

FINANCIAL REVIEW

SE Market Wrap - Street Talk
HD **Hurting hedge funds run numbers on Recall takeover**
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WC 321 words
PD 17 November 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 18
LA English
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The big hedge funds in Singapore and **Hong Kong** that keep our market liquid are reeling. They had a shocking October and have been scorched on Australian **M&A** deals all year.

But if there is one deal they would be willing to back, it would be Recall and its long-running suitor, **Iron** Mountain.

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Event funds studying the numbers reckon a tie-up with the Boston-based and United States-listed **Iron** Mountain would make dollars – and sense – for both companies.

And now that Recall is positioning itself in line with **Iron** Mountain and considering spinning off its property, the numbers look better.

The problem is that they cannot necessarily see it coming before the end of the year. And despite very specific reports that **Iron** Mountain is working up a \$2 **billion**-plus offer, there is one burning question in hedgies' minds: if **Iron** Mountain really wants to own Recall, why didn't it make a compelling offer before the documents business was spun out of Brambles last year?

Still, where there is smoke there is fire, and if there is no movement before the end of the year it will be on **M&A** watchlists for 2015.

Elsewhere, Orica shareholders are awaiting an update on the proposed chemicals spinoff. As Street Talk first reported on Friday, Blackstone Group was understood to have edged ahead in the race to buy the \$1 **billion** entity, emerging as the leading contender after a trade **sale** process.

However, the global private **equity** giant is up against the **equity** markets, which are bubbling along and could guarantee Orica's chemicals a good start to life on their own.

Finally, private **equity firm** Pacific **Equity** Partners finalised the **sale** of biscuit maker Griffin's Foods to Universal Robina Corp on Friday.

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