Charter Hall Group

Strategic Investment & Equity Raising

27 May 2009

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The document is in relation to an "Entitlement Offer" of new stapled securities of Charter Hall Group ("Securities") to be made to:

- eligible institutional securityholders of Charter Hall Group ("Institutional Entitlement Offer"); and
- eligible retail securityholders of Charter Hall Group ("Retail Entitlement Offer"),

under sections 708AA and 1012DAA of The Corporations Act as notionally modified by ASIC class order 08/35 (together the "Entitlement Offer"), and a placement to the Gandel Group ("Gandel") (together with the Entitlement Offer, the "Offer").

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Agenda

Section one
Overview

275 George Street, Brisbane Qld
(Jointly owned by CHOF4 and CPOF)

Transaction Overview

- Gandel Group ("Gandel") to make a strategic investment of up to $82 million in Charter Hall Group ("CHC") and its managed funds
  - An investment of up to $37 million in CHC, equating to a holding of up to 15% post equity raising
  - Agreement to acquire $30 million of CHC existing co-investment in the unlisted Core Plus Office Fund ("CPOF")
  - $15 million commitment to a new CHC-managed unlisted fund initiative (Special Situations Fund, or "SSF")
- CHC is undertaking a fully underwritten accelerated non-renounceable entitlement offer and placement (together the "Offer") to raise $73 million[1]
  - Placement of $24 million to Gandel and a 2 for 7 entitlement offer
- CHC continues its ongoing capital management initiatives
  - Recently announced refinanced Core Plus funds debt facilities
  - Asset sales in managed funds
- The proceeds to CHC of $103 million from the investment by Gandel and the Offer (together the "Transaction") provides financial flexibility
  - Used to repay all existing CHC balance sheet debt and reduce gearing to nil
  - Reducing look-through pro-forma gearing to 34% (all managed fund debt has no recourse to investors, including CHC)

NOTES:
1. See slide 11 for more detail on offer structure and size of equity raising

Transaction Overview

Investment	Total	CHC Investors	Gandel
Placement	$24m	-	$24m
Entitlement[1]	$49m	$49m[2]	$13m underwrite[2]
Total equity raising	**$73m**	**$49m**	**$37m**
CPOF unit sale	$30m	-	$30m
SSF commitment	$15m	-	$15m
Total funds	**$118m**	**$49m**	**$82m**

NOTES:

1. Entitlement of $49 million of which the institutional component of $29 million and the retail component of $20 million are fully underwritten
2. Gandel does not participate in entitlement issue but underwrites approximately $13 million of the retail component of this entitlement issue. CHC has undertaken to use its reasonable endeavours to ensure that Gandel is able to achieve a holding of 15% of the enlarged CHC security base following the Offer

Why Invest in CHC?

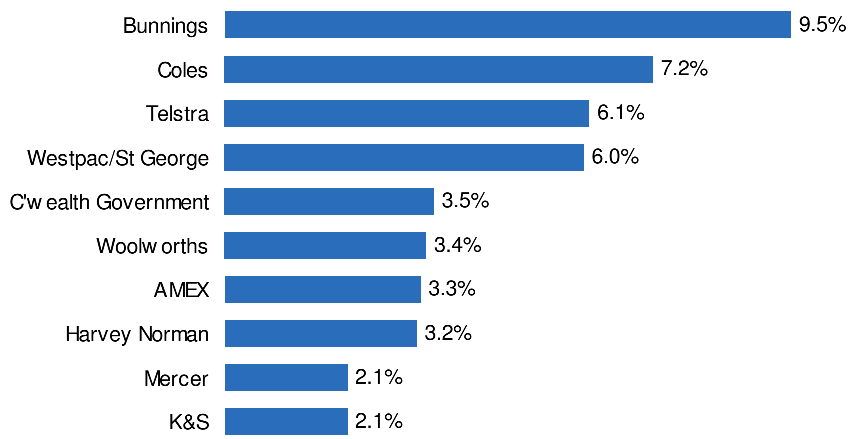
- High quality property platform
  - Property specialist with strong skills in property ownership, development and management
  - One of the largest Core-Plus and Opportunistic wholesale fund mangers in Australia
  - Proactive agile approach to current conditions – for example the proposed launch of the SSF
- Simple business model
  - Domestic focus
  - Conventional debt facilities in managed funds with no cross guarantees or recourse to investors, including CHC
  - Recurring revenue streams
  - No on-balance sheet development activity
- The Transaction proceeds will repay CHC's balance sheet debt and provide the flexibility to meet contributions to reduce managed fund leverage, if required
  - Active capital management strategies across managed funds
  - Refinanced Core Plus funds debt facilities
  - Debt service aided by underlying rental growth with strong tenant covenants and very limited near term lease expiries
- The Offer provides exposure to a high quality property portfolio at a substantial discount to NTA[1] (56%)
  - WALE[2] of 8.3 yrs with strong tenant covenants
  - Weighted average fixed rental increases of 3.7% per annum

NOTES:
1. Net Tangible Assets per security, see slide 31 for more detail
2. Weighted Average Lease Term

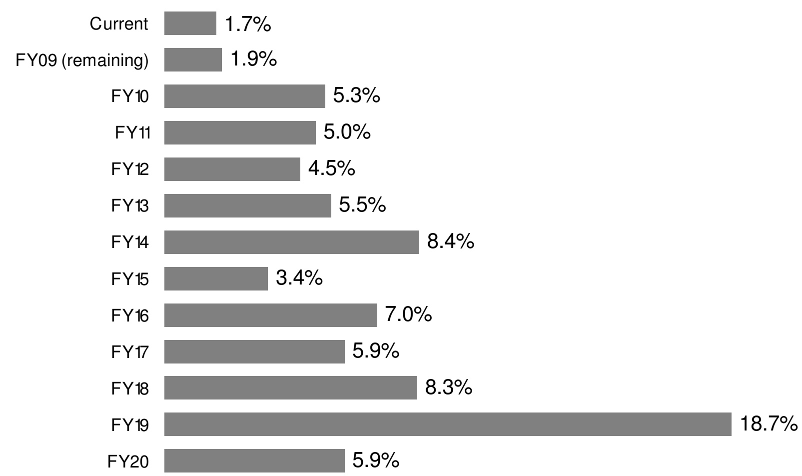
Secure Income and Long Leases

CHC Investment Portfolio

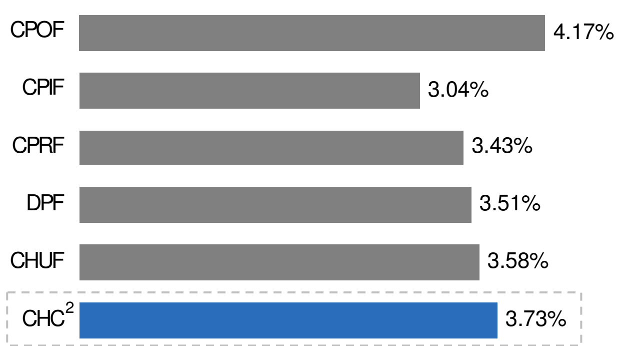
Top 10 tenants (by income)[1]



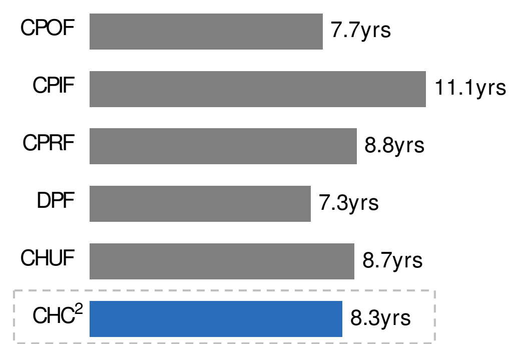
Lease expiry profile (by income)[1]



Weighted Average Fixed Rental Growth pa[1]



WALEs (by income)[1]



CPOF – Core Plus Office Fund
CPIF – Core Plus Industrial Fund
CPRF – Core Plus Retail Fund
DPF – Diversified Property Fund
CHUF – Charter Hall Umbrella Fund

NOTES:
1. As at 31 March 09
2. CHC's metrics are a weighted average of its investments in the underlying managed funds. See slide 33 for investment balances

