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Banks set for major haul of fees BANKERS will be looking forward to lucrative infrastructure deals gathering steam next year to offset what has been a somewhat lacklustre third quarter for mergers and acquisitions activity.

Sources say there were $US17.6 billion ($20bn) in new deal volume in the three months to September, which was far below the same period a year ago.

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However, some hope subdued earnings growth would mean more M&A by Christmas, as bonus time approaches.

With corporates again looking for offshore growth, those with strong US and European teams, such as JPMorgan, Morgan Stanley and Merrill Lynch, could be bigger winners of work.

Lately, UBS, Goldman Sachs and other boutiques have secured a lot of roles with local activity.

Sectors where M&A is on the horizon include mining, which is attracting suitors out of north Asia, consumer and health care companies and services groups.

According to Thomson Reuters, investment bank Goldman Sachs topped the league table for M&A activity for the third quarter, completing 25 deals for its clients worth $34bn.

Meanwhile, Goldman and others have positioned themselves to secure a pool of advisory fees expected to be worth at least $50 million by the end of next year, when more than $50bn worth of infrastructure assets are expected to sell.

Among the big winners are likely to be investment banks UBS and Deutsche, which some sources expect will each net $20m for an advisory role selling off the NSW government's $30bn power assets.

Goldman, adviser for the **sale** of BG **Group**'s $2bn-plus LNG pipeline assets in Queensland, and Morgan Stanley, adviser for the **sale** of the $5bn Port of Melbourne, would also likely be in for large windfalls.

The payouts offered by clients for advice on infrastructure deals is generally not seen as being as lucrative as those for mergers and acquisitions.

However, as a rule of thumb, some believe the banks are usually in line for a cut of about 0.2 per cent to 0.4 per cent of the overall price achieved.

Bridget Carter

Noni B deal in Alceon's control ALCEON, the finance house run by former Babcock & Brown senior staff members, is tipped to secure control of embattled women's fashionwear retailer Noni B as early as today, amid speculation the **firm**'s founders — the Kindl family — have accepted Alceon's takeover bid.

The family owns 42 per cent of Noni B. Combined with Alceon's existing 19.9 per cent shareholding, the move gives control to Alceon and throws down the gauntlet to Noni B's 12 per cent shareholder, the Smorgon family-associated Gannett Capital, to make its next move.

Gannett is reserving all of its options and has had no contact with Noni B or Alceon since initial talks when it bought a blocking stake in the retailer last month.

While Alceon is said to be open to working with Gannett, it has rejected claims by the latter that its planned associated acquisition of a suite of rival retail brands as part of its takeover bid risks "contaminating'' the Noni B business.

Alceon wanted Noni B to acquire URB, a loss-making **company** that owns the retailers Events and Queenspark.

The latter were formerly part of Specialty Fashion's stable. Gannett fears the funding for the acquisition and the refinancing of an existing URB bank facility could come from a dilutive rights issue to Noni B shareholders.

But Alceon executive director Richard Facioni said he agreed with Gannett that Noni B was the "jewel in the crown" and said the associated acquisition would give the **firm** future growth options.

Damon Kitney

McGrath tipped as a suitor for LJHooker McGRATH Real **Estate**, the agency of high-profile agent John McGrath, may be denying it is in hot pursuit of its rival LJHooker.

But sources say it was in fact McGrath's interest in the high-profile real **estate** chain that set the ball rolling for the sales process.

McGrath itself has been mulling a **sale** via a potential initial public offering, as previously flagged by The Australian, and the **group** could potentially be trying to amass scale for a listing.

Some suggest the move indicates that the **residential** real **estate** market has peaked.

LJHooker placed itself on the block just weeks ago, hiring investment bank Lazard as adviser, in a move some believe may suggest was to test the appetite for the business and to receive a clearer indication on the price that could be achieved. It is the stakeholders, apparently, who are in favour of the process happening.

The **company** is headed by Leslie Janusz Hooker, who shares the same initials of his grandfather, Leslie Joseph who founded the **firm**.

He is a former private equity gun out of New York with WP Carey and it is understood that PE firms are being targeted in the process, with several approaches made so far.

But in an interesting twist to the process, local real **estate** rivals, which may include groups like Ray White and Raine and Horne, were not allowed access into the process, sources have said.

Chaired by former Mirvac boss Greg Paramour, LJ Hooker was **sold** by Suncorp back to a consortium that included Mr Hooker and veteran yachtsman and developer Syd Fischer in 2009 for $67m.

LJHooker and McGrath are two of the largest **residential** real **estate** agencies in Australia. LJHooker has 700 franchises in Australia and New Zealand and has a growing platform in Asia, while Mr McGrath founded his chain in 1988, and has about 61 offices in NSW, southeast Queensland and the ACT, most of which are franchises.

Bridget Carter

Mystery US Leighton admirer named THE US private equity giant circling Leighton's services assets is believed to be Apollo Global Management, sources told The Australian yesterday.

The **firm**, which describes itself as a contrarian investor in private equity and real **estate**, was one of the hedge funds, along with US-based Oaktree, which has held a 36 per cent stake in the media **company** Nine. It was also rumoured as a contender to **buy** BHP Billion's Nickel West.

Apollo is thought to be competing with Spanish construction **firm** Ferrovial for the services business.

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The move comes after the Chinese construction and infrastructure suitor, China Communications Construction Co, advised by Morgan Stanley, was recently named by The Australian as one of the groups that made it through to the second bidding round for Leighton's contractor John Holland, while another party interested is said to be Samsung.

Hochtief, controlled by Spanish construction giant ACS, increased its interest in Leighton to just under 70 per cent following a proportional takeover this year.

Following the bid, it announced a restructure of Leighton and placed various assets on the market, collectively estimated to be worth as much as $3bn.

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