THE AUSTRALIAN

SE Business

HD **DATAROOM**

WC 1,130 words

PD 3 December 2014

SN The Australian

SC AUSTLN

ED Australian

PG 20

LA English

LP

Link loaded up for 2015 float LINK, the share registry and data **company** controlled by private **equity firm**Pacific **Equity** Partners, looks destined for a $2bn-$3bn listing towards the end of next year. Little wonder then a recent request to expand the business's debt load to more than $710m from about $500m was greeted with enthusiasm by its syndicate of domestic lenders.

Corporate banking in Australia is already fiercely competitive but throw in the prospect of a substantial float and it becomes a must-do deal.

TD

According to sources, the fresh layer of credit is needed to help digest Link's **acquisition** of the troubled Superpartners service **company**, which manages $134bn on behalf of its industry super fund shareholders.

That transaction has yet to close and is expected to be one of a string of purchases over the next few months as the **company** is prepared for an IPO.

While opinions are divided over whether the market will be as receptive to new offerings next year amid predictions of greater volatility, Link is likely to rank as a solid prospect given its reliable and diverse revenue streams.

Yet Link may perplex some investors as it lacks any comparable peers. Before the Superpartners deal, Link derived close to 20 per cent of its income from share registry **operations**, where it competes head-on with Computer-share. The rest of its business is centred on data management, and some in the industry believe it may cast an eye over the ASIC registry, which Canberra is expected to offload via an IPO or a trade **sale** once a scoping study by investment bank Greenhill is completed.

PEP, one of the most active private **equity** firms in Australia, is unlikely to shed its entire 50 per cent **stake** in Link. However, co-owners Macquarie, which controls close to 10 per cent and holds a board seat, along with minority stakeholder Intermediate Capital Group, may roll out entirely.

Link's **purchase** of Superservice, a business that ran with an expensive new IT platform, deepens the **company**'s ties to the retirement industry. It specialises in superannuation administration, providing services through Australian Administration Services, Primary Superannuation Services, the Australian Superannuation Group and Link Super.

PEP bought Link in 2005 but has radically grown the business since then with bolt-on acquisitions totalling over $1.5bn.

Z **Energy** on radar DESPITE turbulent conditions, the sport of predicting the next block trade continues apace.

The latest to hit investors' radars is Z **Energy**, a gas station owner that supplies a third of New Zealand's fuel. Z **Energy**'s float earlier this year created the first listed transport fuel distribution **company** in New Zealand and followed a string of privatisations in the country's **energy** sector.

Infratil and the New Zealand Superannuation Fund control a combined 40 per cent stake in the $NZ1.7 billion ($1.6bn) company.

A recent global roadshow that traversed Asia, Europe and North America set some fund managers thinking about whether a move to woo investors outside of the earnings season, signalled an imminent trade. A full rollout is unlikely but halving the stake is a distinct possibility.

Fuel distributors, such as Caltex, are cushioned by falling oil prices, given their tardiness in passing on the discounts, so the trade is also likely to draw huge investor demand.

As always, the lead managers to an IPO are in the frame for any large-scale sell-down. This means that First NZ Capital, Goldman Sachs New Zealand, Deutsche Craigs Investment Partners and Forsyth Barr are all in the frame.

DBS awaits local debut SINGAPORE'S largest bank is awaiting regulatory approval to set up an Australian operation as it expands across Asia and the Pacific.

DBS Bank, which booked a $S3.50 billion ($3.16bn) profit last year, has already extended loans to a handful of blue-chip corporates as well as funding a number of high-profile infrastructure deals, including the $1.75bn Port of Newcastle acquisition earlier this year by Hastings Funds Management and China Merchants. The Singaporean heavyweight also participated in the lending syndicate to the $5.07bn privatisation of Port Kembla and Port Botany, which was bought by a consortium comprised of three Australian companies, Industry Funds Management, AustralianSuper and QSuper, as well as Tawreed Investments, a subsidiary of the Abu Dhabi government.

DBS corporate clients are understood to include Lend Lease as well as Toll Holdings and Origin Energy.

As The Australian revealed last month, Origin is in the midst of a $6.6bn refinancing deal that involves close to 30 different lenders.

The new terms of its facility are expected to be finalised by the end of the year.

A physical footprint in Australia will allow DBS, which operates in 17 countries, to build on its existing operations.

Its foray into the market mirrors ANZ's move into Asia. The Australian bank, headed by Mike Smith, is targeting aggressive growth rates in the region and recently appointed Huang Xiaoguang, the former president of Bank of America in China and president of Citibank China, to run its China business.

DBS declined to comment on its Australian push but sources claimed the bank would continue its focus on corporate banking.

A greater drive into what the bank terms "affluent banking" or wealth management may also be on the cards given it has pursued this strategy in other markets.

DBS has been bolstering its reach in the region, mainly to provide services for Singaporean and Chinese clients.

Sources said DBS had tapped Helen Yap, the former Australian general manager for Singaporebased OCBC Bank, to head the local operation, which could begin with one branch in Sydney.

DBS forged into Hong Kong in 1999, and has grown steadily since then to manage assets of more than $HK300bn ($45bn).

Menora sale extended A DEADLINE for the sale of Melbournebased Menora Foods is likely to be extended until next month as potential suitors continue to sift through due diligence material on one of the nation's largest privately owned food marketing and distribution businesses.

According to sources, management had hoped to finalise a $100 million deal by this month.

Menora, which is still partially owned by one of the founders, Daniel Gluck, has held negotiations with at least five prospective buyers since July. But despite opening a data room, it seems the suitors are in no hurry to close a deal before Christmas.Most of the bidders are trade buyers from local and offshore companies who are keen to grab a slice of the rapidly consolidating food sector in Australia. Local food businesses have been in high demand from overseas investors who are keen to ramp up exports to the Asian market. CIMB and Moelis are jointly running the sale.

CO peprt : Pacific Equity Partners

IN i81502 : Trusts/Funds/Financial Vehicles | i8150203 : Private Equity | ialtinv : Alternative Investments | ifinal : Financial Services | iinv : Investing/Securities

NS c1711 : Initial Public Offerings | c02 : Corporate Changes | c14 : Stock Listings | c17 : Funding/Capital | c171 : Share Capital | 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 AUSTLN0020141202eac30002m

