

# Vukile has to make Atlantic Leaf offer

By [Alistair Anderson](#)

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Vukile Property Fund was forced to make a formal mandatory offer for Atlantic Leaf Properties on Wednesday, 20 September, after its shareholding in the UK-focused real estate group exceeded 34%.



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But Vukile has no intention of taking control of Atlantic Leaf, saying that it would prefer that the group, which it viewed as a strategic offshore investment, grows independently.

Vukile, which has investments in Spain and the UK, increased its stake in Atlantic Leaf through a bookbuild last week by the UK-focused owner of industrial real estate.

Atlantic Leaf undertook an accelerated bookbuild in order to fund its recent acquisition of a portfolio of 11 assets tenanted by sofa maker DFS. Vukile was allocated about 23-million new shares at a subscription price of R17.60 per share.

"Pursuant to this allocation, Vukile's shareholding in Atlantic Leaf would increase to 34.90% of the enlarged issued share capital, thereby triggering the requirement for Vukile to make a mandatory offer in accordance with the securities takeover rules of Mauritius," Atlantic Leaf said.

But Vukile reported that shareholders holding 52% of the shares in Atlantic Leaf had agreed not to take up the mandatory

offer.

"The waiver by the majority of the institutional shareholders, including all shares held by the management team sends a further strong message of support for the company. Many of the shareholders who provided Vukile with waivers to the offer also participated in the bookbuild," said Atlantic Leaf CEO Paul Leaf-Wright.

"Our management team works closely with Vukile CEO Laurence Rapp and his team to source new opportunities and in growing Atlantic Leaf into a stronger and larger business. We believe that Vukile's circa 35% shareholding will underpin any future initiatives we undertake," said Leaf-Wright.

Rapp said his group was "strongly supportive of Atlantic Leaf's strategy of investing in quality assets in the UK with an attractive forward yield".

*Source: Business Day*

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