

Winner

Perfect mix



Kerry Group

FOOD GROUP KERRY TRIUMPHED IN ADVERSITY, ASSEMBLING STRONG NAMES IN AN IMPRESSIVE INTERNATIONAL FACILITY AS OTHER IRISH CORPORATES WERE BUFFETED BY THE EURO ZONE CRISIS AND THE WOES OF IRELAND'S BANKING SECTOR

As Kerry Group assembled its first international syndicated facility it found that the woes of Ireland's banking sector had cut off its traditional sources of financing, forcing it to instigate a major overhaul of its banking group.

The result was a new five-year €1bn revolving credit facility (RCF) with an international syndicate of banks that the group was able to complete in April. The RCF provides a line of committed debt until April 2016 and significantly extends the maturity profile of the group's debt. Kerry intends to use the new facility to refinance the existing RCF, for general purposes and further acquisitions – it spent €161m on 10 acquisitions in 2010.

All Ireland's businesses face a tough task in securing finance, and the fact that Kerry was able to complete the new facility was in itself impressive; that it was substantially oversubscribed and attracted nine new banks even more so. The judges agreed that the deal demonstrated that an innovative and bold approach can still yield exceptional results against a turbulent backdrop.

The full amount targeted was raised at a competitive price, despite

PRINCIPAL TERMS

A first international syndicated facility, completed in April, produced a new five-year €1bn revolving credit facility, bringing together AIB, BAML, BNP Paribas, Barclays, Citi, Commerzbank, Danske, Deutsche Bank, HSBC, ING, JP Morgan, Mizuho, Rabobank, RBS and Société Générale.

the challenging environment, and by expanding its bank group from nine to 15, Kerry is in a strong position going forward for future financing activities.

The new group includes AIB, Bank of America Merrill Lynch, BNP Paribas, Barclays, Citi, Commerzbank, Danske, Deutsche Bank, HSBC, ING, JP Morgan, Mizuho, Rabobank, RBS and Société Générale. The judges pointed out that collecting together such a strong and diversified group of banking names puts Kerry in a strong position.

Group treasurer Declan Crowley said: "It hit all the right spots. It gave us the maturity and quantum we wanted. We have a broad spread of 15 very high-quality banks in the syndicate – it is a who's who of the best and the strongest, so there is no concentration risk.

"These deals are never easy but we attracted more interest than even I was expecting, although the FD and I did put in a lot of marketing effort. Operating in the food space offers us a degree of protection in the recession. We are a reasonably acquisitive company and combined with our own internally generated cashflow it has given us comfort and flexibility over the next five years."