

CHARTER HALL

CHARTER HALL'S CORE PLUS INDUSTRIAL FUND \$29 MILLION ACQUISITION OF CHATSWOOD BUSINESS PARK

Monday, 26 May 2008

Charter Hall, one of Australia's leading property fund managers and property developers, announces that its Core Plus Industrial Fund (CPIF) has acquired off-market the Chatswood Business Park for a net price of \$28 million.

The acquisition represents CPIF's first transaction in NSW, third enhanced asset acquisition and brings the Fund's 12 asset portfolio to \$347 million. The Fund has further capacity of approximately \$353 million based on equity commitments. The property was purchased on a year 1 yield of 8% from the ING Industrial Fund.

CPIF's Fund Manager Paul Ford noted that following the acquisition "CPIF will maintain a very long WALE of 11 years and is supported by strong tenant covenants".

Chatswood Business Park is located 10 kilometres north of the Sydney CBD and forms part of a broader 26 hectare industrial area known as Chatswood East. Situated on the corner of Eastern Valley Way and Smith Street, the property comprises 10 office/showroom/warehouse units ranging in size from 376m² to 2,566m² and has 190 marked car spaces. The property is 100% occupied (with lease expiries supported by vendor income support) benefiting from a staggered lease expiry profile providing access to reversionary rentals and includes quality tenants such as The Good Guys, Wizzy World, Petbarn and Channel 9.

Although located within an industrial area, the 1.19 hectare site is a strategically located high profile corner site with a significant frontage to the major thoroughfare of Eastern Valley Way of 126 metres and situated within one of only 2 appropriately zoned bulky retail precincts in Chatswood/Willoughby.

Charter Hall Limited

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Charter Hall Funds Management Limited

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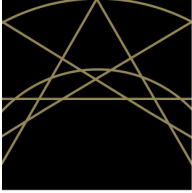
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Charter Hall's Joint Managing Director, David Harrison highlighted, "The bulky retail zoning is expected to generate rental growth over and above industrial forecasts as the precinct further appeals to bulky retailers wishing to agglomerate adjacent to one another. Given our in-depth knowledge of this market Charter Hall hopes to exploit value uplift through repositioning the asset with the potential to increase GLA by a further 5,200sqm or a 40% increase on its current configuration to enable the fund to capitalise on the severe shortage of bulky retail in the immediate Trade Area".

Mr Ford said: "We are finally beginning to see acquisition opportunities that represent compelling value in the NSW industrial market that will provide enhanced returns to CPIF investors and further geographic and product diversification for the Fund. We have been very specific in timing our entry into the NSW market which is likely to reward investors and will continue to utilise its existing acquisition capacity, to take advantage accretive opportunities."

The transaction was negotiated by Andrew Maher and Michael Fenton of CBRE in Sydney.

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 of \$3.7 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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