CHARTER HALL GROUP




ANNUAL GENERAL MEETING 2007

25 October, 2007

CHARTER HALL

Sydney Brisbane Perth Auckland

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Kerry Roxburgh – Chairman: Address to Securityholders

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CHAIRMAN'S ADDRESS

As I said in the Annual report, Charter Hall recorded a strong $43 million operating result, up 147% on the previous corresponding period. Since 30 June 2006 the price of the stapled securities of the Group improved by 110%, ending the financial year at $2.84.

Last night we closed at $3.09.

Shortly I will introduce our Joint Managing Directors, David Harrison and David Southon to review the year just past and to provide an update on more recent developments.

Before doing so, I would like to pay tribute to one of our founders, Mr André Biet who is retiring as a Director today in accordance with the Constitution and he has elected not to stand for re-election.

On behalf of all our investors, the Board and Management, I thank André for his considerable and valuable contribution to Charter Hall over the past 16 years,

For 14 years he led the company as its Managing Director. André, together with Cedric Fuchs and David Southon, founded Charter Hall in April 1991 and with his foresight, strategic direction and leadership the company went on to establish a solid foundation and respected reputation in the marketplace.

CHAIRMAN'S ADDRESS (Cont.)

The business divisions that were created at inception still remain today.

André and the Charter Hall team formulated and promoted the first opportunistic property fund in Australia, which AMP agreed to support and co-manage. This provided Charter Hall with its entrée to Wholesale Investors and its corporate governance structure necessary to secure capital commitments from so many of Australia's leading Wholesale Investors.

It is history now but this product was well received, enabling Charter Hall to secure over $265 million of equity commitments across 3 opportunistic funds it jointly managed with the AMP.

In 2003, André recognised the need to transform Charter Hall as a private company to improve its capitalisation and progress its succession planning. Macquarie Bank were appointed to advise, resulting in the 2004 sale of 50% of the then private business to Transfield Holdings.

At around the same time, David Harrison joined the business as an equity partner and the Board and Management was restructured with the appointment of David Southon and David Harrison as the Joint CEOs.

CHAIRMAN’S ADDRESS (Cont.)

Since listing on the ASX in 2005 André continued his valuable contribution firstly as an Executive Director and more recently as a Non-executive Director.

On behalf of us all, I acknowledge and express our appreciation André, for all you have done for Charter Hall over the past 16 years. You should look back at your achievements with great pride and we wish you all the very best for the future.

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David Harrison - Joint Managing Director
David Southon - Joint Managing Director

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FY07 AT-A-GLANCE

- FY07 DPS at 10.44cps – 47% increase on FY06 DPS
- 118% TSR to CHC Securityholders – over FY07
- 2 new wholesale funds – CHOF5 and CPIF, raised $650m of equity commitments
- Unlisted equity commitments increased by $775m in FY07
- 26 investment assets acquired
- Grown funds under management from $1.35 billion to $2.81 billion
- Crystallised profits for 3 development projects
- Funds continue to perform strongly

FY07 FINANCIAL PERFORMANCE TO 30 JUNE 2007

	FY07 results	FY06	*Variance*
DPS	10.44cps	7.10cps	*+47%*
NPAT	$43.2m	$17.4m	*+147%*
Underlying NPAT[1]	$31.7m	$17.5m	*+82%*
Underlying EPS[1]	9.51cps	6.47cps	*+47%*
Tax Deferred	51%	39%	*+12%*
AUM[2]	$2.81bn	$1.35bn	*+108%*
Gearing	24.4%	27.7%	*-3.3%*

1. Underlying NPAT & EPS is after adding back AIFRS non cash expenses (mainly the share based remuneration expense and tax expense on the unrealised gain in the investment in Axiom Properties Limited).
2. Measured on a completed basis