Gandel Group

- National Australia Bank introduced Gandel to CHC as a potential investor given the mutual benefits of a strategic investment[1]
- Gandel is a diversified institutional investment group and property owner
  - 17% of the listed Colonial Retail Trust (ASX code: CFX)
  - 50% ownership of Chadstone and Northlands shopping centres in Victoria
  - Long term institutional reputation in property markets
- Gandel to make a strategic investment in the Charter Hall Group
  - Investment of up to 15% in CHC post equity raising
  - A Gandel representative will be invited to join the CHC Board
  - Diversifies Charter Hall skill base, tenant and banking relationships

NOTES:

1. In the course of normal business CHC considers acquisition and divestment opportunities. Other than this Transaction, there are no discussions presently being undertaken in relation to any other such opportunities that warrant disclosure and CHC is not involved in providing opportunities for due diligence to any party other than the asset sales referred to the asset sales on slide 23

Section two

Details of the Offer

Atrium, Pyrmont NSW
(Owned by CPOF)

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

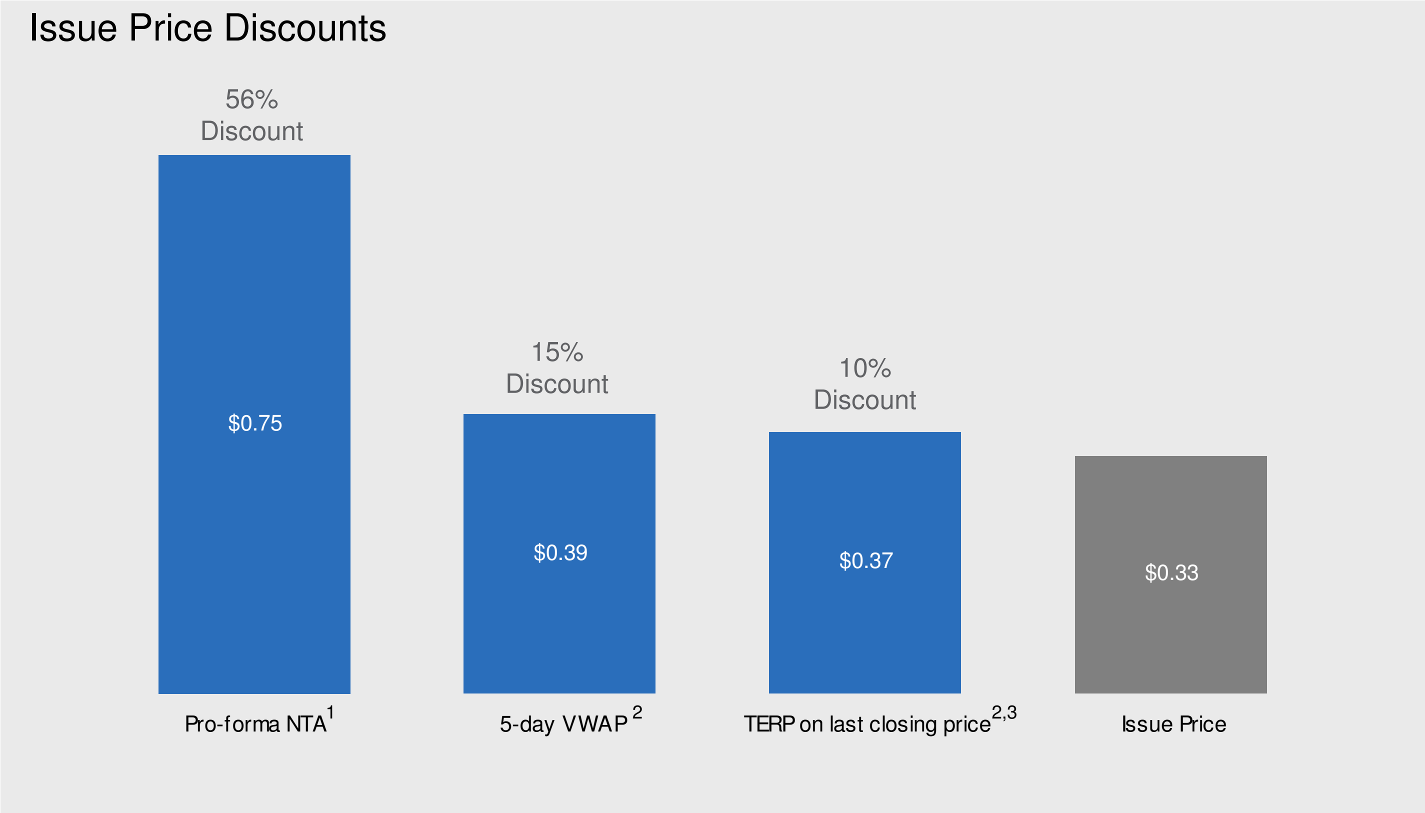
Offer Structure

- The Offer of $73 million comprises the following components:
  - Private placement to Gandel of $24 million at $0.33 per security
  - Fully underwritten accelerated non-renounceable 2 for 7 entitlement offer to raise $49 million
    - $13 million underwritten by Gandel[1]
- New securities will rank equally with existing securities
  - Entitled to receive the full 2H09 distribution
  - Reconfirm 2H09 DPS guidance of 1 cent per security

NOTES:

1. CHC has undertaken to use its reasonable endeavours to ensure that Gandel is able to achieve a holding of 15% of the enlarged CHC security base following the Offer

Offer Metrics



NOTES:
1. Refer to slide 31 for further detail on NTA
2. Calculated as at last close 26 May 2009
3. Theoretical Ex-Rights Price (TERP) assumes Offer raising is fully subscribed, but excludes placement securities

Offer Timetable

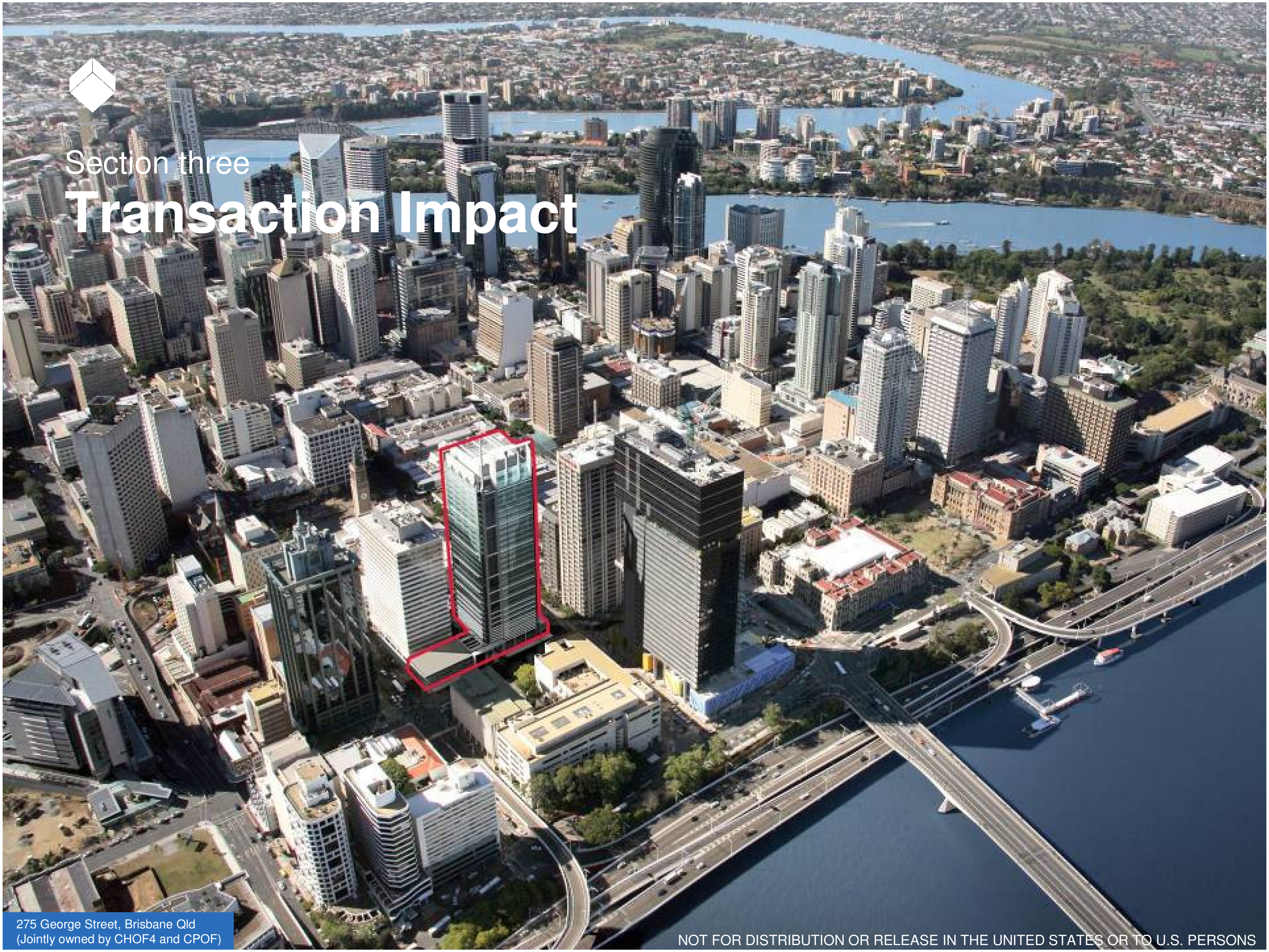
Event[1]	Date
Institutional Offer opens	10.30am (AEST), 27 May 2009
Institutional Offer closes	6.00pm (AEST), 27 May 2009
Institutional allocations advised and trading resumes	28 May 2009
Record Date for determining Entitlements for the Entitlement Offer	7.00pm (AEST), 1 June 2009
Retail Entitlement Offer opens	3 June 2009
Early Acceptance Date for the Retail Entitlement Offer	5.00pm (AEST), 10 June 2009
Settlement of Institutional Offer and Early Acceptances for Retail Entitlement Offer	11 June 2009
Allotment for Institutional Offer and Early Acceptances for Retail Entitlement Offer	12 June 2009
Trading commences for new securities allotted under Institutional Offer and Early Acceptances for Retail Entitlement Offer	12 June 2009
Retail Entitlement Offer closes	5.00pm (AEST), 18 June 2009
Final retail allotment	29 June 2009
Trading commences for new securities allotted in the final retail allotment	30 June 2009

