

Aevum's major shareholder tells Stockland to lift its bid

AUCKLAND'S Fisher Funds Management said yesterday that Stockland Group had to lift its offer for the retirement village operator.

Fisher Funds Management is the biggest independent shareholder in Aevum.

Stockland announced its intention to take over Aevum at \$1.50 per unit -- or about 50c under its last stated NTA (net tangible assets), placing an indicative enterprise value of \$358 million on Aevum.

"I'm not going to give an exact number, but the offer price will have to be closer to the NTA," said Frank Jasper, director of Fisher Funds Management.

Fisher Funds Management has a total holding of 7.7 per cent stake in Aevum, in its own name and through nominee companies. Stockland has 15.9 per cent.

"We're not unhappy for Stockland to take over the trust as it fits with its own strategic rationale.

"We will give it quiet support but at a right price . . . \$1.50 is not the right price," he told The Australian.

Stockland's managing director, Matthew Quinn, indicated on Monday that the offer price was open to review. Aevum's unit price rose to \$1.625 yesterday.

Several analysts had also said the bid price had to move closer to the trust's NTA, pointing out that the new management under Steve Mann had turned the business around. Mr Jasper said Stockland undervalued Aevum's assets (comprising 29 retirement villages across Australia).

"We have passed on our view to the Aevum board," he said.

He said he was pleased the Aevum board was having a "positive and constructive dialogue with Stockland".

Stockland is due to submit its bid document today.

If successful, Stockland, which also holds a 15 per cent stake in the Queensland-based FKP Ltd, will rival Lend Lease as the largest player in the highly fragmented industry. It will double its presence in Australia with the Aevum portfolio.

Stockland's securities closed at \$3.90 each -- up 3c.