

tangible assets (NTA) per security, which was \$3.76 as of December 31.

Tim Hannon, chief investment officer at fund manager Freehold Investment Management, told *The Australian Financial Review* a GPT share buy-back program made sense and would enhance earnings per share.

"We like to see buy-backs at NTA if the discount is quite strong," he said.

Mr Hannon said while a share buy-back would increase earnings, it would also push up GPT's leverage.

"However, GPT has a low level of debt, so a share buy-back would not impact on its investment-grade credit rating," he said.

Atchison Consultants managing director Ken Atchison said he was an advocate of share buy-back rather than seeking to buy assets at full value.

"If you can buy your own shares at a discount, then it's an appropriate use of capital," Mr Atchison said, "but that's with the proviso that you don't foresee there being better alternative opportunities."

"It's part of a good a capital-management plan," he said.

Goldman Sachs analyst Simon Wheatley said GPT's share price trading at a discount to NTA made the scrip component of its bid "challenging for [CPA] investors who do not want to see equity effectively swapped at a discount to net tangible assets.

The Australian Financial Review



Create an alert

Click on the links below to create an alert and receive the latest news as it happens

Companies [GPT Group](#) , [Commonwealth Prop](#) , [Dexus Property Group](#)

Topics [Property - Commercial](#), [Mergers & Acquisitions](#)

Today's Paper

This is the modal description

[Submit](#) ×