



Loans



€4.5bn Syndicated Facility (July 2004)

Spain's second largest telecoms group Auna launched a €4.5bn syndicated facility, due 2010, comprising a €3.5bn, 6-year amortising term loan and a €1bn 6.5-year revolving credit. The transaction was conducted to consolidate all existing group debt as part of Auna's major corporate restructuring plan. It represented one of the largest structured telecoms transactions in 2004.

Although there was targeted syndication to a limited number of entities, the transaction was substantially over-subscribed.

ABN AMRO, RBS

grainger trust plc

£900m Financing (June 2004)

Grainger Trust, the UK's largest quoted residential property investor, tapped the markets for a £900m financing, comprising a £475m, 5-year revolving credit facility, a £225m 5-year term loan and a £200m 7-10 year loan.

Finance Director Andrew Cunningham said: "Our new financing arrangements not only provide us with cheaper funding at extended maturities but give us far greater operational flexibility to match our business requirements. The increased headroom will support the group's ambitious growth model."

Barclays Capital, Lloyds TSB, RBS



Loans enter a new term

Limited M&A activity during 2003-04 reduced corporate lending significantly, bringing favourable pricing, longer tenors, reduced fees and relaxed covenants.

In the UK, loan volumes fell by 8%, putting transaction numbers at an eight-year low. However, there was more activity on the continent, particularly in France

where syndicated loan volumes rose by 41% and in Germany (71%). This growth happened despite convergence in pricing between Continental Europe and the UK.

The trend on the continent was away from bi-lateral facilities towards syndicated facilities with smaller bank commitments to individual borrowers. Loan refinancings in the UK have involved greater individual commitments from banks.



£900m RCF (December 2003)

Great Universal Stores signed a new £900m, 5-year committed revolving credit facility to refinance existing debt and borrowing facilities due to mature in 2004.

"GUS decided to self-arrange in order to exercise control, believing that we had a strong group of supportive banks and helpful market conditions. The process worked well and we were pleased with the outcome in terms of pricing and documentation," said Peter Blythe, Director of Finance.

Self-arranged



Pernod Ricard

€1.4bn Syndicated Bank Loan (June 2004)

Pernod Ricard put in place a new, multi-currency €1.4bn syndicated bank loan, maturing in five years' time. The facility was arranged to enable Pernod Ricard to repay the balance of its Seagram acquisition loan that it contracted in 2001. It also brought more favourable financing conditions including a reduction in the margin from 0.55% to 0.225-0.275% and the removal of constraints and guarantees of the previous loan.

"These refinancing conditions reflect the very strong financial position enjoyed by Pernod Ricard," said a company spokesperson.

BNP Paribas, Calyon, JPMorgan, SG Corporate Investment Banking



€4.5bn RCF (April 2004)

French utility company Suez launched a 5-year, revolving credit facility for use as a liquidity backstop facility and general corporate purposes. The arrangement replaced all existing syndicated facilities including a €2.5bn facility signed in June 2003. The latter was conducted at a significantly higher margin.

The transaction was heavily over-subscribed – and was increased from an initial €4bn.

Citigroup, BNP Paribas, Calyon, RBS

VAILLANT HEPWORTH GROUP

€625m Loan and RCF Facility (June 2004)

Vaillant's €625m, 5-year term loan and revolving credit facility was arranged to refinance €830m of leveraged acquisition facilities.

"The innovative structure comprising €325m of term loan and €300m of RCF allows us to minimise our negative arbitrage as well as providing flexible facilities for corporate acquisitions. The speed with which the MLAs managed to execute the deal, the 100% hit rate and the 60% over-subscription, while still achieving a competitive margin, are all indicators of a successful deal for us," said Group Finance Director, John Foldes.

Commerzbank Securities, HSBC, RBS