acquisition on behalf of the new Core Plus Industrial Fund, which is expected to be held by wholesale investors with a co-investment by Charter Hall Property Trust, according to Joint CEO David Harrison. "The acquisition is expected to be earnings accretive for the Charter Hall Property Trust in Financial Year 2007 as progressive development payments attract an interest coupon of 8% per annum" said Mr Harrison.

"The launch of Core Plus Industrial Fund further demonstrates Charter Hall's commitment to the wholesale sector. Charter Hall Property Trust's co-investment is an opportunity to participate in the attractive distribution growth potential generated from a co-investment in Charter Hall's series of Core Plus funds"' said Mr David Harrison.

Charter Hall remains on track to deliver its FY07 forecasts.

ENDS

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Charter Hall Group

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About the Charter Hall Group:

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

The company's success has been underpinned by an experienced management team with skill-set diversified across property sectors and risk/return profiles.

Charter Hall has established a reputation for the innovation and performance of property investment products and managing external equity. The Group currently has over $1.5 billion of assets under management across its investment funds, listed property trust and opportunity funds.

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CORE PLUS
INDUSTRIAL FUND

LAUNCH OF FUND AND INITIAL PROPERTY ACQUISITION

CHARTER HALL

September 2006

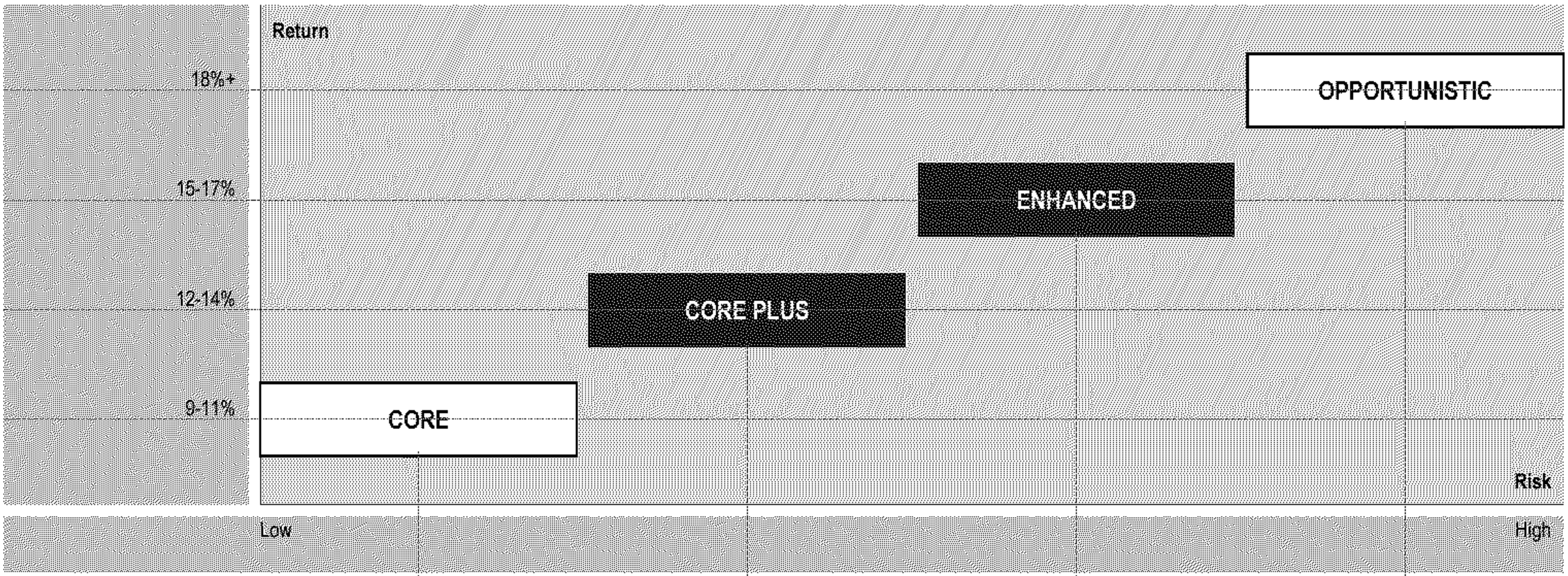
INTRODUCTION

- ✓ Charter Hall is launching a Core Plus Industrial Fund (CPIF) targeting wholesale investors
- ✓ Consistent with Charter Hall's strategy of expanding funds management platform and increasing annuity style funds management income
- ✓ Fund will have a predominantly core/stabilised investment strategy with up to 30% of the portfolio invested in assets with the potential to provide enhanced returns
- ✓ Initial asset is Coles Myer Distribution Centre Perth with a total value $155 million*
- ✓ Charter Hall Property Trust will provide bridging facility to CPIF until external equity is raised
- ✓ Seed asset is 100% leased to Coles Myer Limited for 20 years with fixed annual increases

* 75% interest equating to $116m held by CPIF and 25% interest equating to $39m is held by Diversified Property Fund (DPF)

CHARTER HALL PRODUCT SPECTRUM

✓ CPIF targets a predominantly CORE position, with some alpha through ENHANCED and hold



FUNDS	**DPF, CHPT, CHIF 1-6**	**CPOF, CPIF**	**CHOF 4 PDP 1,2,3 (JV with AMP)**
CRITERIA	Core investments	70% core, 30% enhanced	Development opportunities
INVESTORS	Institutional, HNW, Retail	Wholesale (Institutional)	Wholesale (Institutional)