NOTES:

1. The timetable above is subject to variation CHC (in conjunction with the underwriters) reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws

Section three

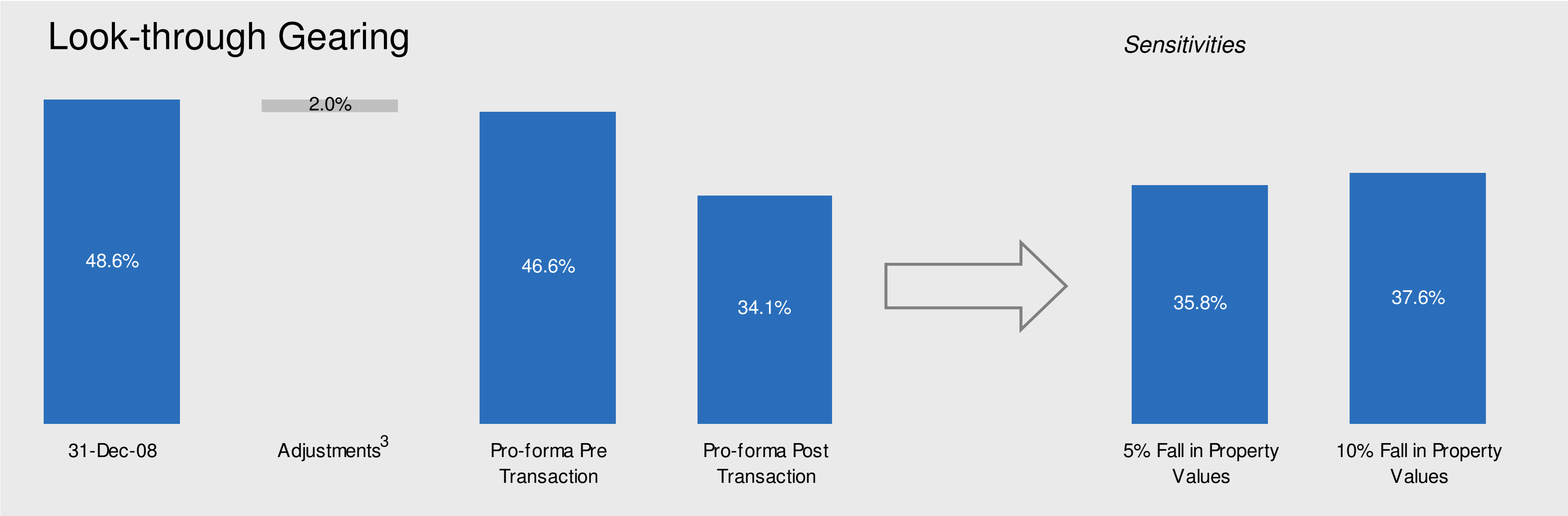
Transaction Impact



275 George Street, Brisbane Qld
(Jointly owned by CHOF4 and CPOF)

Gearing

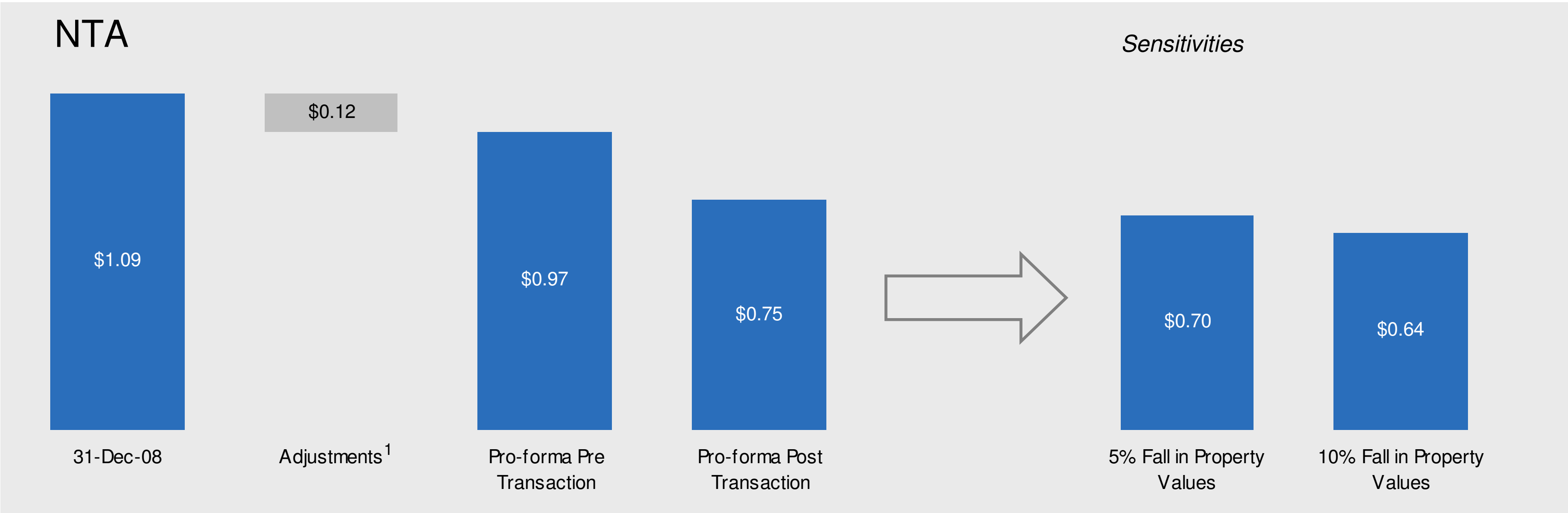
- CHC balance sheet pro-forma gearing[1] reduced from 9.9% to nil
  - Intention to minimise gearing against co-investments going forward
- Look-through pro-forma gearing[2] reducing to 34.1%
  - Managed fund debt facilities are stand alone with no recourse to, or guarantee from, CHC



