



Hamilton Securities bids for Timbercorp Orchard Trust debentures

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By Trevor Chappell

MELBOURNE, Dec 18 AAP - New Zealand-listed Hamilton Securities Ltd will make an off-market takeover bid for the debentures of the **Timbercorp** Orchard Trust.

Hamilton Securities, which was founded in October 2009, will offer 30 A-class shares in Hamilton Securities for each debenture, of which there are 567,737 on issue, each with a face value of \$100.

Hamilton said on Thursday that its offer was based on the last sale price of \$30 for the debentures on the Australian Securities Exchange and the one dollar at which Hamilton Securities' shares were recently issued.

A-class shares in Hamilton Securities have not yet traded on the New Zealand share market.

The offer is subject to a minimum acceptance of 90 per cent.

Timbercorp Orchard Trust debentures were suspended from trading on April 23 this year following the collapse of agricultural projects manager **Timbercorp** group, and went into receivership on October 22.

Hamilton Securities executive chairman Steven Pritchard said in a statement on Thursday that the 2,200 debenture holders could accept the offer or wait until the receivership ran its course.

"As a debenture holder, your asset is effectively in the hands of the receivers and your debentures are virtually unsaleable," Mr Pritchard said.

Mr Pritchard said that at present, investors could not trade their debentures because they were suspended from trading on the Australian Securities Exchange and there was no indication when they might resume trading.

"The offer will provide debenture holders with listed securities and an exit route from their investment at a price determined by the market," Mr Pritchard said.

"For most debenture holders, accepting Hamilton Securities' offer will create a capital loss that can be used to offset capital gains on other securities."

The debentures are secured by fixed and floating charges and mortgages registered over all the trust's assets, including its land and water rights.

Hamilton said that according to the trust's accounts of June 30, 2009, the trust had total assets of \$36.6 million, of which \$17.3 million was intangible.

The trust's tangible assets were \$19.3 million or \$34.03 per debenture.

The trust's main assets are Kangara, a citrus orchard near Renmark, South Australia; and Bella Vista, a table grape property near Euston, NSW.

The trust also owns entitlements to 11,971 megalitres of water.

Both properties were leased to **Timbercorp** Ltd, which appointed administrators on April 23, 2009.

Timbercorp sub-leased most of the land to growers.

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