CHARTER HALL

ASX RELEASE

ASX Announcement - CHC

Thursday, 26 April 2007

CHARTER HALL GROUP ESTABLISHES $700 MILLION CORE PLUS INDUSTRIAL FUND (CPIF)

Charter Hall Group announces that as at the first close of the Core Plus Industrial Fund (CPIF) capital raising, $350 million of equity commitments have been received, including Charter Hall Property Trust's co investment commitment. With 50 percent gearing, CPIF has $700 million of asset value capacity.

CPIF has a further $450 million of asset acquisition capacity in addition to the $248 million seed portfolio already secured, comprising six assets throughout Australia. CPIF has capacity to invest up to 20 percent of the fund in New Zealand.

Charter Hall also announces that CPIF has contracted to acquire its sixth asset being 123 Kewdale Road, Kewdale for $31.88 million. Kewdale is one of Perth's premier industrial precincts, situated 8 kilometers north east of Perth CBD. 123 Kewdale Road is a former Woolworths distribution centre comprising approx 31,000m^2 of lettable area, which has recently been refurbished and leased to Myer Group and SCT Logistics, with Woolworths recommitting to the office space.

The Kewdale property has been acquired from Luke Saraceni's Saracen Property Group and negotiated off market by Savills agents Miles Rowe and Paul Craig.

The property is anchored by a 12 year lease to Myer with all tenancies providing fixed annual increases of between 3.75 percent and 4 percent and opportunities to benefit from market reviews over the next four years.

The key features of the CPIF seed portfolio of $248 million include:

- Average lease term to expiry (WALE) of 14.7 years
- Tenants including Coles Group, Toll Holdings, Myer Group, Woolworths, Katmandu, Caterpillar, Primus, TJM, Hagemyer and Wesfarmers subsidiary, Protector Alsafe.

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- Geographic spread within key industrial suburbs of Brisbane, Melbourne and Perth.

Joint Managing Director David Harrison noted that, "our Core Plus funds provide for a 70/30 percent spread between core/stablised assets and enhanced assets, which provides the opportunity for CPIF to target a broader spectrum of assets than a Core only or Enhanced only fund. This provides even greater market penetration and scope to outperform performance hurdles".

Other wholesale funds managed by Charter Hall include:
- four opportunity funds that have raised $434 million of equity, which have or will deliver $1.5 billion of assets;
- $1 billion asset value Core Plus Office Fund (CPOF) which has been 73 percent committed;
- $700 million (asset capacity) CPIF.

Mr Harrison advises, "the CPIF portfolio has an excellent blend of fixed annual increases and market reviews over the medium term, which gives us confidence that the CPIF targeted returns may be exceeded. It is also pleasing to see that 93 percent of CPIF assets by value have been secured off market using our deep industry relationships".

Wholesale Funds Director Nick Kelly further commented, "CPIF has attracted seven new investors which combined with repeat investors whom have supported other CHC funds, means that Charter Hall now boasts some 30 different wholesale investors across our suite of wholesale funds".

ENDS

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About the Charter Hall Group:
Charter Hall Group is a property funds management and development company with offices in Sydney, Brisbane, Perth and Auckland. Established in 1991 and listed on the ASX in 2005 as a stapled security (Code CHC), Charter Hall Group combines Charter Hall Limited with Charter Hall Property Trust. The Group currently has assets under management in excess of $2.2 billion and a market cap of over $1 billion. Charter Hall Group has achieved a solid track record across its activities demonstrating a 10 year history of managing wholesale capital. This success has been underpinned by a highly skilled, incentivised and motivated management team with diverse expertise across property sectors and risk-return profiles.

