



23 June 2009

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Management Limited
ABN 31 082 991 786

Dear Mr Wachter

Charter Hall Group Capital Raising Update

The Charter Hall Group (CHC) is pleased to announce completion of the Retail Entitlement Offer, which closed on 18 June 2009.

The Retail Entitlement Offer raised approximately \$14 million, representing a retail investor participation rate of 81%. This is in addition to the Institutional Entitlement Offer and Placement which raised approximately \$56 million. The shortfall in the number of securities applied for by retail securityholders was 9,610,782 securities. As the capital raising was fully underwritten, all stapled securities offered under the Retail Entitlement Offer will be issued.

As foreshadowed in the Retail Entitlement Offer Booklet sent to retail securityholders on 3 June 2009, the allocation of Additional Securities to retail securityholders is subject to the Gandel Group (Gandel) subscribing for the full amount of its underwriting commitment of approximately \$13 million. Accordingly, Gandel will subscribe for the entire retail shortfall (representing 9,610,782 securities, raising approximately \$3 million), which is less than the full amount of its underwriting commitment, and retail securityholders who applied for any securities in addition to their entitlement will therefore not receive any Additional Securities.

Gandel's interest in CHC post the Placement and subscription for shortfall securities under the Retail Entitlement Offer will be 11.2%. As disclosed in CHC's capital raising presentation announced on 27 May 2009 and subsequently mailed to securityholders on 3 June 2009, as part of the Capital Raising CHC undertook 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. Therefore CHC has resolved to utilise its remaining placement capacity to satisfy this undertaking by issuing an additional 8.9 million securities by way of a private placement to Gandel at the Entitlement Offer issue price of 33 cents. Following this private placement, Gandel's interest in CHC will be 12.2%¹.

¹ Although Gandel's interest in CHC of 12.2% following the "top up" placement falls short of 15%, following the completion of the Offer on 29 June 2009, CHC has no further obligation to use its reasonable endeavours to ensure Gandel achieves a holding of 15%.



Refunds to those retail securityholders who subscribed for securities in addition to their entitlement pursuant to the Entitlement Offer will be paid in accordance with existing distribution instructions held by the Charter Hall Share Registry, Link Market Services. Therefore refunds will be paid either by direct deposit to the nominated account or by cheque posted to the nominated address. The refunds are expected to be paid on or around 1 July 2009.

Retail securityholders who submitted their applications by 5.00pm (AEST) on 18 June 2009 will be allocated securities up to their full entitlement under the Retail Entitlement Offer. Allotment of securities allocated under the Final Retail Entitlement Offer will occur on 29 June 2009. Link Market Services will despatch Transaction Statements (confirming allotment) and refund cheques/direct credit advices (where applicable) to securityholders on 1 July 2009.

Please do not hesitate to contact the undersigned if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Francis'.

NATHAN FRANCIS
Deputy CFO & Company Secretary