

MEDIA RELEASE

CHARTER HALL

Charter Hall acquires Melbourne retail investment for \$5.1 million

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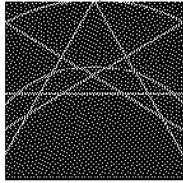
Charter Hall Group announces it has acquired a \$5.1 million retail investment on the Maroondah Highway, one of Melbourne's established showroom/bulky goods locations, for the Charter Hall Diversified Property Fund (DPF).

Located at 615-619 Maroondah Highway, Mitcham, the property is fully leased to Sortino Furniture, a prominent family operated contemporary and classic furniture retailer who have three superstores across metropolitan Melbourne. Sortino have over 40 years experience in retailing and have occupied the building since they developed it approximately 20 years ago. Sortino have a lease until mid 2014.

The property is predominantly a single level retail showroom of 2,050m² with off street parking, including a two level atrium with mezzanine at the front of the building, offering prominent exposure to the Maroondah Highway and highly visible by passing traffic in both directions.

Access to Mitcham and Ringwood is expected to be enhanced with the completion of Eastlink/ Mitcham Frankston Freeway in 2008. Eastlink will connect Melbourne's eastern and south eastern suburbs between the existing Eastern Freeway at Donvale and the Frankston Freeway on the Mornington Peninsula. Eastlink will pass between Mitcham and Ringwood with a major interchange at the Maroondah Highway (approximately 1.5 kilometres west of the property).

The DPF portfolio will now comprise 11 properties valued at approximately \$123 million. The DPF portfolio is diversified among office, industrial and retail bulky good sectors currently located within NSW, VIC, QLD and WA.



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The acquisition was negotiated off market by Allard & Shelton agent Fred Nucara and reflects an initial yield of approximately 8 percent and a capital value of \$2,485 per square metre.

The acquisition increases DPF's Victorian weighting to approximately 27 percent (up from 24 percent), and increases the weighting to the retail sector to approximately 13 percent (up from 10 percent). The weighted average lease expiry across the portfolio is approximately 10.5 years.

Executive Director Cedric Fuchs said "The acquisition demonstrates Charter Hall's ability to source off market transactions through its deep industry relationships and the ability to successfully negotiate with small and large vendors". Adding further "DPF will continue to focus on growth markets across Australia and invest in office, retail and industrial properties, generally in the range of \$5 million to \$30 million in value".

ENDS

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About the Charter Hall Group:

Charter Hall Group is a property funds management and development company, based in Sydney with offices in Brisbane, Perth and Auckland. Established in 1991 and listed on the ASX in 2005 as a stapled security under the code CHC, Charter Hall Group combines Charter Hall Limited with Charter Hall Property Trust. The Group currently has funds under management in excess of \$2.5 billion and a market cap of over \$1.2 billion. The Charter Hall Group has achieved a solid track record across its activities demonstrating a 10 year history of managing wholesale capital, making it one of Australia's leading property fund managers. Charter Hall's 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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