

# FINANCIAL REVIEW

**SE** Market Wrap - Street Talk  
**HD** **Macquarie weighs leasing deal as ROC lures Asian buyer**  
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**LP**

Macquarie Group is preparing to lob an indicative offer next month to participate in the partial **sale** of Terra Firma's AWAS aircraft leasing unit, which some are valuing at US\$4 **billion**.

Macquarie, which has already received a teaser document and an information memorandum, is still running through the numbers after Terra Firma's advisers opted for a partial **sale** of its aircraft fleet.

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Goldman Sachs and Deutsche Bank were tasked in March with exploring strategic options for the 300-strong plane division, including a **sale** in its entirety or an initial public offering.

In May, they decided to forge ahead with the **sale** of 100 of the younger aircraft, and Street Talk has learned the transaction may see about 40 AWAS executives transfer to a potential buyer. There are some questions about whether Terra Firma and its advisers may change their minds again, but for the moment the partial **sale** is the favoured option.

Macquarie was scouring for partners in Asia and elsewhere earlier in the year to partake in the full-**sale**, and the situation remains fluid. But the **company** has shied away from some transactions in the industry in recent years, cautious about lofty prices.

A Macquarie-led group lost out to Sumitomo Mitsui Financial in 2012, as they bid for the Royal Bank of Scotland's plane leasing unit in a **sale** that fetched more than \$US7 **billion**.

Macquarie knows the Terra Firma assets well, however, as the **company** was an underbidder for AWAS in 2006 when Morgan Stanley sold the unit to the London-based private **equity firm** founded by Guy Hands.

Macquarie did acquire a large fleet of planes from American International Group's ILFC arm in 2010.

Elsewhere, the \$800 **million** ROC and Horizon merger took a surprise twist on Wednesday.

Sources claimed ROC's surprise suitor, which approached the **company** last Friday, is an Asian **company**. Although many pointed to a cashed-up **Chinese** buyer, it is worth noting **Hong Kong**-listed **oil** trader Brightoil Petroleum cast an eye over ROC a few years ago. However, some have questioned why BrightOil would return at a higher price.

Another potential candidate is Tamarind **Energy**, run by Ian Angell, who previously worked for Talisman Malaysia. The **firm** has a funding commitment from private **equity** giant Blackstone and a tilt at ROC would fit with their investment ambition.

While the takeover bid caught the market unawares, it is understood a fourth party may emerge. AWE and Senex are known to be considering their options.

**CO** mcqbnk : Macquarie Group Limited | terfirm : Terra Firma Capital Partners Limited

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