

Congratulations!



MATTHEW HURN, CHAIRMAN OF OUR DEALS OF THE YEAR PANEL, REFLECTS ON THE SUCCESS OF THIS YEAR'S WINNERS AND HIGHLY COMMENDED.

Congratulations to the winners and highly commended runners-up in this year's Deals of the Year Award and to the winners of Team of the Year. In the tenth year of these awards, the quality and quantity of entrants continues to reach new highs, and the winners can feel justifiably proud that their achievements have been recognised by their treasury peers. Such a statement is particularly true this year when many of those winning deals were accomplished against the background of some of the most volatile market conditions that many of us have seen in our professional lives. These are the only treasury awards where the winners are judged by fellow practitioners who know what it is like at the sharp end. Those treasurers involved with the winning deals can feel proud that they have been part of some sound deals which have proved a credit to their profession and which any treasurer would be proud to have worked on. My thanks go to all those treasurers and bankers who entered their deal, to all those who voted and, this year in particular, to my fellow judges, who worked so hard and



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conscientiously at their difficult task. I would also like to thank Lloyds TSB Corporate Markets for its continuing support of the Awards.

Deals of the year continue to innovate and this year sees the introduction of the treasury team of the year which aims to raise the profile of the work of treasury professionals.

Matthew Hurn, AMCT, is Group Treasurer of DSG international.

CATEGORY	WINNER	HIGHLY COMMENDED
Overall	Rexam	
Bonds	Tesco	Enodis
Corporate Structured Finance	Rexam	Voestalpine
Equity and Equity-Linked	Grainger	SGL Carbon
Loans: Continental European Corporates	Continental	HeidelbergCement
Loans: UK Larger Corporates	Cookson	Rio Tinto
Loans: UK Mid-Market Corporates	Management Consulting Group	Northgate Information Solutions
Treasury Team of the Year	Vodafone	Tesco

TREASURY TEAM OF THE YEAR

For the first time, *The Treasurer* has introduced an Award for Treasury Team of the Year. ACT members and other readers of *The Treasurer* voted for the treasury team which they most admire – one that stands out most across all elements of treasury, including cash management, corporate finance, risk management, treasury operations and corporate governance.

Readers were asked to consider the concept of treasury “team” as widely as possible – many corporates may have a large, dedicated treasury depart-

ment but for others, although treasury may consist of one or two people, there is a much broader team of people who help to carry out the treasury function. Only corporate treasury teams were considered and the team had to be based in the UK or have its head office in the UK.

Around 60 different treasury teams from a wide range of companies and with varied sizes of departments received votes. There were six teams in contention for the winning spot and we are delighted to announce that Vodafone and Tesco came out on top – see page 35 for more details.

Finding the winners



DEALS OF THE YEAR JUDGE AND ACT POLICY AND TECHNICAL OFFICER **PETER MATZA** LOOKS BACK AT HOW THE DECISIONS WERE REACHED.

The process of selecting the Deals of the Year (DOTY) involves a lot of legwork, too much paper, a lot of checking, no little discussion and, at the end, a sense that the collective effort has produced the right winners in each category as well as a worthy overall Deal of the Year. It's a collaborative effort, too, with input at various stages from the ACT's Publisher, Mike Henigan, the ACT's Policy and Technical team, the volunteer corporate treasurers, and some friendly bankers and other market practitioners helping out with their experience, market research and background gossip!

The two critical elements underlying the process are the choice of the various categories – bonds, corporate structured finance and so on – and the determination of the nomination criteria. In some ways, the categories take those sections of the market where it is more possible to compare like with like so as to choose and review nominations and select winners rather than, say, continuous treasury management operations (such as cash management), which are much less observable. That said, over time the categories have been expanded to reflect developments in corporate financing and the ACT's broadening of interest into continental European treasury management. The common feature for nominations, however, is that the deal must involve a (non-financial) corporate with a UK or continental European domicile in which the corporate treasury team played a significant role.

Once nominations have been received from banks, advisors and treasurers, the deals within each category are considered by a mini-panel (usually comprising Peter Matza, Mike Henigan and two or more treasurers and market practitioners). The brief is to select no more than two to four deals for each category (the higher number is for larger categories of bonds and UK larger corporate loans). Each deal is reviewed against the treasury criteria shown in the box above and the panellists dip into their own experience and general market knowledge to reach a consensus. The selected deals are then reviewed by all those involved at a single meeting involving all the panellists led by the Chairman, Matthew Hurn.

The basic criterion used in the mini-panels is that the deals show "excellence in corporate treasury", as demonstrated by any or all of the following:

- **Sound treasury management** How much control did the treasury

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.

team exercise over the deal? How well did the treasurer manage the advisors? Did all the moving parts fit?

- **Efficient pricing** Was the deal priced "to go" or did the treasurer get the best value?
- **Optimal or innovative structure** Was this a market first or a "copycat" trade? Was it right for the company's overall strategy?
- **Relative success in prevailing market conditions** Was the timing luck or good judgement? Did the circumstances present

particular problems and how well were these overcome?

In total this year we had 17 transactions selected (from more than 80 nominations) spread over the six categories, with values ranging from £110m to \$40bn. Twelve of the 17 related to acquisition financing and the borrowers' issuers used 16 different bookrunners, with some banks appearing more than once. Deals were completed all through the year with those done in the second half a testament to the resilience of financial markets.

The panels' problems in selection are not merely the quality of nominations but their diversity and quantity. There is always a debate over size versus importance, which was further exacerbated by the market's seizures. In addition, deals in 2007 fell into pre- and post-crisis timing but the panels had to be careful not to downplay good treasury work early in 2007 just to praise harder-to-complete deals after the crisis affected markets. However, choosing a shortlist for the main panel meeting is merely a precursor to a much more detailed and intensive debate.

It would be easy to say that the Winners/Highly Commended deals became apparent through the process, but that wasn't the case. The Chairman used his casting vote at least twice and the votes of committee members who couldn't make the actual meeting made a difference in one other category. What was apparent was a real feeling for treasurers and treasury management and a warm appreciation for the efforts and application of treasurers across a wide range of challenges.

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If as a corporate treasurer you want to enjoy a learning experience reviewing Deals of the Year and share your own market experience, why not volunteer to join the judging panels this year?