NOTES:
1. Gearing is calculated as debt net of cash divided by assets net of cash
2. Look-through gearing calculated by incorporating CHC's proportional share of assets and debt of the funds in which it co-invests
3. Adjustments incorporate assets sales only where contracts have been exchanged (ie. not future targeted asset sales), refer to slide 31 for complete adjustment details

NTA

- Pro-forma Net Tangible Assets per security (NTA) of $0.75
- Total pro-forma Net Tangible Assets of $516 million

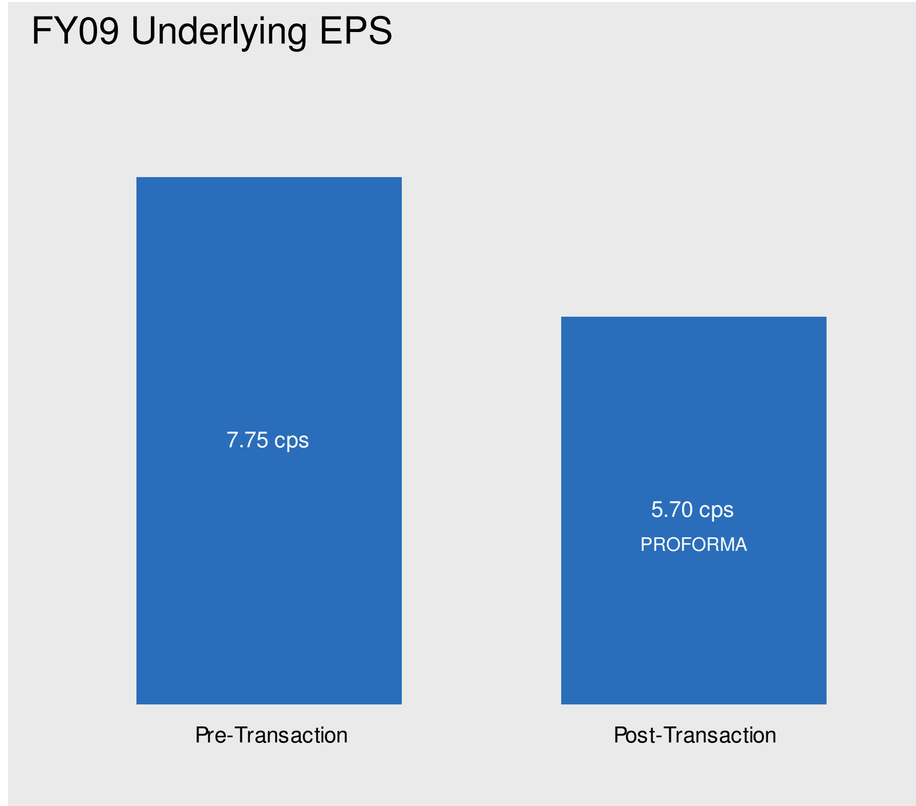


NOTES:

1. Adjustments incorporate assets sales only where contracts have been exchanged (ie. not future targeted asset sales), refer to slide 31 for complete adjustment details

Underlying EPS

- Revised FY09 underlying EPS guidance of 7.75 cps[1] (pre-Transaction)
  - Compared with previously provided guidance of 8.0 cps
- Pro-forma FY09 underlying EPS reduced to 5.70[2] cps (post-Transaction)
  - Assumes full year impact of the Transaction
  - Pro-forma calculation assumes securities on issue for entire year for comparison
- Pro-forma earnings yield of 17.3% based on Offer price of $0.33



NOTES:

1. EPS is based on underlying earnings derived by adjusting AIFRS NPAT for a number of abnormal and non-cash items. These items are primarily adjustments to investments held at fair value, loss on sale of investments, long term incentive expenses and a reversal of $3m (or 0.4 cps post equity raising) of performance fees accrued in FY08
2. Does not incorporate any impacts of the launch of the proposed SSF

Section four

Strategic Investments

202 Pier Street, Perth WA
(Owned by CHOF5)

Strategic Investments

- In addition to the participation in the Offer, Gandel will also invest in the Core Plus Office Fund and the proposed Special Situations Fund
- Agreement to acquire $30 million of CPOF units from CHC at 20% discount to 30 June 2009 NTA[1]
  - CHC's holding reduces from 23% to approximately 18%
  - Cash proceeds to increase CHC's financial flexibility
- $15 million new equity commitment to SSF
  - Fund will target specific opportunities in office sector brought about by the current market environment
  - Matches CHC's proposed $15 million commitment
  - Generates momentum for fund launch

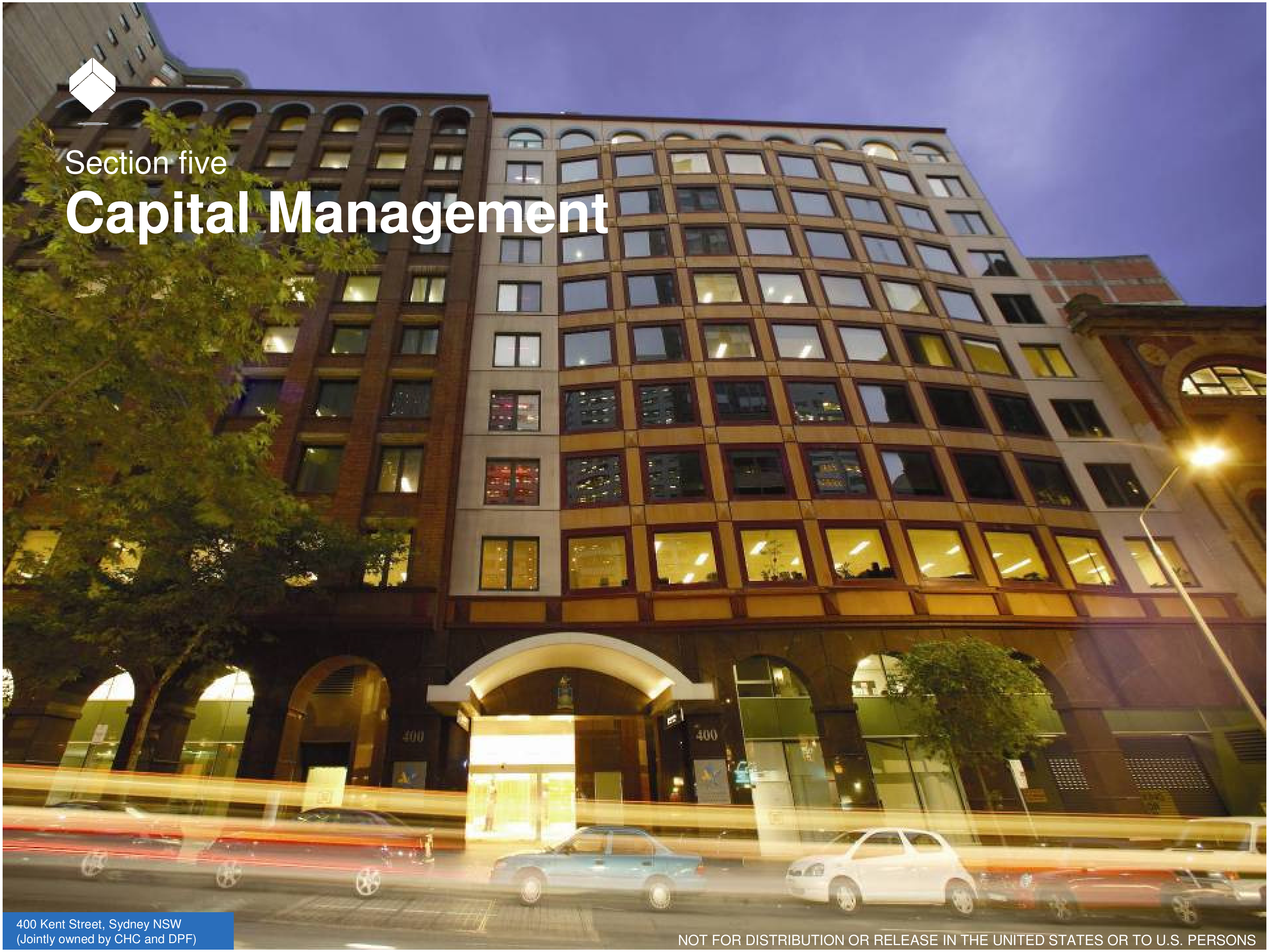
Strategic Investment Summary

Investment	Amount	Proceeds to CHC
CHC	$37m	$37m
CPOF	$30m	$30m
SSF	$15m	-
Total	**$82m**	**$67m**