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CHARTER HALL GROUP (CHC)

CORE PLUS INDUSTRIAL FUND

$350 Million Equity Raising at 1st Close
$700 Million Asset Under Management Capacity

CHARTER HALL

APRIL 2007

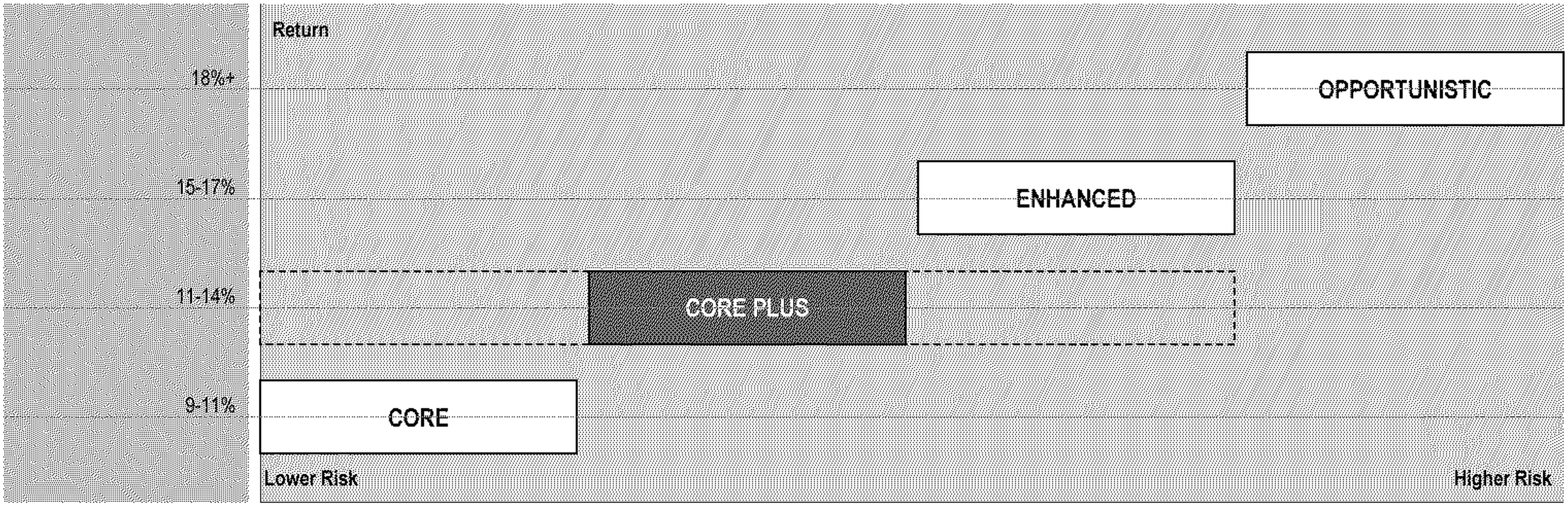
INTRODUCTION

- ✓ Charter Hall Group (CHC) has established a $700 million wholesale fund having secured $350 million of equity commitments at the First Close of its Core Plus Industrial Fund (CPIF), including CHPT's commitment
- ✓ CPIF is the second in the series of sector specific Core Plus funds established by CHC
- ✓ Core Plus Office Fund (CPOF) was the first in the series, raising $500 million of equity commitments by August 2006 and is now 73% allocated to $734 million of assets across Australia
- ✓ The initial $248 million portfolio of CPIF assets benefits from an average weighted lease term to expiry (WALE) of approximately 14.7 years
- ✓ CHC also announces the acquisition by CPIF of a $31.88 million industrial office and distribution centre at 123 Kewdale Road, Kewdale (details attached as an appendix). Anchored by a 12 year lease to Myer, the asset is also leased to Woolworths and SCT Logistics
- ✓ CPIF has been established by CHC using the balance sheet capacity of Charter Hall Property Trust (CHPT) which has made a substantial co-investment. Further equity commitments may be secured by the Second Close later in 2007.

INTRODUCTION (Cont'd)

- ✓ The initial portfolio includes tenants such as Coles Group, Toll Holdings, Protectors Alsafe (Wesfarmers), Caterpillar, Kathmandu, Myer, Woolworths and Hagemeyer
- ✓ CPIF investment mandate is to secure 70% core/stabilised and 30% enhanced properties which once stabilised form part of the core portfolio
- ✓ CPIF is focused on Australia, however up to 20% of assets may be acquired in New Zealand
- ✓ CHC earns an annual management fee equating to 0.6% of total gross asset value up to $400 million falling to 0.45% of total gross asset value thereafter
- ✓ CHC has the potential to earn performance fees every 3 years from CPIF, if equity IRR hurdles are exceeded

