

LandMark White makes offer to take over Orchard funds

PUBLISHED: 26 Mar 2011 PRINT EDITION: 26 Mar 2011

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Listed property services company LandMark White has lobbed a surprise offer at Orchard Funds Management to take control of its \$1.6 billion property empire.

LandMark's move comes as Orchard chairman Charles Macek encounters resistance from shareholders towards an earlier takeover offer from private equity player Barwon Investment Partners.

LandMark White is offering its own scrip to shareholders in Orchard's management vehicle, giving them liquidity and putting an \$8 million price on their equity.

The LandMark proposal also involves a \$6 million capital injection into the management vehicle and another \$30 million to \$50 million of capital to deploy into Orchard's stricken main fund, the \$671 million Diversified Property Fund.

The deal is a significant expansion for LandMark White, which has a market capitalisation of around \$10 million and is best known for its valuations business.

Melbourne-based Orchard manages the property investments of some 15,000 unitholders and has been in turmoil for the past two years as Mr Macek and his team attempt to execute a solution.

Previous takeover proposals from Cromwell Property Group and a private consortium led by Taemas Capital failed to persuade Orchard's bankers.

On Friday, Mr Macek confirmed LandMark White had indicated its interest but he said they had not yet made any formal offer.

"The board's position is that in the absence of a superior offer we intend to put to shareholders the Barwon proposal," he said.

The Australian Financial Review

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