

FINANCIAL REVIEW

SE Market Wrap - Street Talk
HD **Macquarie Bank snaps up over third of BrisConnections' debt**

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BrisConnections' **sale** plans for its \$2 **billion** AirportlinkM7 toll road look set to be derailed after its largest debt-holder acquired a blocking **stake** late last week.

Street Talk can reveal Macquarie Bank held a reverse auction on Friday to snaffle \$100 **million** worth of BrisCon's debt. Macquarie, already BrisCon's biggest debt-holder, with a 20 per cent **stake** in the lending group, now owns more than a third. This means the bank can effectively block a potential **sale** process or hand control to another party.

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As previously reported by Street Talk, Macquarie has been seeking to delay the AirportlinkM7 toll road **sale** for some time. It argues the road could be worth significantly more in the future. As BrisCon's bolted-on group of original backers have offloaded their loans to hedge funds, Macquarie has been lobbying its cause in Asia and the United States as it looks to pick up more debt.

Macquarie's emergence as the king-marker in BrisCon's future comes at a torrid time for the bankrupt toll road operator. Its receiver is suing planning and project management **firm** Arup over bungled traffic forecasts for Airportlink, alleging Arup made a series of representations concerning the annual and daily traffic volumes and revenue forecasts from 2007 that were misleading and negligent.

Meanwhile, distressed debt hedge funds have flocked to BrisCon's register in the past six weeks, taking positions previously held by traditional lenders such as ANZ Banking Group and Société Générale.

BrisCon receiver PPB Advisory and advisers have since met the road's new owners, which include Centerbridge Partners, Strategic Value Partners, King Street Capital Management, Silver Point Capital and Davidson Kempner.

Macquarie declined to comment when contacted by Street Talk over the weekend.

Elsewhere, Fosun, **China's** largest privately held conglomerate, is poised to secure its first takeover of a listed Australian **company** after gaining more than 50 per cent of acceptances for its \$474 **million** cash takeover of ROC **Oil**.

Fosun will declare to the market on Monday that its offer is now unconditional. The **Chinese** behemoth swooped on ROC in August with a knock-out cash bid – scuttling a controversial all-scrip merger with larger rival Horizon **Oil**.

CO brsont : BrisConnections Unit Trusts | mcqbnk : Macquarie Group Limited

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