CPIF POSITIONING

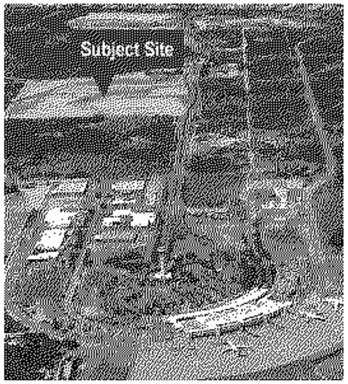


TRUST STATUS	Flow through Trust	Flow through Trust		Trading Trust
CRITERIA	Core investments	70% core, 30% enhanced		Development opportunities
INVESTORS	Institutional, HNW, Retail	Wholesale		Wholesale
CHC VEHICLES	Diversified Property Fund (DPF) Charter Hall Investment Funds 1-6 (CHIF 1-6) Charter Hall Property Trust (CHPT)	Core Plus Office Fund (CPOF) Core Plus Industrial Fund (CPIF) Core Plus Retail Fund (CPRF)		Charter Hall Opportunity Funds 1-5 (CHOF 1-5)

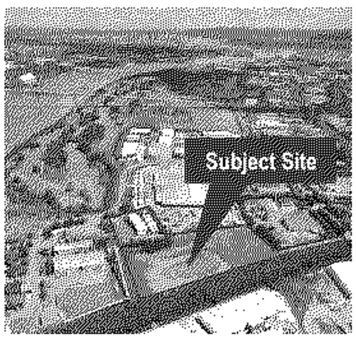
CPIF PRODUCT FEATURES

FEATURE	DESCRIPTION
STRUCTURE	✓ Open ended property fund ✓ Predominantly industrial assets / business park assets ✓ First Close April 07, Second Close by end of 07 ✓ Sunset on uncalled equity 2 years from final close (extendable to 3 years) ✓ Flow through investment trust with assets held over medium to long term period
SIZE	✓ First Close equity commitments provide $700 million of asset ownership capacity ✓ May increase at 2nd Close ✓ 50% target fund gearing
INVESTMENT CRITERIA	✓ 11%+ target net equity IRR ✓ Portfolio composition : 70% core/stabilised and 30% enhanced assets ✓ Locations : major Australian capital city markets and up to 20% in NZ ✓ Individual assets not to exceed 25% of the Fund on a fully invested basis
MANAGER ALIGNMENTS	✓ CHC co investment will be a minimum of 20% via CHPT investment ✓ Reward based performance fees

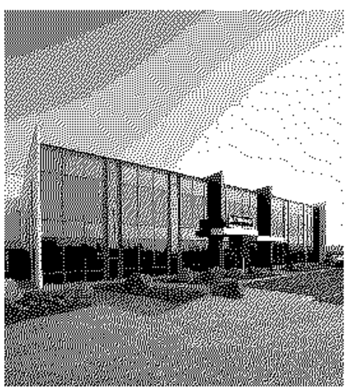
INITIAL CPIF PROPERTY PORTFOLIO



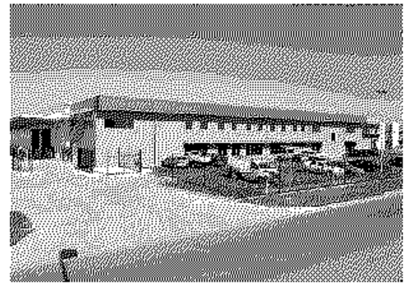
Coles Myer
Distribution Centre
Perth WA
$133.2m
(75% Ownership)



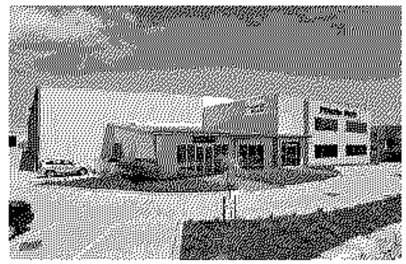
Pinkenba
Brisbane QLD
$23.3 m
(100% Ownership)



Tullamarine
Melbourne VIC
$24m
(100% Ownership)

