

US pharma makes rare euro foray

US pharmaceutical giant **Pfizer**, rated Aa1/AAA, offered diversification through an extremely rare foray into the euro market. The issuer placed €900m of 10-year bonds through sole lead manager JPMorgan. Investor demand was very strong, with books oversubscribed within an hour of announcement, and the deal priced in line with guidance at mid-swaps plus 10bp.

Shell International Finance took the unusual step of raising funds in the long end of the curve with an institutionally targeted issue, following on the coat-tails of its successful

dual-tranche five- and 10-year US dollar global issue that was largely sold to onshore US institutions back in March. Joint lead managers announced that a benchmark 10-year issue was on the way, quickly following up with guidance in the mid-swaps plus 12bp area. This followed swift indications of interest from a number of buy and hold real-money accounts. The final book size was close to €3bn, dominated by continental European institutions spread across Europe, and the bonds priced in line with guidance at mid-swaps plus 12bp. They continued to perform and were 1bp-1.5bp

tighter in the aftermarket at an equivalent Bunds plus 36bp-35bp.

When **Vodafone** announced plans for a two-tranche deal split between seven-year floating and 15-year fixed-rate offerings, the lead management expected the FRN to be the senior partner in terms of size. And so it proved, though the level of demand displayed for the FRN came as a pleasant surprise. While something like €750m, maybe €1bn, was envisaged, an order book of €1.75bn allowed an eventual €1.25bn to be easily supported.

SELECTED PUBLIC BOND ISSUES EARLY SUMMER 2007

DATE	ISSUER	COUNTRY	RATING	CURR	SIZE (MM)	COUPON	MATURITY	SPREAD	BOOKRUNNERS
09.05	Pfizer	US	Aa1/AAA	€	900	4.550%	2017	Ms+10	JPMorgan
10.05	Veolia Environment	France	A3/BBB	€	1,000	5.125%	2022	Ms+65	Calyon, Credit Suisse, JPMorgan, Société Générale
11.05	CMA CGN	France	NR/BBB-	€	500	5.500%	2012	Ms+130	Barclays Capital, BNP Paribas, JPMorgan
15.05	Diageo	UK	A3/A-	€	750	FRN	2012	-	Barclays Capital, Deutsche Bank, JPMorgan Cazenove
15.05	Shell	UK	Aa1/AA	€	1,500	4.625%	2017	Ms+12	Citigroup, JPMorgan Cazenove
22.05	Unilever	UK	A1/A+	€	750	4.148%	2009	Ms+40	HSBC, UBS
22.05	KPN	Netherlands	Baa2/BBB+	€	650	4.750%	2014	Ms+45	ABN Amro, Bank of America, JPMorgan, UniCredit
22.05	Cargill	US	A2/A	€	500	4.875%	2017	Ms+40	Barclays Capital, BNP Paribas, UBS
23.05	IFIL SPA	Italy	NR/BBB-	€	750	5.375%	2017	Ms+80	Banca IMI, Citi, Goldman Sachs, Royal Bank of Scotland
23.05	Atlas Copco	Sweden	A3/A-	€	600	4.750%	2014	Ms+30	Citi, Deutsche Bank, SEB, Calyon, Fortis, ING
23.05	Volvo	Sweden	A3/NA	€	1,000	5.000%	2017	Ms+45	BNP Paribas, Citi, HSBC Bank
24.05	Gazprom	Russia	A3/BBB	€	700	5.364%	2014	-	ABN Amro, Morgan Stanley
29.05	Telecom Italia	Italy	Baa2/BBB	€	850	FRN	2010	-	Société Générale
30.05	Banque PSA	France	A2/A-	€	600	FRN	2009	-	Société Générale
31.05	Vodafone	UK	Baa1/A-	€	1,250	FRN	2014	-	BNP Paribas, JPMorgan Cazenove, Royal Bank of Scotland
01.06	3i Group	UK	A1/A	€	500	FRN	2012	-	Barclays Capital, UBS
05.06	Fiat	Italy	Ba2/BB+	€	1,000	5.625%	2017	Ms+98	BNP Paribas, Calyon, UBS
05.06	Volkswagen	Germany	A2/A	€	1,250	FRN	2011	-	BNP Paribas, Commerzbank, UniCredit
06.06	Xstrata	Switzerland	Baa2/BBB+	€	500	4.875%	2012	Ms+35	Citi, Deutsche Bank, Banco Santander Central Hispano, Calyon, Dresdner Kleinwort, Fortis Bank, ING, Lloyds TSB

FRN=Floating Rate Note

Key deals, 8 May to 7 June, Euromarket deals and European issuers into US market

Data sourced from banks