



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

Australand Holdings

Business Description

Australand Property Group (ALZ) is a stapled security comprising a unit in three trusts and a share in the management company. ALZ owns, develops, and manages industrial, residential and investment property. Activities include development of residential land, housing and apartments, development of and investment in income producing commercial and industrial properties, and property management. The Singapore-based property group, CapitaLand Limited, which owns approximately 59% of the issued capital.

Strategy Analysis

Following return to more normal conditions, ALZ's competitive advantage comprises scale through an Australia wide development presence supported by an integrated service approach, aiming to optimise the synergies for capital recycling between the commercial-industrial development business and the ownership-management business to offer annuity style income with growth potential for the short term. The cyclical residential development business is run in parallel, offering volatile income but with greater growth potential in the medium to long term. Australand Property Group reported NPAT up 17% to \$84.79m for the half-year ended 30 June 2011. This included the revaluation of Investment Property assets resulting in a net increase of \$25.3m, 1.2% of the total portfolio value. Revenues from ordinary activities were \$279.33m, compared to \$281.51m from the same period last year. Aggregate sales revenue was \$85.6m (HY10: \$70.8m), which comprised revenue of \$68.9m from wholly-owned projects and \$16.7m from JV projects. Basic and Diluted EPS was 14.7 cents compared to 12.5 cents last year. Net operating cash flow was \$11.53m compared to \$2.51m last year. The interim dividend declared was 10.5 cents compared with 10.0 cents last year.

27 January 2012

Recommendation

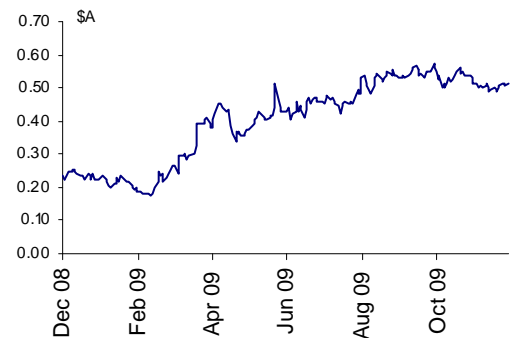
Recommendation: Outperform
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: ALZ
Stock price: \$2.63
Market cap: \$1,517m

	Y/E 31/12/2012	2011e	2012e	2013e	2014e
Reported e	\$m	151.9	137.1	145.7	155.0
Adjusted e	\$m	132.0	137.1	145.7	155.0
EPS adjusted	¢	22.9	23.8	25.3	26.9
EPS growth	%	3.5	3.9	6.2	6.4
PE	x	11.5	11.1	10.4	9.8
PE relative	x	0.8	1.0	1.1	1.2
DPS	¢	21.5	21.7	21.9	22.2
Yield	%	8.2	8.3	8.3	8.4
Franking	%	0.0	0.0	0.0	

Share Price



Source: ASX and Company accounts

Segment Performance

Property Portfolio	Annual Shareholders' Return (%)	Annual Shareholders' Return	
		1 year	3 year
Freshwater Place Office Tower, VIC	8.8	-2.0%	42.0%
63 & 99 Sandstone Place, Parkinson, QLD	5.6	5 year	-10.0%
28 Southbank Boulevard, Southbank, VIC	5.1	10 year	2.0%
Stage 2			
1D Homebush Bay Drive, NSW	3.5	Dividend Reinvestment Plan	Yes
690 Springvale Rd and 350 Wellington Rd, VIC	3.5	Shareholder Discounts	No
111 Darlinghurst Road, Kings Cross, NSW	3.4		
Civic Tower, 66-68 Goulburn Street, Sydney, NSW	3.2		
26-30 Lee Street, Gateway Building, Sydney, NSW	3.1		
357 Collins Street, Melbourne, VIC	2.7		
Other	61.2		
Total	100.1		
Property Types			
Other	100.0		
Total	100.0		

Company contact details:

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Disclosure: In accordance with Section 849 of the Corporations Law, Macquarie Equities Limited states that The Macquarie Group acted as financial advisor to Australand Property Group's de-listing from the Singapore Stock Exchange as announced on 11 July 2011. Macquarie Group has received or expects to receive compensation for investment advisory services from Australand Property Group.

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