NOTES:
1. CHC will provide a performance guarantee that ensures Gandel will receive a minimum IRR of 12% on $30 million equity investment over 4 years

Section five

Capital Management



400 Kent Street, Sydney NSW
(Jointly owned by CHC and DPF)

Capital Management Initiatives

- Management remains committed to capital management for both CHC and the managed funds

CHC	Initiatives
– Minimise gearing of co-investments going forward – Withstand further asset declines and fund future equity commitments (as necessary) – Increase financial flexibility	– This Transaction – Revised distribution policy – Asset/co-investment sales
Managed Funds	**Initiatives**
– Improve Loan-to-Value Ratio (LVR) headroom for future potential declines in asset values – Targeting 40% gearing in Core-Plus funds – Negotiation of extended terms for CHOF facilities (as required)	– Negotiation of new debt facility covenants – Asset sales – Raising new capital (potentially for CPOF)

CHC Capital Management

Funding requirements

- CHC has the following equity commitments to managed funds:

Fund	Total undrawn commitments	Allocated commitments[1]	Remaining commitments
CPIF	$30.0m	-	$30.0m
CHOF4	$1.0m	$1.0m	-
CHOF5	$27.0m	$10.0m	$17.0m
SSF[2]	$15.0m	-	$15.0m
Total	**$73.0m**	**$11.0m**	**$62.0m**

- CHOF commitments reduced by capital returns from completed projects[3]

Funding sources

- Cash balance of $46 million and undrawn debt facility
- Asset/co-investment sales
- Retention of earnings

NOTES:
1. Allocated commitments represent undrawn equity commitments for identified projects/acquisitions
2. CHC is targeting minimum equity raising for SSF of $100 million. CHC will commit to 10% of SSF equity raised with cap of $15 million
3. Historically this results in maximum net drawn position of ~65-70% of outstanding commitments

Managed Funds Capital Management

- CHC is pursuing the following capital management initiatives for the managed investment funds to achieve increased LVR headroom capacity

Fund	Renegotiate facility covenants	Asset sales	Potential new equity raising
CPOF	✓	✓	✓
CPIF	✓		
CPRF	✓	✓	
DPF	✓	✓	✓

- The table below provides an update on the asset sales in CPOF, CPRF and DPF

Fund	Total targeted sales	Contracts Exchanged and Announced	Terms Agreed[1]
CPOF	20% of assets (~$300m)	Nil	$65.0m
CPRF	20%+ of assets (~$80m+)	$41.8m	$47.5m
DPF	20% of assets (~$50m)	$4.2m	$18.5m

NOTES:

1. Subject to due diligence and documentation, there is no certainty that these asset sales will proceed or settle Note that the analysis on capital management in this presentation includes asset sales for which have been exchanged and excludes transactions for which terms have been agreed but not executed

Investment Fund Debt Summary

- As announced, CHC has re-negotiated covenants and term for a number of debt facilities in Core Plus funds
- Analysis at right is based on investment fund facilities only and excludes construction and acquisition facilities

DEBT FACILITY	CHC	CPOF	CPRF	CPIF	DPF
Assets ($m)[1]	499	1,347	381	358	232
Net debt drawn ($m)	-	656	160	134	141
W. Avg Facility duration (yrs)	2.3	2.9	2.3	2.7	2.7
LOAN TO VALUE RATIO[2]					
W. Avg LVR	N/A	49%	42%	37%	61%
W. Avg LVR covenant[2]	25%	57%	60%	61%	65%
W. Avg LVR headroom[3]	N/A	14%	29%	31%	6%

W. Avg = Weighted Average

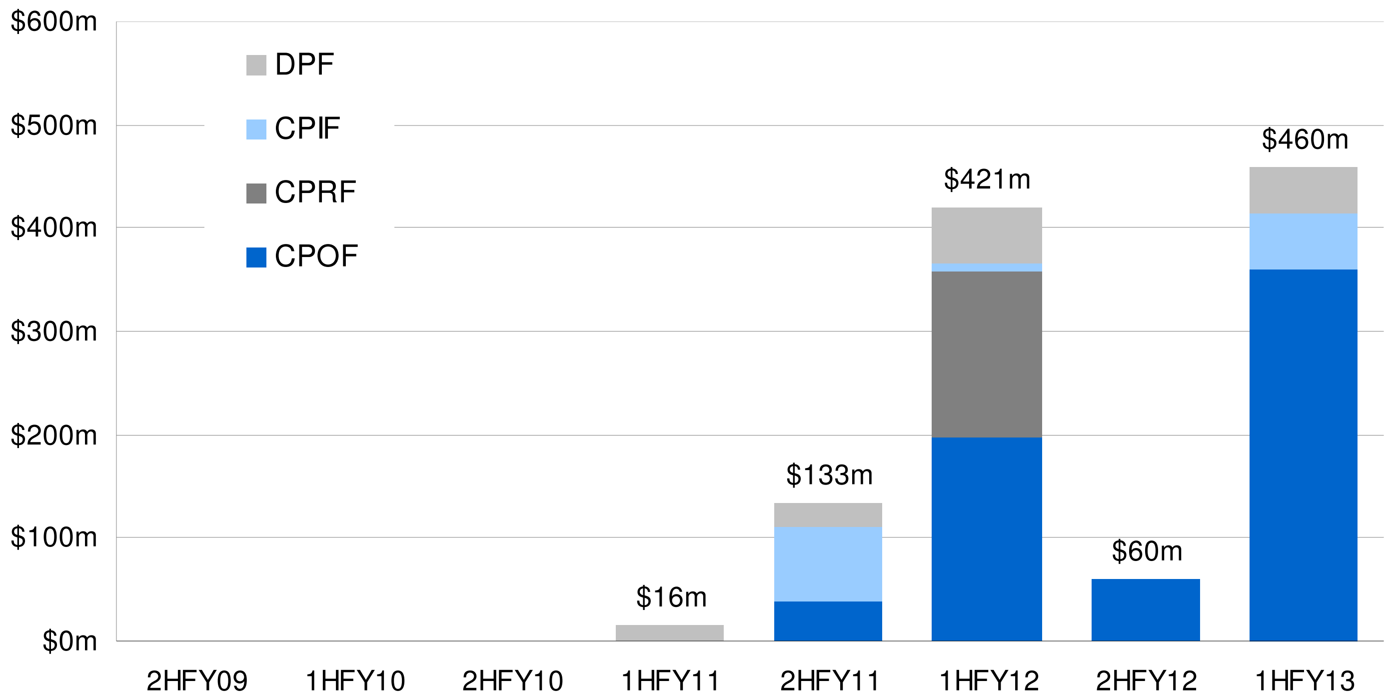
For further detail see Appendix A2

NOTES:
1. Asset balance shown net of cash
2. Property LVR covenants shown for all facilities except CHC's which is a total liabilities to total assets covenant
3. Headroom percentage calculated as the percentage by which asset values can fall before breaching LVR covenants

Debt Facility Expiries

- No significant maturities until 2HFY11

Pro-forma debt expiry profile by fund (based on drawn amounts)[1]



NOTES:
1. Excludes construction and acquisition facilities

Section six

Key Investment Risks

ONE30 Stirling Street, Perth WA
(Owned by CPOF)

Key Investment Risks

- CHC specific risks
  - Investments in managed funds
  - Equity commitments from CHC's co-investments in its managed funds
  - Debt renewals, refinancing and access to funding generally
  - Reliance on third party equity for funds
  - Change in value of properties
  - Property related risks
  - Illiquid investments
- A-REIT specific risks
  - Availability of capital
  - Impact of interest rates
  - Economic environment
  - Regulatory issues and change in law
  - ASX market volatility
  - Taxation
- See Appendix B for further details on these and other investment risks

