



Orchard Funds Limited

9 June 2010

Orchard Funds Limited (Orchard) announced today that Cromwell Corporation Limited (Cromwell) has been granted exclusive dealing status on the proposed sale / recapitalisation of Orchard and its managed funds.

Orchard's Chairman Charles Macek said, "The decision to grant Cromwell a period of exclusivity reflects their reputation and commitment to the unlisted funds management industry and demonstrated ability to manage unlisted property fund investments in the best interests of investors."

The Cromwell proposal will involve a transfer of the management rights of all of Orchard's managed funds with the only exceptions being the Essential HealthCare Trust and the Orchard Primary Infrastructure Fund, both of which remain subject to single fund offers currently being evaluated.

During the 30 day due diligence and exclusivity period the parties will be working towards agreement of binding terms, with the aim of settling the transaction by 30 September 2010.

Mr Macek also said, "Proceeds from the Cromwell offer which includes an upfront payment of \$15 million and an earn out over three years will be used to immediately retire debt and return capital to the Orchard shareholders."

The proposed transaction remains subject to contract, shareholder and financier approvals.