

FINANCIAL REVIEW

SE Market Wrap - Street Talk
HD **TPG poised to send flyer for Alinta's \$4 billion trade sale**
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Private **equity** player TPG Capital is losing no time pushing ahead with its **sale** plans for Alinta **Energy**, with a flyer due to land in the inboxes of potential bidders as early as next week.

The document, containing an overview of the power supplier's financial performance, will be sent to multiple domestic and international parties, some of whom have already expressed their interest to TPG.

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Among the key financials are the numbers of earnings before interest, tax, depreciation and amortisation, which have seen a marked uplift since TPG took control of Alinta through a debt-for-**equity** swap in early 2011.

EBITDA is now around \$350 **million**, up from about \$220 **million** at the time of the deal, which was part of a split of power and pipelines assets after a 2007 takeover by Singapore Power and Babcock & Brown funds. Analysts have placed a \$3.5 **billion** to \$4 **billion** valuation on the **company**.

Alinta's WA business is the biggest contributor to profits, although the Flinders venture in South Australia is now turning a marginal profit rather than the losses of three years ago.

Lazard-advised TPG has its eye fixed firmly on a trade **sale**, with no **energy** being wasted on a dual-track process to consider an IPO as well. An information memorandum would follow the flyer as the full-blown process gathers steam.

Elsewhere in **energy**, AMP Capital is said to have brought a third party into its bid consortium for BG Group's \$US4 **billion** gas pipeline at its LNG project in Queensland, alongside **China** Investment Corporation, which Street Talk revealed last week had joined the group.

CIC would typically hold 20 per cent to 30 per cent, leaving a chunk for a third partner.

As earlier noted, APA Group is already there as a key bidder on its own, as is Cheung Kong Group, and IFM Investors with QIC Ltd. Final bids are due on November 28.

Finally, Bank of Queensland's search for a new chief executive is heating up. Former head of institutional banking at Commonwealth Bank, Ian Saines, was one name under consideration by the Roger Davis-chaired board, although it is believed he doesn't want to move to Queensland. Saines, who did not return calls, threw his hat in the ring for the top job at CBA when Ralph Norris left and Ian Narev was given the nod three years ago.

Since Stuart Grimshaw abruptly took his leave in August, BoQ has run a thorough external and internal review, but the board is said to be split.

Chief operating officer Jon Sutton has assumed the reins as acting CEO. He's a safe pair of hands but investors say chief financial officer Anthony Rose can't be ruled out.

CO sinpow : Singapore Power Ltd | alnhla : Alinta Energy Limited | tpgpar : TPG Capital Management LP |
chotai : Chow Tai Fook Group | tmasek : Temasek Holdings Pte Ltd

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