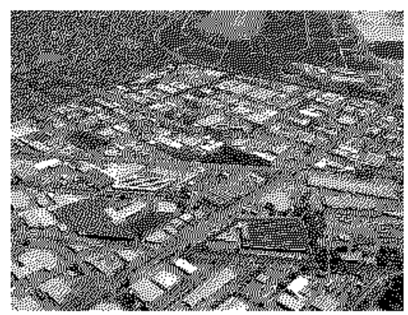


Toll, Viola Place
Brisbane QLD
$9.5m
(100% Ownership)



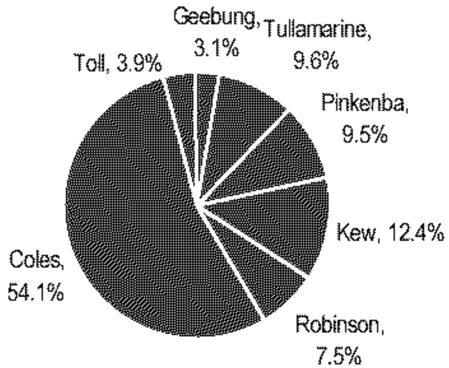
Wesfarmers, Geebung
Brisbane QLD
$7.75m
(100% Ownership)

140-150 Robinson Rd,
Geebung
Brisbane QLD
$18.4m
(100% Ownership)

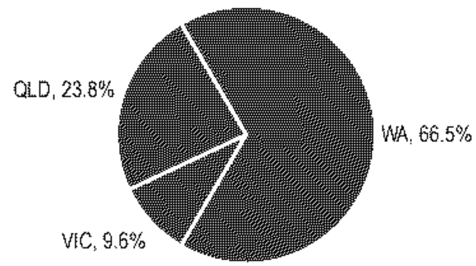


123 Kewdale Road
Kewdale
Perth WA
$31.9m
(100% Ownership)

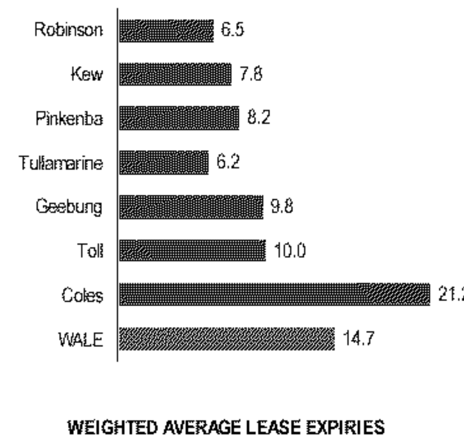
INITIAL CPIF PROPERTY PORTFOLIO STATS



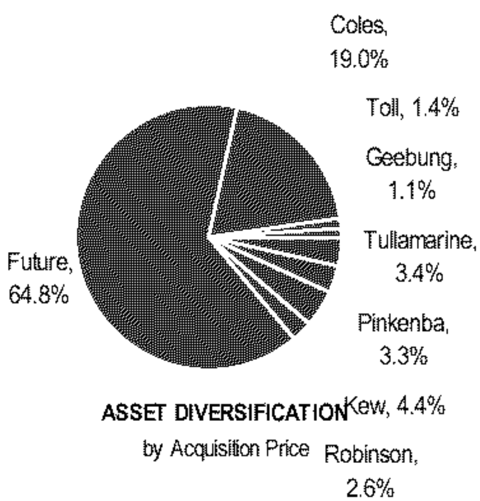
ASSET DIVERSIFICATION
by Acquisition Price



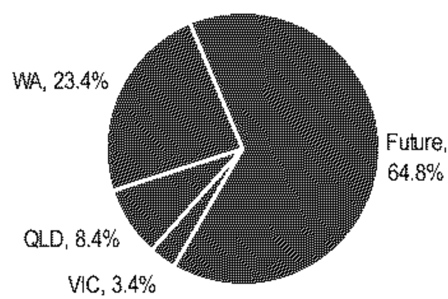
GEOGRAPHICAL DIVERSIFICATION
by Acquisition Price



