



MACQUARIE  
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Macquarie Private Wealth

Snapshot

# CFS Retail Property Trust

## Business Description

CFS Retail Property Trust (CFX) is 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 a subsidiary of Commonwealth Bank of Australia.

## Strategy Analysis

CFX owns and manages 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 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. 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. Acquisition of a portfolio of Direct Factory Outlets increases future growth options but at the lower quality end of the spectrum. CFS Retail Property Trust reported NPAT up 69% to \$532.6m for the year ended 30 June 2011. The Trust generated a profit, reflecting revaluation gains and net property income growth across static shopping centres along with greater income generated by those assets the Trust has redeveloped. Revenues from ordinary activities were \$908.9m, up 34% from last year. Diluted EPS was 18.63 cents compared to 12.40 cents last year. Net operating cash flow was \$341.9m compared to \$270.1m last year. The final dividend declared was 6.4 cents, taking the full year dividend to 12.7 cents compared with 12.5 cents last year. Over the next 12 months the Trust will focus on progressing key projects in its development pipeline and drive results through its long established relationships with domestic and international retailers.

27 January 2012

## Recommendation

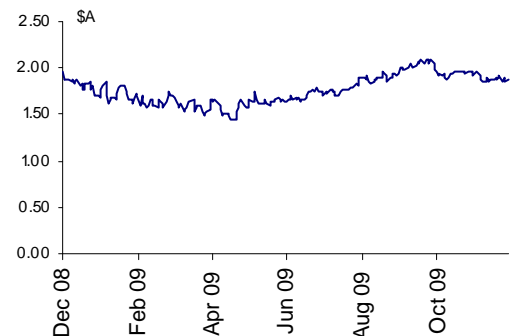
Recommendation: Outperform  
Relative to: All Ind (ex Fins)

## Investment Fundamentals

ASX code: CFX  
Stock price: \$1.71  
Market cap: \$4,870m

Y/E	30/06/2012	2012e	2013e	2014e	2015e
Reported e	\$m	370.8	386.6	402.4	413.7
Adjusted e	\$m	370.8	386.6	402.4	413.7
EPS adjusted	¢	13.1	13.6	14.2	14.6
EPS growth	%	2.7	4.3	4.1	2.8
PE	x	13.1	12.6	12.1	11.8
PE relative	x	1.0	1.0	1.1	1.1
DPS	¢	13.1	13.6	14.2	14.6
Yield	%	7.6	7.9	8.3	8.5
Franking	%	0.0	0.0	0.0	

## Share Price



Source: ASX and Company accounts

## Segment Performance

Property Portfolio	(%)	Annual Shareholders' Return
Property Portfolio		1 year -2.0%
Others	30.6	3 year 4.0%
Chadstone Shopping Centre, Chadstone	18.6	5 year -0.4%
Chatswood Chase, Sydney	9.7	10 year 10.0%
Myer Centre, Brisbane	8.6	
Bayside Shopping Centre, Frankston	6.8	Dividend Reinvestment Plan Yes
Queens Plaza, Brisbane	6.3	
Northland Shopping Centre, Preston	5.5	Shareholder Discounts No
Elizabeth Shopping Centre, Elizabeth	4.5	
Myer Melbourne - Lonsdale Street, Melbourne	3.4	
Forest Hill Chase, Forest Hill	3.2	
Lake Haven Shopping Centre, Wyong	2.9	
<b>Total</b>	<b>100.1</b>	
<b>Property Types</b>		
Retail	69.4	
Other	30.6	
<b>Total</b>	<b>100.0</b>	

## Company contact details:

CFS Retail Property Trust  
Ground Floor, Tower 1, 201 Sussex St  
Sydney NSW 2000  
Tel: +61 2 9118 7200

[www.colonialfirststate.com.au/cfx](http://www.colonialfirststate.com.au/cfx)

If you have any queries regarding this Research information or with any aspect of your legal super account please call legal super on 1800 060 312 (freecall) or email [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)

**Disclosure:** In accordance with Section 849 of the Corporations Law, Macquarie Equities Limited states that The Macquarie Group acted as Joint Lead Manager, Joint Bookrunner and Joint Underwriter to CFS Retail Property Trust in relation to the institutional placement as announced 24 September 2010. Macquarie Bank Limited makes a market in the securities in respect of CFS Retail Property Trust. Macquarie and its affiliates collectively own or control 1% or more of any class of CFS Retail Property Trust's equity securities.

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