Section seven

Summary

53 Berry Street, North Sydney NSW
(Owned by DPF)

Summary

- The Transaction will put CHC in a strong position
  - CHC's balance sheet pro-forma gearing reduced to nil
  - Pro-forma look-through gearing reduced to 34%[1] (no managed fund debt has recourse to investors, including CHC)
  - Increasing available liquidity to provide additional buffer to any further decline in asset values
  - Increasing CHC's financial flexibility
- Gandel's investment provides CHC with access to capital and strategic benefits
- CHC remains committed to pro-active capital management
  - Refinanced most investment fund debt facilities resulting in no significant maturities before 2nd half FY11[2]
  - Strategic asset disposal programs underway in managed funds[3]
- Positions CHC for the future as one of Australia's leading real estate fund managers

NOTES:

1. Refer to slide 15 for more detail and gearing definitions
2. Excludes construction and land acquisition facilities
3. For more detail in relation to asset sales, see slide 23

Appendix A
Financial Detail

Hatch Building, Perth WA
(Owned by CPOF)

Appendix A1 - CHC Balance Sheet

	ACTUAL 31 DECEMBER 2008	ADJUSTMENTS		PROFORMA PRE-TRANSACTION	PROFORMA POST TRANSACTION
Direct property	41.0	(41.0)	1	0.0	0.0
Indirect property investments	467.7	(12.5)	2	455.2	415.8
CIP	42.6	(15.0)	3	27.6	27.6
Other investments	20.6	0.0		20.6	20.6
Receivables and other assets	35.0	0.0		35.0	35.0
Cash	2.7	2.3	4	5.0	46.2
Total assets	**609.6**	**(66.2)**		**543.4**	**545.2**
Borrowings	69.0	(10.5)	4	58.5	0.0
Other liabilities	52.9	(24.1)	5	28.8	28.8
Net assets	**487.7**	**(31.6)**		**456.1**	**516.4**
Securities on issue (AIFRS)	446.5	21.7	6	468.2	689.2
NTA ($)	**1.09**			**0.97**	**0.75**
Gearing	**10.9%**			**9.9%**	**Nil**
Look-through gearing	**48.6%**			**46.6%**	**34.1%**

NOTES:

1. Sale of Chullora from CHC to CPIF and transfer of Mentone from CHC to CPRF
2. Devaluations of property assets in CPOF, CPIF, CPRF & DPF as at 31 March 2009 sale of investment in Axiom
3. Independent estimate of impairment to CIP as at 31 March 2009
4. Adjustments to cash and debt to reflect pro-forma cash and debt balance
5. Transfer of Mentone from CHC to CPRF
6. Securities issued following natural DRP take up in February 2009

Appendix A2 - Debt Facility Summary

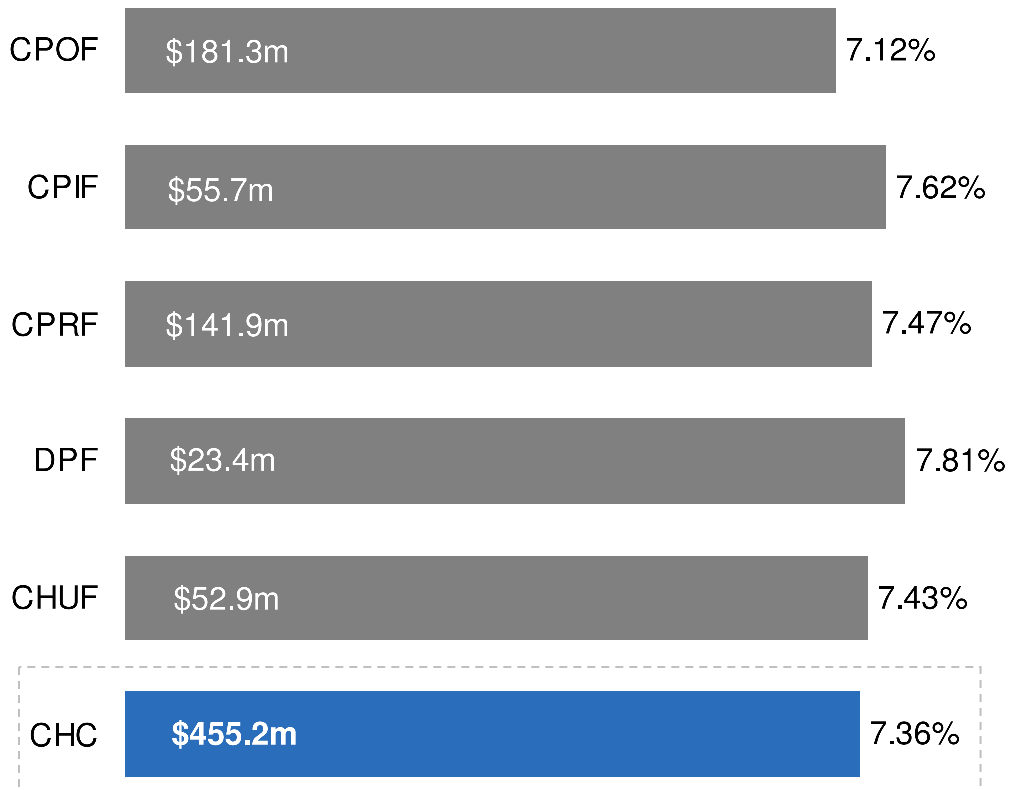
FACILITY	ASSET VALUES ($M)	DRAWN DEBT ($M)[1]	MATURITY	CURRENT LVR[2]	LVR COVENANT	HEAD ROOM % [3]
CHC						
Group Facility	499	0	Jul-11	0%	25%	N/A
CPOF						
8 Asset Portfolio Facility[1]	719	360	Jul-12	50%	60%	17%
Monash University, Melbourne	69	34	Dec-11	50%	60%	7%
144 & ONE30 Stirling Street, Perth	109	60	Mar-12	55%	60%	7%
King William St & Pirie St, Adelaide	37	21	Sep-11	56%	60%	6%
Northbank Plaza, Brisbane	200	89	Aug-11	45%	50%	11%
St George Bank, Kogarah	129	54	Sep-11	42%	50%	17%
570 Bourke Street, Melbourne	79	39	Jun-11	49%	55%	11%
Other assets	5					
Total CPOF	**1,347**	**656**	**2.9yrs**	**49%**	**57%**	**14%**
CPRF						
14 Asset Portfolio Facility	**381**	**160**	**Jul-11**	**42%**	**60%**	**29%**
CPIF						
11 Asset Portfolio Facility	203	54	Jul-12	27%	60%	40%
Coles, Perth (75%)	134	71	Jun-11	53%	65%	18%
130-138 Link Road, Melbourne	17	9	Oct-11	50%	55%	9%
Other assets	4					
Total CPIF	**358**	**134**	**2.7yrs**	**37%**	**61%**	**31%**
DPF						
4 Asset Portfolio Facility (NAB)	88	55	Oct-11	63%	65%	4%
Coles, Perth (25%)	45	24	Jun-11	53%	65%	18%
6 Single Asset Facilities (AXA)	99	62	Various	63%	65%	3%
Other assets	1					
Total DPF	**232**	**141**	**2.7yrs**	**61%**	**65%**	**6%**

NOTES:

1. Drawn debt shown net of cash. Cash balance at fund level used to reduce various debt facilities.
2. Property LVR covenants shown for all facilities except CHC group facility which is a total liabilities to total assets covenant.
3. Headroom % calculated as the percentage by which asset values can fall before breaching LVR covenants.

Appendix A3 - CHC Investment Portfolio

Weighted average market cap rates and pro-forma equity investment balances
(as at 31 March)[1]



NOTES:
1. Based on directors and independent valuations reflected by unit prices in the managed funds

Appendix B
Key Investment Risks

399 Royal Parade, Parkville Vic
(Owned by CPOF)

Key Investment Risks

- Outline
  - This section summarises some of the key risks that may affect the future performance of an investment in CHC. This is not an exhaustive list of the relevant risks. If any of the following risks materialise CHC's business, financial condition and operational results are likely to suffer. You should also consider consulting your financial or legal adviser so as to ensure you understand fully the terms of this Offer and the inherent risks.

