

## CFS RETAIL PROPERTY TRUST GROUP (CFX)

Comprising:

CFX Co Limited ABN 79 167 087 363

CFS Retail Property Trust 1 ARSN 090 150 280

Responsible Entity: Commonwealth Managed Investments Limited

ABN 33 084 098 180 AFSL 235384

3 July 2014

## ASX ANNOUNCEMENT

### June 2014 valuations

CFS Retail Property Trust Group (CFX or the Group) announces that 19 of the Group's 30 Direct Portfolio assets<sup>1</sup> have been independently valued over the two-month period to 30 June 2014, resulting in a \$54.1 million or 1.0% increase on prior book value of the assets valued. The valuations are subject to final audit and will be confirmed in CFX's 2014 annual results to be announced on 21 August 2014.

Mr Michael Gorman, Deputy CEO and Chief Investment Officer, said: "Transactional evidence continues to grow with retail assets attracting strong buyer interest. This has driven tighter capitalisation rates for quality retail assets, reflecting confidence in longer term retail market fundamentals."

The valuations in the two-month period to 30 June 2014 comprised:

| Property                                    | CFX ownership (%) | New valuation by ownership (\$m) | Variance to book value by ownership (\$m) | Change (%) | Prior capitalisation rate (%) | New capitalisation rate (%) |
|---------------------------------------------|-------------------|----------------------------------|-------------------------------------------|------------|-------------------------------|-----------------------------|
| Bayside Shopping Centre, VIC                | 100               | 561.2                            | (27.3)                                    | (4.6)      | 6.25                          | 6.25                        |
| Brimbank Shopping Centre, VIC               | 100               | 156.4                            | (3.0)                                     | (1.9)      | 7.75                          | 7.75                        |
| Broadmeadows Shopping Centre, VIC           | 100               | 316.0                            | (14.0)                                    | (4.2)      | 7.50                          | 7.50                        |
| Chatswood Chase Sydney, NSW <sup>a</sup>    | 100               | 889.2                            | 32.9                                      | 3.8        | 5.75                          | 5.50                        |
| Clifford Gardens Shopping Centre, QLD       | 100               | 168.6                            | 7.2                                       | 4.5        | 7.75                          | 7.50                        |
| DFO Essendon, VIC                           | 100               | 141.5                            | 5.6                                       | 4.1        | 7.75                          | 7.50                        |
| DFO Moorabbin, VIC                          | 100               | 100.0                            | (5.9)                                     | (5.6)      | 8.25                          | 8.00                        |
| DFO South Wharf, VIC                        | 75                | 272.4                            | 2.1                                       | 0.8        | 7.50                          | 7.00                        |
| Elizabeth Shopping Centre, SA               | 100               | 357.5                            | (5.7)                                     | (1.6)      | 7.00                          | 7.00                        |
| Emporium Melbourne, VIC <sup>b</sup>        | 50                | 442.0                            | 0.5                                       | 0.1        | n/a                           | 5.50                        |
| Forest Hill Chase, VIC <sup>a</sup>         | 100               | 270.0                            | (14.7)                                    | (5.2)      | 7.25                          | 7.25                        |
| Grand Plaza Shopping Centre, QLD            | 50                | 173.0                            | 0.9                                       | 0.5        | 6.75                          | 6.75                        |
| Northgate Shopping Centre, TAS <sup>a</sup> | 100               | 90.6                             | 0.0                                       | 0.0        | 8.25                          | 8.25                        |
| Northland Shopping Centre, VIC              | 50                | 477.5                            | 6.4                                       | 1.3        | 6.00                          | 5.80                        |
| QueensPlaza, QLD <sup>a</sup>               | 100               | 635.0                            | 63.4                                      | 11.1       | 5.75                          | 5.50                        |
| Rockingham Shopping Centre, WA              | 50                | 273.5                            | 5.1                                       | 1.9        | 6.25                          | 6.25                        |
| Roxburgh Park Shopping Centre, VIC          | 100               | 94.4                             | 1.2                                       | 1.3        | 7.75                          | 7.75                        |
| Runaway Bay Shopping Village, QLD           | 50                | 119.3                            | 1.2                                       | 1.0        | 7.25                          | 7.25                        |
| 15 Bowes Street, ACT <sup>a</sup>           | 100               | 11.0                             | (1.6)                                     | (12.9)     | 12.00                         | 12.50                       |
| <b>Total</b>                                |                   | <b>5,549.1</b>                   | <b>54.1</b>                               | <b>1.0</b> |                               |                             |

a. Valuation as at 31 May 2014, all other valuations are as at 30 June 2014.

b. Current valuation calculated as value on completion less cost to complete.

