

Cardrona to be put on the block

HAMISH RUTHERFORD Last updated 12:13 13/02/2013

One of New Zealand's leading ski fields, Cardrona Ski Resort in Central Otago, is to be put up for sale by its Australian owners.

In a statement to the Australian Stock Exchange, Melbourne-headquartered Vealls said it would soon commence a sales process for the resort, set in the hills between Wanaka and the Crown Range.

A sales process will kick off before the end of June.

Last November, Fairfax revealed that Vealls was conducting a strategic review, following lobbying from shareholders, including Auckland-based activist investor Elevation Capital.

In a statement, Vealls said its review covered the merits of its structure, which sees it operate in several countries, creating legal and regulatory requirements and foreign exchange risk.

The review concluded that the company should operate in only one country, Singapore. By selling its other assets, the company would free up cash to invest in securities listed on the Singapore Stock Exchange.

Listed on the ASX since the 1950s and controlled by the founding Veall family, a series of sales of subsidiary businesses means cash is now its largest single asset.

Cardrona, which has continued to operate profitably despite heavy investment by its rivals and a decline in tourism spending, is its single largest operating assets. Vealls also owns land in Australia.

- © Fairfax NZ News