

DEALS OF THE YEAR



Well over a hundred deals were nominated for *The Treasurer's* Deals of the Year and the October issue of *The Treasurer* highlighted some of the more likely candidates. The key criteria were: sound treasury management; optimal or innovative structure; efficient pricing; and relative success in prevailing market conditions. Votes were received from among the 5,000 or so members, students and readers before a panel of senior members gave their seal of approval. *The Treasurer* is pleased to announce the winners in alphabetical order.



European telecom companies were very active over the past year tapping both debt and equity markets for vast sums and **British Telecom** themselves made several noteworthy issues. But it was the £5.9bn rights issue that was considered the most outstanding as it was the enabling mechanism that bought BT time to restructure and dramatically improve its balance sheet. The deep discount rights issue was the largest UK equity offering and largest rights issue in history.



Strong banking relationships even for such a young company as **Enterprise Inns** allowed them to make two key acquisitions while maintaining high levels of confidentiality. The £735m loan facilities were 71% greater than their market capitalisation at the time of announcement and gave them the flexibility to acquire either, neither or both pub portfolios.

Eurotunnel made the strongest statement of rehabilitation from a very difficult past when it tendered for £1.1bn of its junior debt in the secondary market but only needed a £850m eurobond to pay for it. The transaction locked in a £250m windfall future gain for shareholders and succeeded in breaking the lending banks control over the junior debt.



An overwhelming response from institutional investors ensured the success of Germany's largest leverage buy-out and gave the European market a wake-up call. The €2.05bn raised through senior debt and a high yield bond for **Messer Griesheim** enjoyed Europe's first downward pricing flex and was the first structure with a significant asset sale bridge.



National Grid drew attention to themselves by making a liquid benchmark issue in the fledgling index-linked market with £280m (40%) of its £600m long dated bond issue. The timing was impeccable and freed up debt capacity at group level for future strategic initiatives.

Perkins Foods provides an encouraging tale of a bankable deal that got away in the most untimely circumstances. Syndication of the £165m senior debt for the leveraged buy-out was days away from closing when the outbreak of foot and mouth hit the headlines in the UK. Level-headed crisis management and long term relationship management saw the deal through to a successful conclusion.



US giant **Tyco International** bridged a \$3.45bn hole in their capital structure with the largest convertible in history that was launched overnight and sold in time for breakfast but it wasn't just the size or speed that caused a stir. Tyco lifted convertibles technology another notch setting a precedent that has unleashed around \$30bn of copycat deals in the US this year alone.



One of the most prominent events in the utilities sector was the £2bn refinancing of **Welsh Water** with the largest single corporate transaction and the largest credit wrapped transaction ever undertaken in the sterling bond market. The 12 tranche bond issue underpinned the transition from a publicly owned company to a non-profit making entity dedicated to running Welsh Water for the benefit of water customers.

It is perhaps a sign of the times that five of the winners were triumphs in the face of adversity while three managed to stand out even with a following wind. The deals are profiled over the following pages and *The Treasurer* offers its congratulations to each of the eight issuers and their treasury teams for their outstanding achievements. Thanks too for sharing their stories with us.



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