<sup>1</sup> Post 16 April 2014, Emporium Melbourne, VIC and Myer Bourke Street, VIC are treated as two separate assets.

Mr Gorman added: "Major positive movements in valuations include QueensPlaza in Brisbane's CBD and Chatswood Chase Sydney, each reflecting solid income growth and a 25 basis points tightening of capitalisation rates.

"A number of valuations were negatively impacted by challenging leasing conditions and centre-specific issues, the largest of which were at Bayside Shopping Centre, Forest Hill Chase and Broadmeadows Shopping Centre.

"Emporium Melbourne was valued as-if complete at a capitalisation rate of 5.50%, with the current value adjusted for capital remaining to be spent on the project."

As a consequence of these valuations, the Direct Portfolio weighted average capitalisation rate<sup>1</sup> tightened to 6.25% at 30 June 2014 from 6.38% at 31 December 2013.

Net Tangible Asset backing per stapled security (NTA) is expected to be \$1.88 at 30 June 2014, which is unchanged compared to NTA on an adjusted basis at 31 December 2013.

Movements in key statistics since 31 December 2013 are outlined below:

| Statistic                                | June 2014<br>(estimated) <sup>a</sup> | December 2013<br>(adjusted) <sup>b</sup> | December 2013<br>(actual) |
|------------------------------------------|---------------------------------------|------------------------------------------|---------------------------|
| Weighted average capitalisation rate (%) | 6.25                                  | 6.38                                     | 6.38                      |
| Net tangible assets (\$/security)        | 1.88                                  | 1.88 <sup>c</sup>                        | 2.02                      |

- a. Unaudited figures.
- b. Adjusted for the internalisation of CFX.
- c. Reflects the impact of intangible assets acquired as part of the internalisation of CFX as set out in the Explanatory Memorandum dated 7 February 2014.

The change in key statistics for CFX over the past six months was driven predominantly by the implementation of the internalisation transaction and the associated acquisition of a number of management entities, as well as valuation movements.

## ENDS

### For further information please contact

Angus McNaughton  
Managing Director and CEO  
Phone: +61 2 9303 3765  
Email: [amcnaughton@colonialfirststate.com.au](mailto:amcnaughton@colonialfirststate.com.au)

Michael Gorman  
Deputy CEO and Chief Investment Officer  
Phone: +61 2 9303 3448  
Email: [mgorman@colonialfirststate.com.au](mailto:mgorman@colonialfirststate.com.au)

### Investor and media contacts

Penny Berger  
Head of Investor Relations and Communications  
Phone: +61 2 9303 3516 or +61 402 079 955  
Email: [pberger@colonialfirststate.com.au](mailto:pberger@colonialfirststate.com.au)

Troy Dahms  
Investor Relations and Communications Manager  
Phone: +61 2 9303 3491 or +61 412 055 996  
Email: [tdahms@colonialfirststate.com.au](mailto:tdahms@colonialfirststate.com.au)

### About CFS Retail Property Trust Group (CFX)

CFX is one of Australia's leading independently managed retail property groups, with a fully integrated funds and asset management platform, and \$13.8 billion in assets under management. Listed on the Australian Securities Exchange, CFX holds interests in 29 directly-owned retail assets across Australia and manages a further 17 assets on behalf of strategic partners (10 of which are co-owned with CFX) and has over 17,000 investors across 16 countries. For more information, visit [cfsгам.com.au/cfx](http://cfsгам.com.au/cfx)



Use your smartphone to  
scan this QR code to  
visit our investor centre.

<sup>1</sup> Excluding DFO retail outlet centres and 15 Bowes Street, Woden. Myer Bourke Street, VIC and Emporium Melbourne, VIC valuations are included in the calculation of weighted average capitalisation rate from 30 June 2014.