ASX/MEDIA ANNOUNCEMENT

CHARTER HALL INCREASES STAKE IN CQO TO 10%

Friday, 11 March 2011

Charter Hall Group (ASX:CHC) (the 'Group') today announced it has exercised its right of first refusal to acquire a portion of Macquarie Bank Limited group's ('MBL') holding in Charter Hall Office REIT (ASX:CQO).

Charter Hall Group is acquiring 1.3% of CQO units on issue from MBL at $3.18 per unit for an acquisition price of $19.7 million, funded by cash reserves and undrawn debt capacity, increasing its interest in CQO to 10%. This acquisition is not expected to have a material impact upon the Group's earnings.

Charter Hall confirms that MBL may sell the remaining 4.7% stake in CQO at a price of $3.18 or more. Further, Charter Hall has been advised by the Gandel Group, that a member of the Gandel Group has contracted to purchase 1.9% of CQO units on issue.

Charter Hall advises it retains its right of first refusal relating to the 3.9% of Charter Hall Retail REIT (ASX:CQR) units retained by MBL and confirms it has not received a notice of intention to sell from MBL in relation to its investment in CQR units.

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About the Charter Hall Group:

Charter Hall Group (ASX:CHC) is a diversified property group based in Sydney with offices in Melbourne, Brisbane, Perth, Adelaide, Warsaw and Chicago. 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, which owns and/or manages over $10 billion in real estate assets. The Charter Hall Group has achieved a solid track record across its activities demonstrating a 19 year history of managing wholesale and retail capital, making it one of Australia's leading property fund managers. Charter Hall's success has been underpinned by a highly skilled and motivated management team with diverse expertise across property sectors and risk-return profiles.