CPIF PRODUCT FEATURES

FEATURE	DESCRIPTION
STRUCTURE	➢ Open ended property fund with 7 year review ➢ Industrial assets ➢ First close Q2 FY07, Second Close (if required) Q4 FY 07
SIZE and GEARING	➢ Target initial raising $250-$300 million ➢ Target portfolio size $500-$700 million ➢ Fund gearing : 50% – all debt non recourse.
INVESTMENT CRITERIA	➢ Target 70% core industrial assets and 30% enhanced ➢ Target locations: Major capital city markets. ➢ Individual assets not to exceed 25% of the Fund when fully invested ➢ Core assets targeting long term lease profile
MANAGER ALIGNMENTS	➢ Charter Hall co-investing minimum 20% of CPIF equity ➢ CPIF to have first right of refusal over Charter Hall sourced industrial investments ➢ Reward based performance fees plus Base Fund Management fee

INITIAL PROPERTY ACQUISITION – INVESTOR BENEFITS

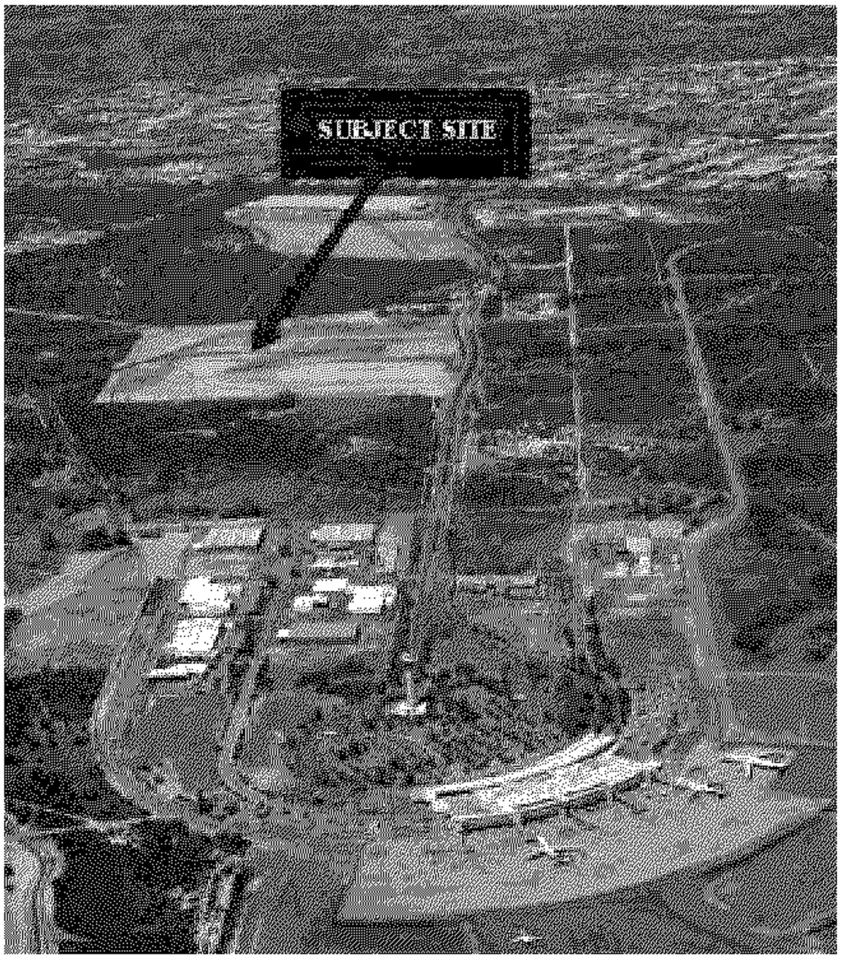
- ✓ Excellent seed asset with weighted average lease expiry exceeding 20 years
- ✓ Long term debt hedge, provides strong distribution growth for CPIF investors
- ✓ Highlights CPIF focus on quality industrial assets with long lease duration and guaranteed rental growth
- ✓ Consistent with fund mandate and is projected to deliver target equity IRR of 11%+
- ✓ Stable, secure and growing distribution yields to investors
- ✓ Provides platform for subsequent investment in enhanced return assets (leasing, expansion or repositioning)

IMPACT ON CHARTER HALL GROUP

- ✓ Consistent with strategy of expanding funds management platform and increasing annuity style funds management income
- ✓ Diversification across the product offering risk/return spectrum
- ✓ Improved exposure to core assets through co-investment in CPIF with potential for attractive 'Core Plus'-style returns
- ✓ Demonstrates Charter Hall's deep market penetration and skills in sourcing predominantly off-market transactions
- ✓ Accretive during development phase as 8% interest coupon accrues through to Dec 2007

SEED ASSET

COLES MYER DISTRIBUTION CENTRE
Perth Airport WA



General	
CPIF Ownership	75%
Acquisition Price (75%)	$116.18m
Acquisition Date	Sep 2006
Expected Completion Date	Dec 2007

Property Breakdown	
Sector	Industrial
NLA (sqm)	72,834
Temperature Controlled Areas (sqm)	25,035
Ambient Areas (sqm)	47,799
Car spaces	383
Year 1 Property Yield	7.00%
Interest Coupon until PC	8.00%

Valuation on a Completed Basis (75% Interest)	
Valuation Date	June 2006
Valuer	Colliers International
Valuation – Design & Construct Basis	$117.75m
Valuation (full acquisition costs)	$112.50m
Property IRR (10 yrs ungeared)	8.82%

Tenancy Statistics	
No. of Tenants	1
Occupancy by Income	100%
Weighted Average Lease Expiry by Income	20 years (from PC)
Rent reviews	2.75% pa

Tenants	Term	Area (sqm)	% Net Income
Coles Myer	20 Years	72,834	100%