

Stockland sideswipe

New tilt at Australand

SINGAPOREAN property developer Frasers Centrepoint has leapt into the battle for control of Australand after lobbing a \$2.59 billion bid.

Investors sent Australand shares up 5.6 per cent, or 24c, to \$4.55 after the announcement of Frasers' offer, which valued the target at \$4.48 a share. The bid also trounced an earlier \$2.5 billion tilt from domestic rival Stockland.

Australand's shares have risen 19 per cent this year, and 8.3 per cent since Stockland made its bid on May 28.

Australand's board, which has thrown open its books exclusively for Frasers to conduct due diligence over the next four weeks, said it would recommend yesterday's offer in the absence of a superior bid.

But the offer is still subject to approval by Australia's Foreign Investment Review Board, and the backing of Frasers shareholders.

"The board concluded that the conditional proposal would deliver a compelling value outcome for Australand security-

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holders and is superior to the final and conditional proposal received from Stockland," Australand's chairman Paul Isherwood said.

"Accordingly, the board has determined to progress the proposal with Frasers to determine whether an offer that is capable of acceptance can be presented to Australand securityholders."

Stockland released a statement noting the announcement, saying it will "consider its options and provide an update in due course".

Morningstar analyst Tony Sherlock said the offer from Frasers was a "very full price" and that he "would be surprised if Frasers get much additional value out of it".

Frasers Centrepoint chief Lim Ee Seng said the proposal will catapult Frasers to being one of Australia's leading real estate companies, "with a portfolio of scale and quality".

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