

# Winner

# Paradise gained

## Thomas Cook



THE COMPANY RECEIVED NOMINATIONS IN BOTH THE TEAM OF THE YEAR AND THE BONDS CATEGORY. THE TREASURY TEAM ISSUED BONDS, RESTRUCTURED BANKING FACILITIES, EXECUTED COMPLEX HEDGING STRATEGIES, MANAGED STAKEHOLDERS AND INTEGRATED MERGER AND ACQUISITION ACTIVITIES.

### Why they won:

The treasury team completed a whole series of transformational deals in 2010, helped steer the company through a raft of challenges and carried out a refinancing that provides stable, long-term and diversified funding sources.

In 2010 Thomas Cook's treasury team successfully extended a complete reorganisation of the company's debt capital structure, supporting its balance sheet and business profile while managing its operating performance and business risk through a period of unprecedented economic, geological and geopolitical volatility.

In April 2010 the travel group launched a first-ever dual-currency unrated bond as part of the refinancing of its €1.8bn bank facility. The debut €400m five-year and £300m seven-year bonds attracted significant investor interest following a five-day European roadshow. The bonds were priced on the same day that the volcanic eruption in Iceland closed UK airspace.

The debt capital markets transaction was completed alongside the signing of £1.25m of new bank facilities, consisting of a three-year £850m revolving credit facility and a £200m term loan, with extension options to five years and a two-year £200m bonding and guarantee line. Each stage of the syndication was fully subscribed, enabling the

company to reduce commitment levels across its core bank group.

Prior to this refinancing the company was dependent on the bank market, with most of its debt facilities maturing in May 2011. Given the pressure on loan markets and reduced availability of aircraft financing, the treasury team refinancing successfully diversified funding sources and maturities, created additional headroom and gave more flexibility to fund liquidity.

The treasury team also successfully managed its significant exposure to FX volatility and commodity risk through a range of strategies, typically using forwards to hedge out to two years.

Nick Feaviour, group director of treasury at Thomas Cook, says: "Despite geological eruptions from an Icelandic volcano and geopolitical fallout from Greece, the team delivered a tour de force, completing the refinancing on schedule with inaugural, unrated, €400m and £300m bond issues and a completely new £1,050m bank facilities agreement."

## Special commendation

### Aegis

A E G I S

A t marketing communication company Aegis, a small and relatively new team faced a £450m facility maturing in June 2011 and over 50% of the facility drawn. It demonstrated excellent proactive balance sheet management, diversifying funding sources and extending the debt maturity profile. It came up with a £190m 2.5% five-year convertible bond that allowed Aegis to resume a more normal historical level of bolt-on acquisitions.

The team is striving to improve overall working capital management and utilise group cash more effectively. The team has shown good judgement and demonstrated strategic knowledge, negotiation skills and product knowledge across a wide field.

Aegis Group's finance director Nick Priday says: "The Aegis treasury

team has worked very hard and delivered significant improvements to our long-term capital structure. It has demonstrated excellent long-term planning and foresight, built strong relationships with our funding providers, and executed all projects very successfully.

"The team issued \$225m USPP notes at a time of great market uncertainty, particularly in the media sector. And it launched a convertible bond in March 2010, which priced very competitively and at the best end of both the coupon and premium ranges, resulting in the maximum over-allotment option being taken up and raising £190m. Both these initiatives facilitated the rollover of our central bank facility with a syndicate of 12 strong relationship banks. Aegis ended 2010 with a much strengthened balance sheet position."