

SE Business
HD **Fraser's \$2.6b Australand bid knocks off Stockland**
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Stockland is sitting on a tempting \$90 million consolation profit after being blown off its bid for real **estate company** Australand **Property** by Singaporean **group** Frasers Centrepoint's surprise \$2.6 billion all-cash swoop.

Stockland is considering its next move but, with the **company** unlikely to match the cash offer, it is expected to sell its 19.9 per cent stake in Australand into Frasers' \$4.48-a-share bid.

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Frasers' intervention came to light yesterday, with Australand revealing the **board** had conditionally endorsed the rival offer and opened its books for four weeks of exclusive due diligence.

Frasers, controlled by Thai beer baron Charoen Sirivadhanabhakdi, has \$10 billion of assets straddling Singapore, **China** and Australia, having arrived in Australia about 10 years ago.

In WA, the merged **group** would combine Frasers' serviced **apartment** tower in East Perth with Australand's **residential** developments, including city apartments and land estates such as Port Coogee and Jindowie in Yanchep.

Frasers' takeover proposal also includes Australand's forecast dividend for the June half year of 12.75¢ a share, increasing the value of its offer to \$4.6075, as well as a similar pro-rata second-half payment, which will accrue until the offer becomes unconditional.

Sydney-based Australand's chairman, Paul Isherwood, said Frasers' offer represented a superior and "compelling value outcome" against Stockland's all-scrip bid, which values Australand at \$4.50 a share.

Frasers described the potential tie-up as a transformational **transaction** that would "deepen our roots and accelerate our growth" in a core market offering long-term growth.

Chief executive Lim Ee Seng said it would "catapult Frasers to being one of Australia's leading real **estate** companies with a portfolio of scale and quality".

"The **group** chose to enter the Australian market over a decade ago due to favourable fundamentals, including its transparent regulatory environment, strong corporate governance as well as its deep and mature **property** market," he said.

But while its hospitality business had provided Frasers with "an established platform and good brand recognition", real **estate** "is a business where scale and depth matters".

Australand has been a target since Singapore's CapitaLand announced plans last year to quit its 58 per cent stake in the **group**.

Stockland made its move in March, buying 115.2 million shares at about \$3.72 apiece. By accepting Frasers' offer, it would realise a quick \$88 million profit.

Shares in the target stormed out of a trading halt yesterday to finish 24¢ up at \$4.55.

CO ahlaus : Australand Property Group | stotru : Stockland | dbsl : CapitaLand Limited | stocor : Stockland Corporation Ltd

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