



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

CFS Retail Property Trust

Business Description

CFS Retail Property Trust (CFX, formerly CFS Gandel Retail Trust) a retail sector specific Australian Real Estate Investment Trust (A-REIT) which invests in high quality regional and sub-regional shopping centres across Australia. It boasts some of Australia's premier centres including Chadstone in Melbourne, Chatswood Chase in Sydney and the Myer Centre in Brisbane. It is managed by subsidiaries of the Commonwealth Bank.

Strategy Analysis

CFX is a low risk owner and manager of shopping centres in Australia. Centres are located close to major metropolitan areas and are anchored by long-term leases with supermarkets and department stores. Small specialty stores feed off the stable consumer traffic generated by the major retailers and pay relatively higher rents. CFX aims to expand and diversify its portfolio through the redevelopment of existing sites and further acquisitions within Australia. Funding is sourced from debt, equity and strategic asset sales. Current developments include Chadstone, Myer Melbourne and Chatswood Chase. Expansion of existing centres creates meaningful value over the long-term with relatively low risk, dependent on growing populations and barriers to entry for potential competitors. CFS Retail Property Trust reported Net Loss of \$225.67m for the half-year ended 31 December 2008. Revenue from ordinary activities were \$275.83m, down 50.3% from the same period last year. Diluted EPS was (8.3) cents compared to 16.52 cents last year. Net operating cash flow was \$106.71m compared to \$113.71m last year. The interim dividend declared was 6.2 cents compared with 6 cents last year. The net loss is the result of net losses from investment property and associate revaluations of \$139.1m and an impairment loss of \$35.2m on property, plant and equipment, reflecting softening yields across the portfolio and the wider commercial property market. For the half-year to 31 December 2008, the Trust outperformed the customised retail property accumulation index by 22.5%.

28 July 2010

Recommendation

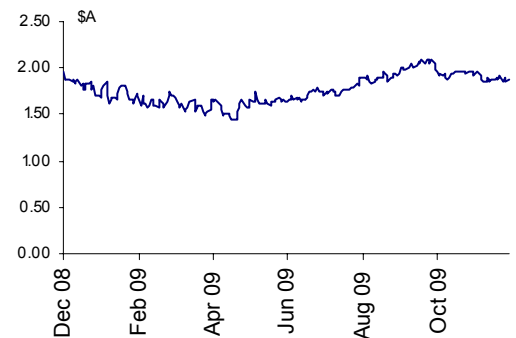
Recommendation: Underperform
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: CFX
Stock price: \$1.93
Market cap: \$4,883m

Y/E	30/06/2010	2010e	2011e	2012e	2013e
Reported e	\$m	248.8	324.9	334.3	360.0
Adjusted e	\$m	309.8	324.9	334.3	360.0
EPS adjusted	¢	12.5	12.9	13.0	13.8
EPS growth	%	2.7	3.3	1.4	6.1
PE	x	15.5	15.0	14.8	13.9
PE relative	x	1.1	1.1	1.2	1.1
DPS	¢	12.5	12.9	13.0	13.8
Yield	%	6.5	6.7	6.8	7.2
Franking	%	0.0	0.0	0.0	

Share Price



Source: ASX and Company accounts

Segment Performance

Property Portfolio	Annual Shareholders' Return (%)	Shareholders' Return	
		1 year	12.0%
Others	25.7	3 year	0.7%
Chadstone Shopping Centre, VIC	19.5	5 year	7.0%
Myer Centre Brisbane, QLD	10.1	10 year	12.0%
Chatswood Chase, NSW	9.8		
Bayside Shopping Centre, VIC	7.3	Dividend Reinvestment Plan	Yes
QueensPlaza, QLD	6.3	Shareholder Discounts	No
Northland Shopping Centre, VIC	5.6		
Elizabeth Shopping Centre, SA	4.9		
Broadmeadows Shopping Centre, VIC	4.5		
Lake Haven Shopping Centre, NSW	3.4		
Myer Melbourne - Lonsdale Street, VIC	3.0		
Total	100.1		
Property Types			
Retail	74.3		
Other	25.7		
Total	100.0		

Company contact details:

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