

THE TREASURER Deals of the Year

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JONATHAN SLADE, CHAIRMAN OF OUR DEALS OF THE YEAR PANEL OF JUDGES, INTRODUCES THIS YEAR'S WINNERS AND HIGHLY COMMENDED.

Congratulations to the winners and highly commended runners-up in this year's Deals of the Year Awards and to the Teams of the Year. In the 12th year of these awards, the quality of entrants continues to be of the highest standard. In line with year before, the Teams of the Year Awards are split into two categories to allow for broad participation.

The winners can take huge satisfaction in the recognition of their achievements by their treasury peers. Award-winning deals should be seen as all the more impressive given the volatile nature of the market and the challenging and fast-changing conditions that were a feature throughout 2009.

The Deals of the Year Awards are the only treasury awards where the winners are judged by fellow practitioners – people who know what it is like to have to go out and actually do a deal.

Treasury professionals involved in the winning transactions should

feel proud to have played such a leading role in these outstanding deals, which, as in previous years, are a credit to the profession.

Similarly, those who belong to the Teams of the Year are being recognised for their considerable and enduring contribution to their companies.

My thanks go to all those treasurers, bankers and advisers who nominated all the various deals and teams, and to my hard-working fellow judges. I would particularly like to thank Lloyds TSB Corporate Markets for its support of the awards again this year.

Those who have followed these awards over the years will know that the deals themselves continue to innovate and change, and this year is no exception as they continue to raise the profile of the work of treasury professionals.

Jonathan Slade is global head of corporate finance for Rio Tinto.

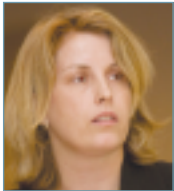
CATEGORY	WINNER	HIGHLY COMMENDED
Overall	C&W	
Bonds	Roche	Lufthansa
Corporate Finance	C&W	Rio Tinto
Liability Management	Wind	Euroports
Loans, UK (Deal size > £750m)	Barratt	Wolseley Special mention: Connect Plus
Loans, Europe (Deal size > £750m)	ABB	Enel
Loans, UK and Europe (Deal size < £750m)	Marstons	Premier Oil
Team of the Year (Market cap > £2bn)	Rolls-Royce	
Team of the Year (Market cap < £2bn)	ITV	

THE DEALS OF THE YEAR AWARDS PANEL

The Deals of the Year Awards panel consists of a distinguished group of experts from across the spectrum of corporate finance and funding. The members of the panel are:

- Jonathan Slade, Rio Tinto (chair)
- Francis Burkitt, NM Rothschild & Sons
- Mary Finn, Burton Foods
- Ian Fitzgerald, Lloyds TSB
- Lesley Flowerdew, WS Atkins
- Sean Hanafin, Citi
- Peter Matza, ACT
- Neill Thomas, KPMG Corporate Finance
- Paul Watters, Standard & Poor's
- Henryk Wuppermann, E.ON

The judge's story



DEALS OF THE YEAR PANELLIST **LESLEY FLOWERDEW** LOOKS BACK AT THE JUDGING PROCESS AND THE THEMES THAT EMERGED AS THE WINNERS AND HIGHLY COMMENDED WERE CHOSEN.

There's nothing like a financial crisis to promote discussion among the judges as we all worked hard to decide who should be recognised in this year's Deals of the Year. The judging panel always contains a healthy mixture of views and this year was no exception as we debated which of last year's transactions were the best.

Inevitably the deals reflect and absorb the current environment, and several themes peculiar to 2009 were replayed during the judging process. One of the questions that the judging panel kept returning to was whether a deal was part of some forward-thinking strategic plan or merely a transaction forced on the company by the need to dig itself out of a hole. And should the answer to that question alter our perception of the deal? After all, if a company gets itself into difficulties, for whatever reason, then a treasurer who manages to help deliver it from a sticky end is surely worthy of recognition. A cracking deal may well be a rescue deal but it's still a cracking deal.

The other question that kept being asked was who was actually leading on each deal? The answer varied. Sometimes it was clear that the banks had done a great job and had really held the hand of the treasurer and the finance director through the process. But that wasn't always the case.

It is not unreasonable to say that the banks aren't quite as infallible or as strong as they seemed a few years ago. On one of the deals we reviewed it was clear that the treasurer, exasperated by his bank's seeming inability to do what he wanted, had decided to go it alone. And a great job he had made of it by all accounts, including the bankers. How widespread or permanent that sort of change in the balance of power and responsibility between bankers and

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treasurers becomes remains to be seen.

Another pattern that emerged as we looked across the whole of 2009 was the complete dominance of the three-year deal at the start of the year. I don't recall seeing such a strong pattern in previous years. And while the three-year tenor remained the flavour of the year there was evidence towards the final months that treasurers could expect to see deals lengthening towards durations of four or five years.

Survival was the order of the day, so it was inevitable that one of the casualties would be innovation. We may have seen some great treasury management in 2009 but the year won't be remembered for any new and exciting structures. Of course, one notable trend (as reported in *The Treasurer* last year) was the forward start facility, but while it made perfect sense for all concerned in the 2009 credit environment, no treasurer would claim it was a new concept.

It is clear that innovation in treasury practice is usually linked to the wide availability of credit and more benign markets. One public private partnership deal which did well to close in such a difficult year was a notable exception, and was recognised by the panel for its innovation and audacity.

A perennial question among the Deals of the Year judges is whether a deal seemed better than it actually was because of an accident of timing. Luck certainly plays a part but at a time when markets were volatile, it does not explain the whole story: good treasury judgement still plays a significant part.

One of the pleasures of being involved in judging Deals of the Year is the panel discussion, which this year was as fascinating as ever, driven by the wide variety of treasury and banking experience which forms a sound backdrop for an honest exchange of views of the deals on the table.

My thanks to my fellow panellists, and congratulations to all those who have been recognised in what has been another remarkable year.

Lesley Flowerdew is tax and treasury director at Atkins.

If as a corporate treasurer you want to enjoy a learning experience by reviewing the Deals of the Year and to share your own market experience, why not join the judging panel for the 2010 awards? Contact Peter Matza, head of publishing, ACT, at pmatza@treasurers.org

THE FUNDAMENTALS OF SUCCESS

The deals were reviewed and judged based on the following criteria from a corporate treasury perspective:

- sound treasury management;
- efficient pricing;
- optimal or innovative structure; and
- relative success in prevailing market conditions.