- General Risks affecting CHC
  - **Economic Environment**: If the Australian economy experiences a prolonged economic downturn, this could have an adverse impact on CHC's earnings. Aspects of the business that could be affected include reduced rental income as a result of increased vacancy rates, lower rents and tenant defaults; higher lease incentives; lower development margins; lower funds management and performance fees; potential defaults on mortgage loans; lower inflows into our managed funds or other adverse consequences. Other economic factors that could also affect CHC's business include unemployment, inflation, monetary policy, regulatory change, consumer spending, business investment, taxation and the state of capital markets in general.
  - **Interest Rates**: Adverse fluctuations in interest rates, to the extent that they are not hedged or forecast, may impact CHC's earnings. CHC's asset values may also be affected by any impact that rising interest rates may have on property markets in which CHC operates. In addition, if official interest rates are further reduced, that may have the effect of increasing CHC's liabilities relating to its fixed interest rate contracts, which will also impact on CHC's AIFRS profit.
  - **Availability Of Capital**: The real estate investment and development industry is highly capital-intensive. The ability of CHC to raise funds on favourable terms for future acquisitions, development activity, new and existing funds managed by CHC and refinancing depends on a number of factors including general economic, political, capital market conditions and the reputation, performance and financial strength of CHC's business. The inability of CHC or funds managed by CHC to raise funds on favourable terms for future acquisitions, developments and refinancing could adversely affect CHC and/or its managed funds. In addition CHC has exposure to capital market risks for those assets that are stock market listed securities.

Key Investment Risks

- General Risks affecting CHC (continued)

  - **ASX Market Volatility**: The ASX price of CHC securities will fluctuate due to various factors including general movements in interest rates, the Australian and international investment markets, international economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect CHC's financial performance and position. More particularly, the continuing adverse consequences of the current economic and financial crisis may further depress the market price of CHC's securities and assets.

  - **Human Resources**: The loss of key management personnel who have particular expertise in property development, marketing or property investment may influence CHC's future earnings.

  - **Unemployment:** Current economic conditions due to the global financial crisis mean there is a risk of unemployment levels rising over the coming months. If so, this could impose financial stresses on households, which could impact demand for residential dwellings and retail sales.

  - **Competition**: CHC faces competition in the markets in which it operates. Competition may lead to an oversupply through overdevelopment, or to prices for existing properties or services being impacted by competing bids.

Key Investment Risks

- Regulatory Issues and Changes in Law

  - **Changes in Law**: CHC is subject to the usual business risk that there may be changes in laws or government legislation, regulation and policy that reduce income or increase costs. This may adversely affect the future earnings, asset values and the market value of CHC securities quoted on ASX.

  - **Taxation Implications**: Future changes in taxation laws, including changes in interpretation or application of those laws by the course or taxation authorities, may affect taxation treatment of an investment in CHC's securities, or the holdings and disposal of those securities. Tax considerations may differ between security holders, therefore, prospective investors are encouraged to seek professional tax advice in connection with any investment in securities.
  - Further, changes in tax law, or changes in the way tax law is, or is expected to be, interpreted in the various jurisdictions in which CHC operates, may impact the future tax liabilities of CHC. Those laws may also adversely affect the taxation treatment of entities in CHC and that may in turn adversely affect the value of CHC's securities or distributions on those securities.
  - As CHC consists of two entities, a trust and a company, in a stapled arrangement, any changes in the tax laws specifically affecting staples, or changes to the administration of current laws which affect stapled arrangements or the characterisation of transactions between stapled entities, could adversely affect security holders' interests.

Key Investment Risks

- Specific Risks

  - **Investments In Managed Funds**: CHC manages a number of funds on behalf of third party investors. These funds typically invest in property-related assets and use debt to partially fund their investments. Many of the debt facilities within the funds have covenants related to the level of gearing and interest coverage to either asset or portfolios in the fund. To the extent that property values or income levels in a particular fund fall, there is a risk that the fund may breach a relevant covenant. CHC has exposure to its funds via co-investments it has made in the funds and loans it has made to the funds. To the extent that a fund breaches a covenant, there is a risk that the value of CHC's exposure to that particular fund also falls. There are no cross default provisions across CHC's managed funds, or as between CHC and its managed funds.

  - **Gearing**: The use of leverage may enhance returns and increase the number of assets that can be acquired, but it may also substantially increase the risk of loss. Use of leverage may adversely affect CHC when economic factors such as rising interest rates and/or margins, severe economic downturns, availability of credit or further deterioration in the condition of debt and equity markets occur. If an investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of CHC's equity component could be significantly reduced or even eliminated. Following the transaction, it is CHC's intention to maintain a low level of gearing on balance sheet, with a significant majority CHC's exposure to debt residing at the property level within each managed fund, where it is non-recourse to investors including CHC.

  - **Debt Refinancing and Renewals**: If the current illiquidity in global credit markets continues into the medium term, it is possible that the funds may encounter some difficulty refinancing some or all of these debt facilities. If this were to occur, this may necessitate asset sales.

  - **Equity commitments resulting from CHC's co-investment in its managed funds**: As at the date of this Offer, CHC has future commitments of approximately $73 million relating to deferred equity investments in CHOF 4, CHOF 5 and CPIF, which will need to be funded in the event the equity is called. equity is called. Also included in this amount is CHC's commitment of up to $15 million for a cornerstone investment in the CHC-managed Special Situations Fund. In addition, if any of its managed funds seek to raise equity to increase their headroom to banking covenants, CHC will have the right but no obligation to subscribe for its pro-rata share of the equity raising (which varies depending on the fund).

Key Investment Risks

- Specific Risks (continued)

  - **Illiquid Property Markets**: Property assets are by their nature illiquid investments. This may make it difficult to sell assets of CHC's in the short term in response to changes in economic or other conditions.

  - **Change In Value Of Properties**: The value of properties and co-investments owned by CHC may fluctuate from time to time due to market and other conditions. CHC's policy is to undertake external revaluations of all of the investment properties, both directly held and within its managed funds, on an annual basis, with approximately one quarter of the portfolio valued at the end of each quarter (March, June, September and December). Any fluctuation in the value of the properties as a result of changes in the property market will affect CHC's gross asset value, its level of gearing, its net tangible asset backing per stapled security and its LVR position versus covenants within the managed funds. In addition, the change in value will be recorded in the profit and loss statement as an unrealised gain or loss, and while it does not impact on CHC's underlying earnings or distributions, it does impact on CHC's net profit after tax. In general, valuations represent only the analysis and opinion of qualified experts at a certain date – they are not guarantees of present or future values. The valuation of a property may be materially higher than the amount that can be obtained from the sale of a property in certain circumstances, such as under a distress or liquidation sale.

  - **Property Related Risks**: An investment in CHC is largely an investment in real estate and therefore may be adversely affected by changes to the underlying property, including: tenancy default or failure or delays in letting up premises and falls in rental and occupancy levels; capital expenditure requirements and increasing costs of plant equipment and labour and development and refurbishment risk; unforseen structural deterioration or failure; unforseen litigation with tenants; claims under legislation relating to indigenous occupants of land; native title claims; claims under environmental legislation; and changes in local, state and territory and federal legislation and regulations, particularly relating to planning.

  - **Unforeseen Environmental Issues**: Unforeseen environmental issues may affect any of CHC's properties or property interests. These liabilities may be imposed irrespective of whether or not CHC is responsible for the circumstances to which they relate. CHC may also be required to remediate sites affected by environmental liabilities. The cost of remediation of sites could be substantial. In addition, if CHC is not able to remediate a site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for borrowings. Material expenditure may also be required to comply with new or more stringent environmental laws or regulations introduced in the future.

Key Investment Risks

- Specific Risks (continued)

  - **Fixed Nature of Costs**: Many costs associated with property assets are fixed in nature. The value of assets may be adversely affected if the income from the asset declines while these fixed costs remain unchanged.
  - **Capital expenditure**: The risk of unforeseen capital expenditure requirements may impact returns to investors.
  - **Reliance on third party equity and funds**: As a fund manager, earnings (both current and future) of CHC include fees from the establishment and management of wholesale and other unlisted funds. The ability of CHC to continue to derive such income is dependent on the ability of CHC Limited to continue to source and maintain equity from new and existing institutional investors and high net worth individuals for current and future funds.
  - **Financial forecasts**: The risk that any of the assumptions used in preparing the financial forecasts pertaining to this investor presentation may not be achieved, such that the forecast distributions cannot be achieved.
  - **Pipeline of Development Opportunities:** The development activities of CHC and the ability of CHC to secure suitable opportunities for operations is dependent on the supply of appropriate property opportunities. A lack of supply of suitable opportunities or investor capital may affect the performance and growth of CHC Limited's Funds Management Division and Development Division.
  - **Insurance Risk**: CHC and its managed funds maintain insurance coverage in respect of their properties and business. Some risks are not able to be insured at acceptable prices. Insurance coverage may not be sufficient and if there is an event causing loss it may be that not all losses will be recoverable.
  - **Litigation And Disputes**: Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute may impact on earnings or affect the value of CHC's assets.

