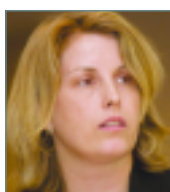


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A year of achievement



LESLEY FLOWERDEW, 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 and Teams of the Year Awards. It is the 13th year of these Awards, the only treasury awards where winners are judged by fellow practitioners, and the quality of entrants continues to be of the highest calibre.

As last year, the Teams of the Year Awards are split into two categories to allow for broader participation. They now also have special commendations as well as an overall winner, reflecting the high standards of treasury teams and treasury work. This year we also specially commended two companies in the housing sector, reflecting the special contribution treasury management plays in an area of the economy that has been exceptionally challenging over the past year.

Award-winning deals should be seen as all the more impressive given the continuing uncertainty in the markets as well as the challenging and fast-changing conditions that were a feature throughout 2010. The submissions for 2010 showed the flexibility of treasurers, with tremendously diverse submissions covering

securitisations, debt issuances, bonds, hybrids, IPOs, receivable financing, convertibles, RCFs and acquisition financing. 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, continue to be a credit to the profession.

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

My thanks go to all those treasurers, bankers and advisers who nominated the various deals and teams, and to my hard-working fellow judges. I would particularly like to thank Lloyds Bank 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 constantly innovate and change, and this year is no exception as they continue to raise the profile of the work of treasury professionals.

Lesley Flowerdew is tax and treasury director at engineering and design consultancy Atkins.

CATEGORY	WINNER	HIGHLY COMMENDED
Overall	Essar Energy	
Bonds	Merck	Shanks Special Commendations: Circle Anglia and Hyde Housing
Corporate Finance	Essar Energy	TUI Travel
Liability Management	OHL	Dignity Finance
Loans: UK (Deal size above £750m)	Babcock International	Virgin Media
Loans: Europe (Deal size above £750m)	HeidelbergCement	Grifols
Loans: UK and Europe (Deal size below £750m)	Telecity	Pace
Team of the Year (Market cap above £2bn)	BHP Billiton	Special Commendations: Capita and Experian
Team of the Year (Market cap below £2bn)	Thomas Cook	Special Commendation: Aegis

The judge's verdict



DEALS OF THE YEAR PANELLIST **CHARLES VAN DER WELLE** REPORTS ON THE JUDGING PROCESS FOR A SET OF DEALS PUT TOGETHER AT A TIME WHEN CONDITIONS HAD CALMED DOWN AFTER A HUGELY TURBULENT PERIOD.

After three very turbulent years, 2010 provided some stability in the markets but once again deal-making was anything but plain sailing. The key factor affecting conditions was the sovereign risk fears prevalent in Europe during the year.

Despite rescue packages for Greece and Ireland and the establishment of a €750bn European stabilisation fund, these concerns will not be easily dissipated. A number of the deals completed in 2009 reflected hard times and bore the distinct stamp of a rescue package rather than a forward-looking strategic move. To a limited extent that trend continued into 2010, but mainly the judging panel saw more deals that reflected refinancing of maturing debt or deleveraging by reducing existing facilities or undertaking liability management exercises.

So there is a sense that things have become a little easier despite the volatility surrounding sovereign risk, with the all-in cost of funding in the bond markets tightening and decent investor demand emerging. Treasurers might still have to be alert for pockets of opportunity, but this represents a substantial advance from 2008 and early 2009, when opportunity was fleeting and often comprised no more than a one-day window.

Despite a rather brighter picture last year for both business and economic performance there was only a modest improvement in loan activity. Acquisition-led financing has reopened to a limited degree and banks have been ready to commit to major amounts. This was demonstrated by such deals as Babcock's £1.3bn acquisition of VT Group and BHP Billiton's monster \$45bn facility for its ultimately aborted bid for Potash, which still managed to be significantly oversubscribed.

In addition, the previous year had begun with three-year deals the norm, but four and five-year deals becoming more prevalent in the latter half of the year. This move towards longer periods has subsequently been maintained, with four and five-year tranches in a number of the deals submitted.

Last year was an extremely active one for liability management as corporates delivered and extended maturities. Both issuers and investors are becoming increasingly comfortable with liability management in general.

As usual, the panel of judges comprised a range of qualified individuals with a considerable depth of experience: treasurers and ex-treasurers of large and medium-sized corporates and representatives from the banking sector, advisory firms and the ACT. This provided for some vigorous debate on the respective merits of the entries and some very tight decisions in several of the categories.

Some judges appreciated jumbo deals by large companies enjoying strong credit ratings, while others opted more for smaller companies with weaker ratings operating in sectors or countries harder hit by the downturn and for which the deal made a great deal of difference. Personally, I could speak with the experience of someone whose own company was in the latter group until quite recently.

As ever, the panel's main considerations included the vital factors of sound treasury management, efficient pricing, optimal and innovative structures, and relative success in the prevailing market conditions. However, the following were also highly important:

- the extent to which the deal's success was down to the treasurer;
- how important or material the deal was to the company's success;
- whether it resulted from shrewd forward planning, or was more the result of circumstances that the company/treasurer might otherwise have been able to avoid; and
- whether the deal timing was due to careful planning or chance.

It would be pleasing to report that there were signs of new and innovative structures being put together, but while housing associations demonstrated impressive evidence of fresh thinking, the majority of sectors played safe. There was, however, some evidence that long-dated deals are returning, with one of the utility companies successfully completing a 50-year bond deal and others in the same sector completing hybrid bond financing deals. Indeed, it was apparent that bond financing remains a particular favourite as treasurers increasingly consider what alternatives to the banks are available to them.

Charles van der Welle is director of treasury at ITV.

THE JUDGING PANEL

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

- Lesley Flowerdew, Atkins (Chair)
- Mary Finn, Burton Foods
- Ian Fitzgerald, Lloyds Bank Corporate Markets
- Alex Hall, ABB
- Peter Matza, ACT
- Richard Sedlacek, Rothschild
- Jonathan Slade, Rio Tinto
- Neill Thomas, KPMG Corporate Finance
- Charles van der Welle, ITV
- Paul Watters, Standard & Poor's
- Henryk Wuppermann, E.ON