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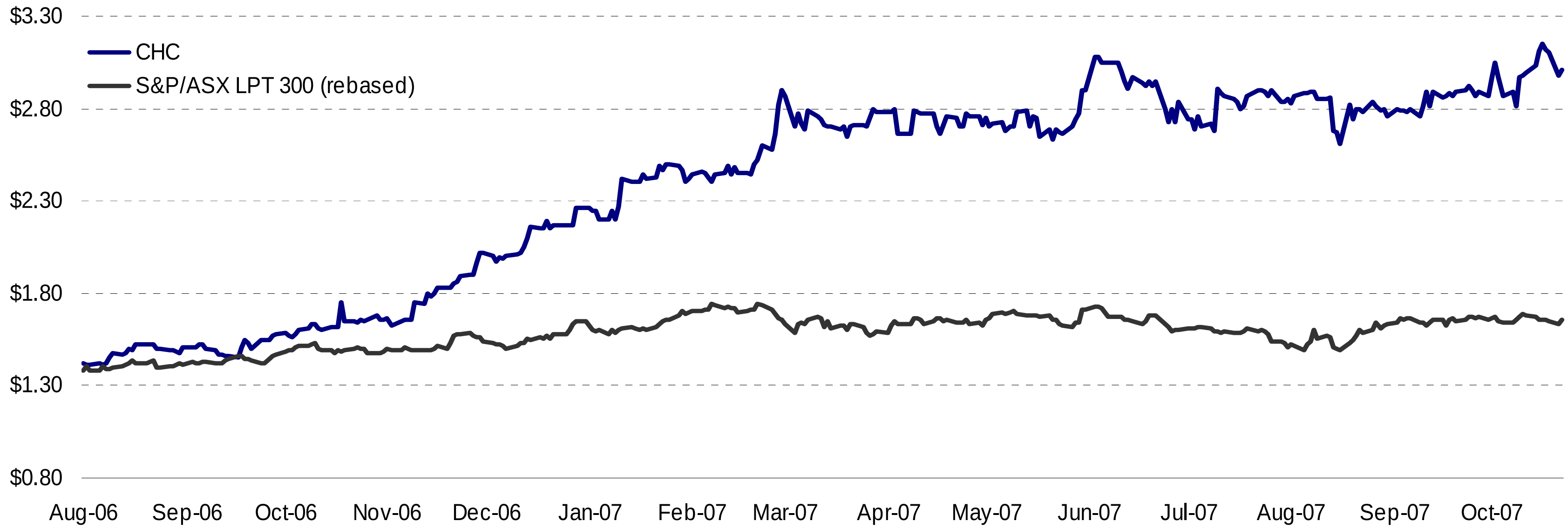
PERFORMANCE: CHC SECURITY PRICE

- 101% out-performance of ASX/S&P Property Trusts 300 on a total return basis since 30 June 06



Market Cap 24 October 07	$1,349m
Closing Price 24 October 07	$3.09
Closing Price 30 June 06	$1.35

Total Return FY07 - 1 July 06 to 30 June 07	118%
Total Return 1 July 06 to 24 October 07	139%
Total Return IPO to 24 October 07	241%

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CO-INVESTMENT MODEL

CHARTER HALL GROUP (CHC)

	DEVELOPER	DEVELOPMENT SERIES		CORE-PLUS SERIES			FUNDS FOR RETAIL INVESTORS		DIRECT PROPERTY
	50%	3%	15%	23%	32%	20%*	33%	7%	100%
	CIP	CHOF4	CHOF5	OFFICE	INDUSTRIAL	RETAIL	CHUF	DPF	CHPT
Equity Raised		$165m	$300m	$625m	$350m	$350m	$150m	$70m	$460m
AUM		$450m	$50m	$1,000m	$280m	~$500m	$150m	$138m	$600m**
Asset Capacity		$500m	$1,000m	$1,250m	$700m	$700m	$150m	$170m	$750m

FY08 raising

*Target co-investment

** CHPTAUM will reduce once equity has been raised for CPRF

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EQUITY RAISING

	FUND	# Assets	Asset Capacity	Equity C'mmitted	Year Est.	Status
Opportunistic	CHARTER HALL OPPORTUNITY FUND 5 (CHOF 5)	1	$1,000m	$300m	07	Closed Ended
	CHARTER HALL OPPORTUNITY FUND 4 (CHOF 4)	5	$500m	$165m	05	Closed Ended
Core-Plus	CORE PLUS OFFICE FUND (CPOF)	13	$1,250m	$625m	06	Open Ended
	CORE PLUS INDUSTRIAL FUND (CPIF)	7	$700m	$350m	07	Open Ended
	CORE PLUS RETAIL FUND (CPRF)*	17	$700m	$350m*	08	Open Ended
Core	CHARTER HALL UMBRELLA FUND (CHUF) – To be launched 1Q08	Multiple	$150m	$150m	07	Open Ended
	DIVERSIFIED PROPERTY FUND (DPF)	11	$170m	$70m	05	Open Ended
	CHARTER HALL INVESTMENT FUNDS 2-6 (CHIF 2-6)	10	$124m	$70m	96-05	Closed Ended
	CHARTER HALL PROPERTY TRUST (CHPT)	3	$750m**	$460m**	05	
	TOTAL post current raisings	62	$5,344m	$2,470m		

