



Becton hands in keys to timeshare venture

by Nick Nichols
business editor

BECTON Property Group has decided to dump its timeshare joint-venture with hotels giant Accor Asia Pacific after finding the business an uncomfortable fit.

Becton, the company behind a controversial luxury resort project at Byron Bay, said the Accor Premiere Vacation Club (APVC) business fell short of expectations and failed to offer synergy benefits for the group.

This is despite APVC, which has a membership of more than 15,000 and projected 2006 revenues of \$150 million, contributing a pre-tax profit of \$2.4 million to Becton's bottom line.

Accor Asia Pacific will acquire Becton's half share in APVC for an undisclosed sum, although some market sources have pitched the deal at about \$35 million.

The Robina-based APVC was established in 2000 and has since spent more than \$80 million on property acquisitions.

A purchase yesterday of the

boutique Grand Mercure Mt Lofty House in the Adelaide Hills for just above \$5 million brings its timeshare hotel portfolio to 16 properties.

APVC is also expanding into Bali in January.

Becton has moved to sever ties with APVC after an announcement last week it intended to restructure itself into a stapled property group.

It plans to raise \$183 million through the issue of stapled securities, to be underwritten by Macquarie Bank, in order to acquire properties through a trust structure. Although APVC contributed to the company's bottom line profit of \$24.9 million for 2005-06, the contribution was 37 per cent below forecasts.

Becton's increased profit came from its development and construction divisions, property funds management and retirement village arms.

"In light of our recently announced proposal for stapling and associated capital raising, we believe it is an appropriate time to focus our attention on growing our funds management and retirement business-

es, where greater synergy and shareholder value can be created," said Becton chief Hamish Macdonald.

APVC chief executive Martin Kandel said the group had 'benefited greatly from Becton's participation over the past six years. However our expansion plans into Asia, and Becton's changing focus on its retirement and funds management businesses, highlighted the need to link more closely with Accor for our future development.

"Timeshare has matured significantly as an industry since APVC was launched in 2000 and it is now considered the most dynamic sector of the hospitality and tourism industry."

Earlier this year, the Victoria-based Becton secured NSW Government support for its proposed \$130 million development of the former Club Med site at Belongil Beach in Byron Bay. The 290-home project won approval after a decade-long saga of public debate, legal battles and public protests.