Appendix C

Foreign Selling Restrictions

Sydney Wharf, Pyrmont NSW
(Owned by PDP3)

Jurisdictions

- ## United Kingdom
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  - By accepting this presentation you agree to be bound by the foregoing limitations.

Jurisdictions

Singapore

This document and any other materials in connection with the Entitlement Offer relating to Singapore have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of Securities may not be circulated or distributed, nor may Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than as described below and/or otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act, Chapter 289 of Singapore (the SFA). This document does not constitute an advertisement of Securities in Singapore.

This document has been given to you on the basis that you fall within one of the categories of investors described below. In the event that you are not an investor falling within one the categories set out below, please return this document to CHC immediately. Please do not forward or circulate this document to any other person. The categories of investors are:

- (i) Existing holders of the Securities
  - This Offer is made to existing holders of New Securities under the exemptions in Sections 273(1)(cd)(i) and 282X(3)(e)(i), collectively, of the SFA.
- (ii) Institutional and other relevant investors
  - A separate offer is being made to institutional investors under Section 274 (in relation to the shares component of the Securities) and Section 282Y (in relation to the trust component of the Securities) of the SFA; and to relevant persons pursuant to Section 275 (in relation to the shares component of the Securities) and Section 282Z (in relation to the trust component of the Securities) of the SFA, in accordance with the conditions specified therein.

It should be noted that there are on-sale restrictions (set out in, among others, Sections 276 and 282ZA of the SFA) applicable to all investors who acquire securities pursuant to these exemptions. All such investors are advised to acquaint themselves with such provisions and comply with them accordingly. The offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. In the event of any doubt as to your legal rights and obligations, please obtain appropriate professional advice.

Jurisdictions

- ## Hong Kong

The contents of this document have not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this document has not been, and will not be, registered as a 'prospectus' in Hong Kong under the Companies Ordinance (Cap 32) (the CO) nor has it been authorised by the Securities and Futures Commission (the SFC) in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong (the SFO). Recipients are advised to exercise caution in relation to any offer of Securities by CHC. If recipients are in any doubt about any of the contents of this document, they should obtain independent professional advice. This document does not constitute an offer or invitation to the public in Hong Kong to acquire any Securities nor an advertisement of Securities in Hong Kong. This document must not be issued, circulated or distributed in Hong Kong other than:

- (a) to 'professional investors' within the meaning of SFO and any rules made under that ordinance (Professional Investors); or
- (b) in other circumstances which do not result in this information being a 'prospectus' as defined in the CO nor constitute an offer to the public which requires authorisation by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors. Any offer of the Securities will be personal to the person to whom relevant offer documents are delivered by or on behalf of CHC, and a subscription for the Securities will only be accepted from such person. No person who has received a copy of this document may issue, circulate or distribute this document in Hong Kong or make or give a copy of this document to any other person. No person allotted Securities may sell, or offer to sell, such Securities to the public in Hong Kong within six months following the date of issue of such Securities.

- ## Canada

The new Securities may not be offered or sold, and this investor presentation may only be distributed, directly or indirectly, in any province or territory of Canada or to or for the benefit of any resident of any province or territory of Canada, except pursuant to an exemption from the requirement to file a prospectus in the province or territory in which such offer or sale is made, and only by a dealer duly registered under the applicable securities laws of that province or territory in circumstances where no exemption from the applicable registered dealer requirements is available. All Canadian investors will be required to represent that they are "accredited investors" as defined in National Instrument 45-106 Prospectus and Registration Exemptions.

Jurisdictions

- ## European Economic Area

This document has not been approved by the competent authority in a member state of the European Economic Area (a Member State) or, where appropriate, approved in another Member State and notified to the competent authority of any other Member State in accordance with the Prospectus Directive. In relation to each member state of the European Economic Area, which has implemented the Prospectus Directive (each a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) no offer of the Securities and Entitlements to the public in that Relevant Member State has or will, except that, with effect from and including the Relevant Implementation Date, an offer of Securities and Entitlements may be made to the public in that Relevant Member State:

- following the date of publication of a prospectus in relation to the Securities and Entitlements, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- at any time to any legal entity that has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than EUR 43,000,000 and (iii) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospective Directive, provided that no such offer of Securities and Entitlements referred to in (b) to (e) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an 'offer of Securities and Entitlements to the public' in relation to any Securities and Entitlements in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities and Entitlements to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and Entitlements, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression 'Prospectus Directive' means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each subscriber for or purchaser of Securities and Entitlements in the offering located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive (Qualified Investor). In the case of any Securities and Entitlements being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, warranted to and agreed with the Underwriter and the Issuer that: (i) the Securities and Entitlements acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors, or in circumstances in which the prior consent of the Underwriter has been obtained to each such proposed offer or resale; or (ii) where Securities and Entitlements have been acquired by it or on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Securities and Entitlements to it is not treated under the Prospectus Directive as having been made to such persons. The Issuer and the Underwriter, each of their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement. Notwithstanding the above, a person who is not a Qualified Investor and who has notified the Issuer and the Underwriter of that fact in writing may, with the consent of the Issuer and the Underwriter, be permitted to subscribe for or purchase Securities and Entitlements.

Jurisdictions

- ## Switzerland

Neither the Securities nor the Entitlements may be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this document nor any other offering or marketing material relating to the Securities or the Entitlements constitutes a prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations or the Swiss Federal Act on Collective Investment Schemes (the CISA), and neither this document nor any other offering or marketing material relating to the Securities and the Entitlements may be publicly distributed or otherwise made publicly available in Switzerland. The Securities and the Entitlements may only be offered, sold or advertised, and this presentation as well as any other offering or marketing material relating to Charter Hall Limited (CHL), CHL Shares, Charter Hall Property Trust (Trust), Trust Units, Securities or Entitlements may only be distributed by way of private placement to qualified investors within the meaning of article 10 para 3 and 4 of the CISA and article 6 of the Ordinance on Collective Investment Schemes. The Trust is not authorised by or registered with the Swiss Financial Market Supervisory Authority FINMA (the *FINMA*) under the CISA. Therefore, investors do not benefit from protection under the CISA or supervision by FINMA.

- ## New Zealand

The offer of Securities is restricted in New Zealand to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money or who otherwise pay a minimum subscription price of at least NZ$500,000 for Securities under this offer.

This offering document does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for Securities by persons in New Zealand who do not meet the above criteria. Applications or any requests for information from persons in New Zealand who do not meet the above criteria will not be accepted.

Appendix D

Stock Lending and Other Transactions

Bunnings Portfolio
(Owned by CPRF)

Stock lending

- Eligible security holders will be entitled to apply under the entitlement offer for a certain number of new securities held as at 7:00pm (AEST) on 1 June 2009 (Record Date). Notwithstanding the Record Date for the entitlement offer, CHC will be granted a waiver by ASX so that, in determining entitlements for the entitlement offer, CHC may ignore changes in security holdings that occur after the announcement of the trading halt in Securities for the entitlement offer (other than registrations of transactions that were effected through ITS before that announcement)
- Accordingly, a person who is a registered security holder of CHC at 7.00pm (AEST) on the Record Date for the entitlement offer as a result of a dealing after the announcement of the trading halt in Securities for the entitlement offer (other than the registration of a transaction effected through ITS before that announcement) may not be entitled to receive an entitlement under the entitlement offer
- In the event that a security holder has existing Securities out on loan at the Record Date, the borrower will be regarded as the security holder for the purposes of determining the entitlement (provided that those borrowed Securities have not been on-sold)

Further information

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