

HD TPG puts Alinta **Energy** on the block

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TPG Capital has tapped Lazard Group LLC to find a buyer for its Australian gas and electricity retailer Alinta **Energy**, powering up a **sale** that is expected to value the **company** at as much as A\$4 **billion** (\$3.54 **billion**).

"Alinta **Energy**'s owners are exploring future ownership options for the **company**," Alinta said in a statement issued Tuesday. "This process was always intended as part of Alinta **Energy**'s private **equity** ownership structure."

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A **sale**, which is likely to take place in early 2015, would end TPG's about-three-year stewardship of Alinta. The Fort Worth-based PE group took control of Alinta in 2011, when it led a consortium of creditors in a debt-for-**equity** swap that wiped out A\$2.8 **billion** of loans and halted Alinta's slide into bankruptcy.

TPG paid between 50 cents and 70 cents on the dollar to accrue about A\$650 **million** of Alinta's debt, before recouping about A\$270 **million** of the investment during a debt restructuring.

The timing of the **sale** appears designed to bring Alinta to market ahead of a planned privatization of power assets by the state governments of New South Wales and Queensland. The NSW government, in June, announced plans to sell a 50% **stake** in the electricity grid for about A\$20 **billion**. Queensland in September said it will sell a long-term lease on its electricity grid for about A\$28 **billion**. Both privatizations have been penciled in for 2015.

Sydney-based Alinta supplies natural gas and electricity to about 800,000 homes and businesses, principally in Western Australia. It also operates power stations with about 2,500 megawatts of base load, a thermal **coal** mine, a gas transmission pipeline and is developing a **solar** thermal power project.

Alinta was established in 2000 with the privatization of the West Australia government's power generation, gas trading, sales and transmission businesses.

TPG and its advisers are likely to seek a trade **sale** but will also consider an initial public offering, according to an unsourced report in Australia's Sydney Morning Herald. TPG did not immediately respond to a request for confirmation of its intentions.

Potential trade buyers include Australia's three largest **energy** retailers AGL **Energy** Ltd., Origin **Energy** Ltd. and CLP Group's EnergyAustralia, according to the Sydney Morning Herald. All three have significant assets on Australia's east coast and could be attracted by the opportunity to expand to Australia's west coast.

Australia's **energy** assets have been in demand this year, though interest may have been tempered in recent months by fears of an economic slowdown linked to **China**'s slowing growth.

In May, **Hong Kong**'s Cheung Kong Infrastructure Holdings Ltd. struck a A\$2.4 **billion** deal for Australian gas transporter Envestra Ltd. In June, AGL **Energy** finalized its A\$1.5 **billion acquisition** of state-owned Macquarie Generation.

CO lazltd : Lazard Ltd | tpgpar : TPG, Inc. | alnhla : Alinta Holdings

IN irenewf : Renewable Energy Facility Construction | i8150203 : Private Equity | i502 : Heavy Construction | i5020044 : Power Station Construction | i81502 : Trusts/Funds/Financial Vehicles | ialtin : Alternative Investments | iconst : Construction | icre : Real Estate/Construction | ifinal : Financial Services | iinv : Investing/Securities | i16 : Electricity/Gas Utilities | i814 : Banking | i831 : Financial Investments | i83101 : Investment Banking | ibnk : Banking/Credit | iutil : Utilities

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