* Subject to successful capital raising for CPRF

** Includes seed assets for CPRF sold down into CPRF

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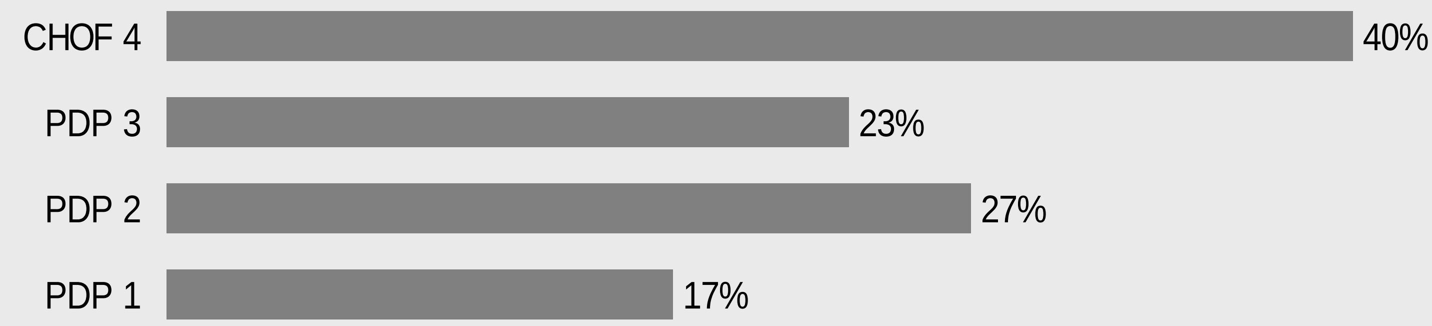
PERFORMANCE: FUNDS

Opportunistic Fund IRRs: 20% target IRR

- ✓ Opportunistic funds have delivered an average IRR of more than 26% over 10 years on realised projects, across all funds

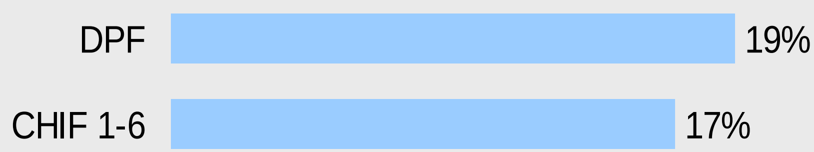


Core Plus Fund IRRs: 11%-12% target IRR

- ✓ Core Plus funds have outperformed since inception in 2006 (CPOF) and 2007 (CPIF)

Core Fund IRRs: 10% IRR

- ✓ Core funds have delivered well in excess of target IRR
  - CHIFs since 1996
  - DPF since 2005



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WHOLESALE FUNDS MANAGEMENT OVERVIEW

- Largest Core Plus Fund Manager in Australia - $975 million equity raised to date
- Sector specific Core Plus funds - Office, Industrial and Retail
- Skill and track record to deliver development margins essential to equity value growth for investors
- Substantial undrawn equity commitments provide potential to exploit opportunities that emerge from global credit volatility
- Launch of a Core Plus Retail Fund (CPRF) to complement the Core-Plus series
    - $500m initial portfolio of quality Australian and NZ retail and bulky goods properties
    - Intend to raise a minimum of $350m in equity

WHOLESALE FUNDS MANAGEMENT OVERVIEW

- **Largest Opportunistic Fund Manager in Australia -** $734m equity raised to date

- 5th fund in the successful series of Charter Hall's Opportunity Funds
  - Total committed equity of $300m, with capacity for $1 billion of project value
  - Substantially over-subscribed
  - 74% of funds committed from repeat investors

- New Clients and Repeat Business
  - Several new clients added to Charter Hall stable of wholesale funds including many market leading Australian superannuation funds, Government funds, foundations, investment institutions and offshore investors
  - Repeat Business: Strong positive reaction to Charter Hall Opportunity Fund 5 (CHOF5) and Core Plus Industrial Fund (CPIF) initial raisings, in addition to Core Plus Office Fund (CPOF) secondary raising, from Charter Hall's existing wholesale client base

RETAIL FUNDS MANAGEMENT OVERVIEW

- Charter Hall to further penetrate the retail funds management market
- Diversified Property Fund (DPF) rapidly expanding
    - Increasing equity in-flows from major financial planning groups and platforms
    - 156% increase in AUM during FY07
- Charter Hall Umbrella Fund (CHUF)
    - Fully underwritten raising with $150m of equity (including CHPT co-investment)
    - Enables retail investors a diversified unlisted property exposure across Charter Hall's suite of property funds
    - Highest rating from independent research firm Lonsec
    - Strong investor support
    - Provides further commitment alignment with Wholesale investors
    - Offer close date is 23 November 2007

FY07 SUMMARY & OUTLOOK

Wholesale Funds Management

- Closed Core Plus Industrial Fund (CPIF) and secured $350m in equity commitments
- Closed Charter Hall Opportunistic Fund 5 (CHOF5) and secured $300m in equity commitments
- $125m secondary raising for Core Plus Office Fund (CPOF)
- Launched Core Plus Retail Fund (CPRF) with equity raising taking place during FY08

Retail Funds Management

- CHUF fully underwritten with equity raising completed before end of CY07
- CHUF retail raising currently over-subscribed prior to 23 November allotment date

Funds Under Management

- Acquired 26 investment assets and increased FUM from $1.35 billion to $2.81 billion

Development capability

- Acquired a 50% interest in industrial developer CIP

Geographic expansion

- Established offices in Brisbane, Perth and New Zealand