

THE AUSTRALIAN

SE Business

HD **DATAROOM**

BY EDITED BY: Bridget Carter carterb@theaustralian.com.au Gretchen Friemann
friemanng@theaustralian.com.au

WC 1,100 words

PD 8 April 2016

SN The Australian

SC AUSTLN

ED Australian

PG 20

LA English

CY © 2016 News Limited. All rights reserved.

LP

Woolies seeks exit from home hardware game Suitors for Woolworths' loss-making hardware chain, Masters, along with its smaller but profitable DIY business, Home Timber & Hardware, have been given until May 2 to lodge bids as the supermarket **group** attempts to draw a line under its disastrous foray into the sector.

As first revealed by DataRoom, Woolworths adviser Citi distributed an information memorandum at the end of last week to a string of potential investors spanning trade buyers, private **equity** firms, and a large number of listed and unlisted real **estate** players.

TD

The sales documents, seen by The Australian, underscore Masters was cashflow negative at the end of the first half, to the tune of \$324.6 **million**, while its net **assets** are worth \$2.5 **billion**.

The dire straits of the big box retailer's balance sheet has deterred many prospective bidders and prompted predictions the chain will be flogged off as a **property** play with New York-based Blackstone, Charter Hall **Group** and Abacus **Property Group** all widely touted as contenders for the portfolio.

Trade buyers, too, are pursuing a handful of sites. The Australian recently reported that US giant Costco has at least four outlets in its sights and it is understood Melbourne-based Spotlight will attempt to prise off some stores, as will Masters' rival Bunnings.

Yet while the Masters business looks doomed, Home Timber & Hardware has lured in a string of eager suitors. Metcash's home improvement chain, Mitre 10, which is advised by Luminis Partners, is a well-known contender for the hybrid retailer and wholesaler, although a number of private **equity** firms are also in the mix.

Plumber taps the cash Reliance Worldwide Corporation is planning to tap public market investors for up to \$900 **million**, more money than initially expected as part of its initial public offering plans.

It is understood Reliance is targeting a raise of between \$800m and \$900m — higher than the \$600m to \$800m that had been suggested elsewhere. The Munz family behind Reliance is believed to be looking at retaining between 30-40 per cent of Reliance following the IPO.

A prospectus is expected to be released next week, coinciding with a global roadshow.

The global business, which operates across the US and Australia, has proved popular with prospective investors following a round of meetings this week with analysts from investment banks JPMorgan and

Macquarie, joint **lead** managers to the deal. Evans & Partners, and Ord Minnett and Morgans are also involved.

Reliance's exposure to the recovering US housing market is a key focus for potential investors with many concentrating on a weather-related potential earnings boon.

Apparently, one small concern about the business has been the **company's** exposure to the housing market in the US, but icy winter conditions in parts of the country have caused pipes to freeze, creating some lucrative opportunities for the business. Some earnings forecasts may also be altered due to the substantial currency movements between the Australian and US dollars.

Reliance is on track to rank as one of the largest IPOs of the year. Its value is estimated to fall between \$1.2bn to \$1.44bn by JPMorgan – a multiple of 18 to 22.4 times forecast annual earnings.

SA mulls registry **sale** The South Australian government appears to be about to move forward on plans for a **sale** of its land registry business.

Accounting **firm** PricewaterhouseCoopers is working on a scoping study for a potential divestment and an adviser for a **sale** is about to be appointed.

While the valuation of the service is unclear, some sources believe annual earnings could be as much as \$100m.

This implies a value as high as \$800m.

The move comes after the state previously flagged the **sale** of other government-owned **assets** was on the agenda, including parts of its **commercial** real **estate** portfolio.

States started moving to consider a divestment of land registry services last year in a period of strong demand for **residential** real **estate** in parts of Australia.

This was in the hope they could secure lucrative windfalls from the divestments to pay down debt and fund infrastructure projects.

Should the South Australian government opt for a **sale**, it could well join the NSW and Victorian governments, which have been advancing on plans for a potential spin-off of their land registry businesses, which provide a central record of all the land in the state.

Such offerings are likely to be highly attractive to a **firm** such as RPData, which currently secures earnings selling **sale** price information from its database of **residential** properties in Queensland and NSW.

An **acquisition** of the land registries in the states of NSW, Victoria and South Australia would offer very valuable opportunities for the **company** to expand its database.

However, the country's largest private real **estate** information and analysis provider, which is owned by Core Logic out of the US, previously denied it was considering a **purchase** of the NSW land registry business, which is being handled by JPMorgan for a potential privatisation.

Other potential buyers for all three include database providers such as Veda or SAI Global.

Cura Day looks crook Attempts to sell Cura Day Hospital **Group** could be fading, with sources suggesting prospective buyers are not prepared to meet the vendor's pricing expectations.

While Cura Day is not officially on the market, the understanding is that the business has called on the services of adviser Rothschild, which has been sounding out prospective acquirers.

Among those that had shown some interest was the listed Virtus Health, while private **equity** firms such as Bain Capital, Pacific **Equity** Partners, Archer Capital and Champ were sure to be in the mix.

However, they have been unprepared to pay what the owner, Intermediate Capital Australia, was hoping for, sources said.

The sale of private hospital operator Healthe Care to China's Luye Medical for \$938m has raised expectations of pricing for hospital assets.

That deal was expected to be finalised this week, although many in the market doubt the **transaction** would be completed.

Meanwhile, a key focus for prospective buyers of Nature's Care will be the **company**'s heavy reliance on Chemist Warehouse as a key customer. It will be interesting to gauge the level of appetite for the business from groups in **China** that are being targeted as possible acquirers, given that the business has a substantial offering of skin care products and vitamins that are sought after by **Chinese** buyers.

CO abap : Abacus Property Group | chhaus : Charter Hall Group | hydht : Hydrox Holdings Pty Ltd | wolwth : Woolworths Limited

IN i64 : Retail/Wholesale | i641 : Food Retailing | i6411 : Supermarkets/Grocery Stores | i654 : Specialty Stores | i81502 : Trusts/Funds/Financial Vehicles | i8150206 : Closed-end Funds/Investment Trusts | i815020602 : Real Estate Investment Trusts | i8396 : Diversified Holding Companies | i85 : Real Estate Transactions | ibcs : Business/Consumer Services | icre : Real Estate/Construction | ifinal : Financial Services | iinv : Investing/Securities | ireest : Real Estate | iretail : Retail

NS cacqu : Acquisitions/Mergers | c18 : Ownership Changes | c181 : Acquisitions/Mergers/Divestments | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB News Ltd.

AN Document AUSTLN0020160407ec480003o

Search Summary

Text	((chin* or hong kong)) and (((residential or site or commercial) and (casino resort or island or hotel or apartment or park or estate or property) and (group or firm or company or board or assets) and (transaction* or purchase* or sale or sold or buy)) or ((uranium or wind or gold or solar or ore or copper or energy or alumina or iron or lead or coal or oil) and (bonds or acquisition or merge or purchase or sale or stake or equity) and (million* or billion* or B or M) and (operations or mining or firm or company)) or ((dairy or cheese or butter or milk or bread or wine) and (sold or buy or sale or equity or stake or merge or acquire) and (brand or company or business or group or firm or board) and (million* or billion* or B or M))) not (terrorism or war or navy or stock market or share market or Wall St or Wall Street or Forex or Stock Exchange or rst=asxtex) and re=austr
Date	08/04/2016 to 14/04/2016
Source	All Sources
Author	All Authors
Company	All Companies
Subject	All Subjects
Industry	All Industries
Region	All Regions
Language	English
Results Found	276
Timestamp	3 October 2017 13:00