WEIGHTED AVERAGE LEASE EXPIRIES
By Income



ASSET DIVERSIFICATION
by Acquisition Price

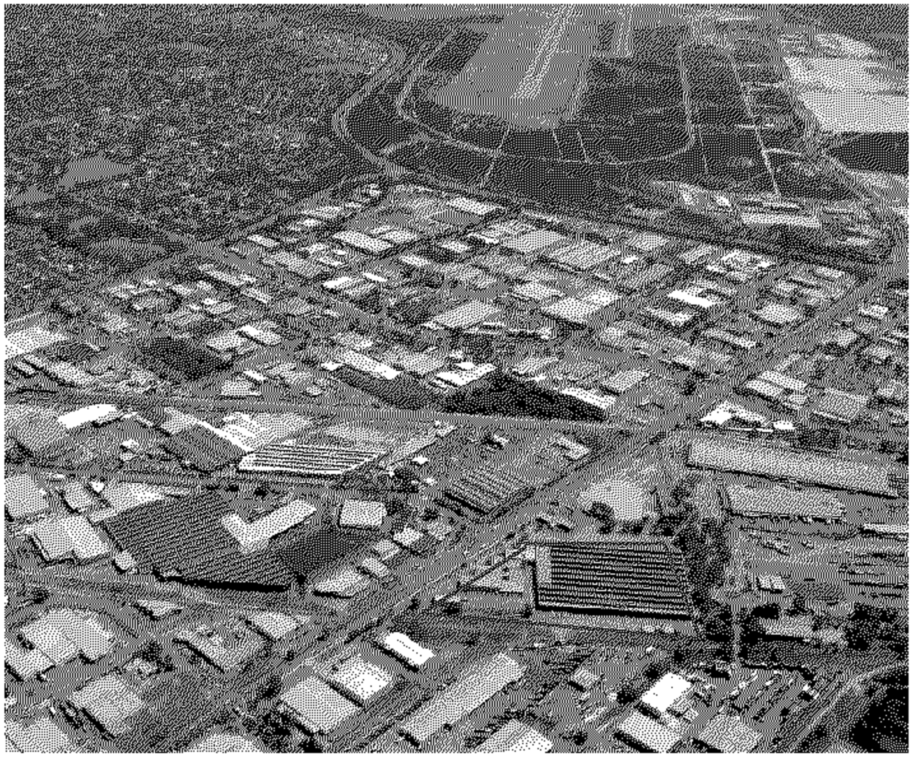


GEOGRAPHICAL DIVERSIFICATION
by Acquisition Price

CPIF BENEFITS FOR CHC

- ✓ Provides investment vehicle for CHC via CHPT to acquire exposure to high quality industrial assets with long lease duration and high levels of guaranteed annual rent increases
- ✓ CHPT gains access to better quality assets than it could fund solely using its own balance sheet over the medium to long term
- ✓ CHC's strong track record in managing risk provides strong potential to achieve target returns and hence earn performance fees
- ✓ Fund management fees increase recurrent earnings
- ✓ Further enhances CHC's national profile, exploits CHC's deep market penetration and skills in sourcing predominantly off-market transactions
- ✓ Deepens relationships by expanding product offer to wholesale investors
- ✓ CHC's investment in CPIF provides improved distribution yield growth prospects
- ✓ CHPT WALE improves based on initial CPIF seed assets
- ✓ Improved tenant, sector and geographic diversity for CHPT portfolio
- ✓ Capacity to grow CPOF, CPIF and eventually CPRF (Retail Fund) will further reinforce CHC's reputation as a substantial wholesale fund manager offering product across the whole risk/return spectrum

APPENDIX :123 Kewdale Road, Kewdale, Perth WA



General	
CPIF Ownership	100%
Acquisition Price	$31.88m
Acquisition Date	May 07
Expected Completion Date	N/A
Property Breakdown	
Sector	Industrial
GLA (sqm)	30,000sqm
Year 1 Property Yield	7.16%
IRR Property (10 yrs ungeared)	9.19%
IRR Equity (10 yrs geared)	9.93%
Tenancy Statistics	
Occupancy	100%
Tenant	Myer, Woolworths, SCT Logistics
WALE	6.75 years
Rent reviews	3.75% - 4% pa
Independent Valuation Metrics	
Valuer	Colliers (Perth) Pty Limited
Valuation Date	March 07
Valuation	$31.88m