



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

Charter Hall Group

Business Description

Charter Hall Group (CHC) is a property fund manager and developer, manages a suite of wholesale and retail unlisted property funds in which it holds investments. The managed funds are of a core-plus or opportunistic style comprising assets of varying quality in pre, during and post development stages, being diversified across the commercial, retail and industrial sectors and geographically across the larger Australian and New Zealand cities.

Strategy Analysis

CHC aims to be Australia's leading specialist property fund manager, based on a vertically integrated business model and offering a suite of products across the risk return spectrum with a particular focus on a superannuation industry client base. Using extensive in-house resources, CHC seeks to undertake active property management and capital management to optimise both property and fund returns. Charter Hall Group reported NPAT of \$52.3m for the year ended 30 June 2011 (unaudited). Revenues from ordinary activities were \$109.6m, up 60.5% from last year. Diluted EPS was 17.06 cents compared to 3.67 cents last year. Net operating cash flow was \$58.78m compared to \$38.84m last year. The final dividend declared was 8.5 cents, taking the full year dividend to 16.5 cents compared with 12.8 cents last year.

27 January 2012

Recommendation

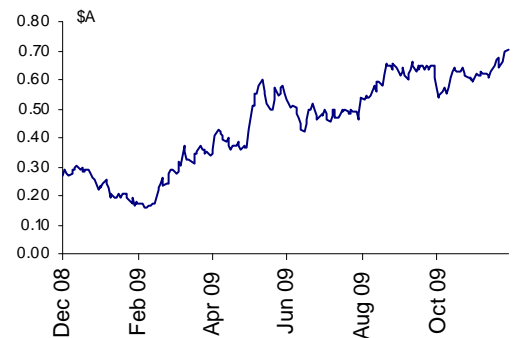
Recommendation: BLANK
Relative to: Small Ind (ex Fins)

Investment Fundamentals

ASX code: CHC
Stock price: \$2.05
Market cap: \$632m

Y/E	30/06/2012	2012e	2013e	2014e	2015e
Reported e	\$m	72.7	64.9	65.7	67.2
Adjusted e	\$m	72.7	64.9	65.7	67.2
EPS adjusted	¢	23.6	21.1	21.3	21.8
EPS growth	%	14.4	-10.7	1.3	2.2
PE	x	8.7	9.7	9.6	9.4
PE relative	x	0.7	0.8	0.8	0.9
DPS	¢	18.9	16.9	17.1	17.4
Yield	%	9.2	8.2	8.3	8.5
Franking	%	0.0	0.0	0.0	

Share Price



Source: ASX and Company accounts

Segment Performance		Annual Shareholders' Return	
Property Portfolio	(%)	1 year	-1.0%
Menai Central	22.9	3 year	39.0%
Home HQ	19.1	5 year	-19.0%
Home HQ	16.7	10 year	0.0%
Bunnings	11.6		
Mentone Showrooms	11.3	Dividend Reinvestment Plan	Yes
Foodtown	11.2		
33 Windorah St, Stafford	7.2	Shareholder Discounts	No
Total	100.0		
Property Types			
Retail	100.0		
Total	100.0		

Company contact details:

Charter Hall Group
Level 11, 333 George St
Sydney NSW 2000
Tel: +61 2 8908 4000
www.charterhall.com.au

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

Disclosure: In accordance with Section 849 of the Corporations Law, Macquarie Equities Limited states that The Macquarie Group is acting as the arranger of a Consortium of investors that have lodged a non-binding indicative offer to privatise the Charter Hall Office REIT (CQO). Macquarie is also acting as Financial Advisor and equity underwriter to the Consortium, as announced on 29 August 2011. Within the last 12 months, Macquarie Group has received compensation for investment advisory services from Charter Hall Group. The Macquarie Group acted as Joint Lead Manager and Underwriter to Charter Hall Group in respect of its Entitlement Offer and Placement as announced 12 February 2010. The Macquarie Group is a substantial securities holder in Charter Hall Group (CHC.ASX). Macquarie and its affiliates collectively and beneficially own or control 1% or more of any class of Charter Hall Group's equity securities.

Disclaimer: This report is prepared for general circulation and does not have regard to the particular circumstances or needs of any specific person who may read it. The information contained herein is believed to be reliable, but its completeness and accuracy is not guaranteed. Opinions expressed may change without notice. No part of this report is to be construed as a solicitation to buy or sell any security. We do not accept any liability, whether direct or indirect arising from the use of information contained in this report. International investors are reminded of the risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Any transaction by US persons in any security discussed in this report must be carried out through Macquarie Equities (USA) Inc which has distributed this report in the US. This report is issued in the UK by Macquarie Equities Limited, which is a member of the Securities and Futures Authority. The investments and investment services the subject of this report are not available to private customers in the UK. The material in this publication is copyright and may not be reproduced without consent of the copyright owner.