

Australand on the rise

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CONSTRUCTION

PROPERTY developer Australand expects full-year profit to increase even if a \$2.6 billion takeover bid from a Singaporean company falls through.

Australand yesterday revealed its net profit for the six months to June had surged 49 per cent, compared with the same period a year ago, to \$131.54 million.

The company said that if the takeover offer from Frasers Centrepoint lapsed, it still expected to increase earnings per security by 20 to 25 per cent this year.

Earnings were also expected to rise 10 to 15 per cent between 2014 and the end of 2016 if the residential housing market remained as strong as it was now, the group said.

Australand cautioned that its forecasts could change if the takeover proceeded because Frasers had flagged plans to conduct a major review.

The Australian property group's first-half profit was boosted by revaluation gains of \$75.7 million on investment property.

Excluding the revaluation



Australand is tipping continued earnings growth.

gains and some other items, operating profit rose from \$62.4 million to \$80.8 million.

"The group has delivered a significant increase in profit in the first half which demonstrates the resilience of the group and ongoing strength in the residential sector," managing director Bob Johnston said.

Australand's residential property division lifted its first-half operating earnings by 37.6 per cent to \$30.7 million.

Australand lifted its un-

franked interim distribution to 12.75c a security, from 10.5c a year earlier.

Frasers Centrepoint received approval to proceed with its takeover offer from the Foreign Investment Review Board in early July.

Australand's board has recommended shareholders accept the offer, which trumped a \$2.5 billion bid from Australian rival Stockland. Australand shares closed 1c lower at \$4.49.

AAP