

Over Fifty looks to overachieve on acquisitions

Sally Patten

Funds management company Over Fifty Group hopes to complete at least one acquisition in the next six months as part of its goal to double its property business over the next two years.

The company, which yesterday unveiled a \$3.2 million profit after tax, compared to a \$10 million loss previously, is working on two potential acquisitions, at least one of which it hopes to finish by the end of the financial year. Chief executive John McBain said it was benefiting from the lacklustre state of the property market.

"The subdued conditions are quite

attractive for us," he said. "If we see good opportunities, we are able to take advantage of them."

The company has \$900 million worth of property assets under management and a further \$780 million of fixed-income assets through the friendly society operation.

In the property area, it specialises in commercial offices, high-tech industrial buildings and large retail stores, such as those that house white-goods and furniture retailers.

Mr McBain said the company was on track to turn around last year's \$12.4 million loss into a \$6.3 million profit for the 12 months to June 2010.

He also said it would reinstate dividend payments, which have been sus-

Over Fifty Group

Full year	2010	2009
Sales (\$)	24.8m	25.7m
Pretax (\$)	4.9m	-12.7m
Net (\$)	3.2m	10m
EPS	5.2¢	-16.4¢
Int dividend	TBD	None
Shares	65.5¢	-1.5¢

pending since a final dividend was paid for the 2007-08 financial year. The interim dividend will be finalised in the coming week, the company noting that the board was

"strongly committed" to the principal of returning cash to shareholders on a regular basis.

Mr McBain attributed the turnaround in Over Fifty Group's fortunes to an improved performance by the property division, extensive cost cutting and the absence of write-downs.

In the previous six months, the company was forced to write down just over \$1 million of commercial mortgages.

Marketing and advertising costs fell to \$475,000 from \$884,000, finance costs almost halved to \$1 million while IT and rental costs also tumbled.

Company debt borrowings have been reduced from \$19.8 million to

\$12.4 million at the end of December last year, and have since fallen to \$8.5 million.

Mr McBain said he was "very pleased" with the performance.

A \$10.3 million capital-raising during the half, through an institutional shareholder placement and a share purchase plan, helped the company to pay down a large chunk of its debt. Just over \$4 million was held back for working capital.

"This extra working capital will provide the company with the financial strength to participate in corporate acquisitions, thus allowing the company to grow funds under management and further increase profits," Mr McBain said.