

# Winner

# Tenor triumph

## Telecity



IN ADDITION TO SECURING FIVE-YEAR MONEY – AN UNPRECEDENTED ACHIEVEMENT AT THE TIME IN THE SYNDICATED LOAN MARKET – TELECITY LOCATED A BEDROCK OF NEW FUNDING TO SUPPORT ITS FUTURE GROWTH. COMBINED WITH THIS MATURITY, THE £200M DEAL ALLOWED THE COMPANY TO EXPAND ITS BANKING GROUP WITH NEW LENDERS.

Refinancing of a syndicated four-bank club deal with a new five-year facility totalling £200m. Joint mandated lead arrangers: Barclays, HSBC, Lloyds Banking Group and RBS.

Telecity group is a pan-European operator of network-independent datacentres that allow customers to locate their servers in a secure and reliable facility with interconnections to multiple network and internet providers.

Given the long lead times that are needed for identifying and then building out new fully operational datacentres, Telecity placed great stress on securing a new bank facility that would have a five-year tenor. This was regarded as challenging for the UK investment-grade market at the time, with banks having a clear preference for three-year transactions.

The refinancing of a syndicated bank club deal with a new five-year facility totalling £200m, maturing February 2015, gives the group additional flexibility to capitalise on expansion opportunities and enables the business to create significant value from investment in

organic growth. Telecity plans to use the new funding to support its growth and its demand-driven investment programme.

In addition to securing five-year money with its refinancing transaction, Telecity managed to diversify its banking group with the addition of two new lenders, HSBC and RBS, creating a four-strong banking syndicate.

Brian McArthur-Muscroft, group finance director of Telecity, says: "This facility provides the group with additional flexibility to capitalise on expansion opportunities and enables us to continue to create significant value from investment in organic growth. The support of Lloyds, Barclays, HSBC and RBS is a strong signal of their long-term belief in the Telecity group business model and growth trajectory, demonstrated in particular by the commitment to a five-year deal."

## Highly commended

## Pace



Pace's \$450m term loan and revolving credit facility (RCF) deal was its debut in the syndicated loan market and one of the first meaningful underwritten acquisition finance deals for a UK mid-cap corporate for two years. The funds – a \$300m 3.5-year term loan and \$150m RCF – let pay TV technology provider Pace widen its US reach into the telco market by acquiring 2Wire.

The company showed courage as well as expertise in launching this deal and understood that it needed to be well structured and correctly priced. The evidence of its success in hitting the sweet spot was proved by the 100% hit rate achieved in general syndication. Successful syndication was achieved within a tight framework of less than three weeks.

This deal has pushed the boundaries in the UK mid-cap space and represented a significant risk for the company. Pace's treasury team mitigated this risk by working closely with its joint underwriting banks and played a significant part in bringing the wider bank group into the deal.

Kate Smedley, Pace's treasurer, says: "The acquisition of 2Wire was the most significant deal in the history of our company to date and we needed to ensure that the funding proceeded smoothly. Working with our partner banks, we formed some true partnerships. The banks were fully on board from the start, understood how critical this acquisition was for us, and gave us the support we needed to make the deal a success."