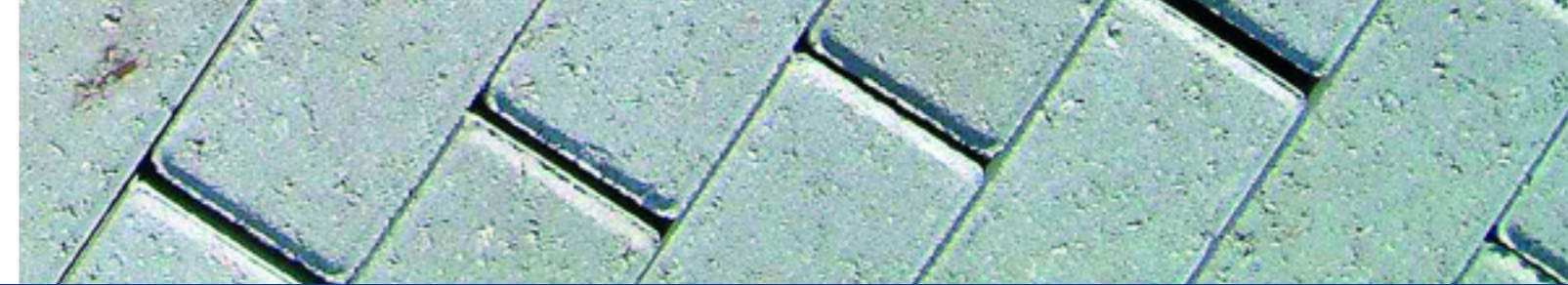




Securitisation & Structured Finance



£1.3bn Financing (September 2004)

The AA's £1.3bn deal comprising £900m of senior debt facilities and £400m in mezzanine facilities was launched to finance the CVC and Permira-led buy-out of the AA. The mezzanine facility is the largest mezzanine loan yet raised in the European market.

The senior debt facility is in four tranches ranging from seven years to nine years. The mezzanine facility runs for ten years.

Barclays Capital



\$250m equivalent Structured Financing (October 2003)

The Federal Internationale de Football Association (FIFA) used the structured finance market to mitigate the financial risk of potential cancellation of the 2006 Football World Cup. The \$250m equivalent multi-currency transaction was conducted in several tranches and rated.

"The transfer of the risk of the cancellation of the 2006 World Cup to the capital markets represents a highly innovative transaction structure that is a significant development in the securitisation market," said a spokesman for FIFA.

CSFB

Moving into the mainstream

Securitisation and structured finance continued to see growing acceptance as financing techniques in 2003-04, providing many corporates with the opportunity they wanted to diversify their sources of funding.

Non-mortgage backed issuance grew to €55.5bn in Europe during the first half of 2004 – 56% up on the same period one year ago. The

main types of assets favoured for securitisation included trade receivables, whole company, vendor finance, future flows and property.

The activity reflected not only corporates' recognition of the lower costs, and decreased levels of complexity associated with securitisations, but also improved investor perceptions of such transactions. The year 2003-04 witnessed a number of innovative deals; traditional users such as pub chains continued to demonstrate their interest in the market.



\$1.25bn Structured Bond Offering (July 2004)

Gazprom, the world's largest natural gas producer, issued a \$1.25bn structured bond under a \$4bn structured export notes programme. The deal saw very high demand with the order book reaching \$6bn, and the size of the issue was increased from its original \$1bn.

The deal is secured by future export receivables generated under long-term contracts. It was the first-ever future flow receivables transaction from Eastern Europe.

Merrill Lynch, ABN Amro, Morgan Stanley



€5bn Financing (January 2004)

ISPA High Speed Railway's €5bn issue was part of a programme to fund private capital investment in Italy's new high-speed railway network. The high-speed railway project is part of a segregated balance sheet which supports the issuance of the programme.

The deal included a €1bn issue, maturing in 2014, which was 3.8 times over-subscribed; a €750m issue, due 2019, which was 2.2 times over-subscribed; and a €3.25bn issue which was 1.18 times over-subscribed.

Morgan Stanley



£1.9bn Securitisation (November 2003)

Mitchells & Butlers securitised 1,942 pubs owned by Mitchells & Butlers Retail Ltd. The transaction was conducted to achieve optimal capital structure for the business following the demerger from Six Continents.

Group Treasurer Andrew Vaughan said: "The securitisation provided Mitchells & Butler with a cost-effective, long-term financing structure whilst ensuring the required flexibility to pursue future strategy in the interests of shareholders and bondholders."

RBS, Citigroup



€2.1bn Financing (May 2004)

Tube Lines' €2.1bn investment grade offering was one of the largest corporate infrastructure transactions in sterling and was cited as a revolutionary deal in the Private Finance Initiative bond market. It offered upfront equity release to shareholders and diversified the investor base through the marketing of unwrapped PFI bonds.

"The refinancing was extremely complex and called for innovative solutions to be developed by the team in order to structure the transaction to secure the best value as a capital markets transaction," said Steve Hurrell, Director of Finance.

Goldman Sachs, SG Corporate Investment Banking