

FINANCIAL REVIEW

SE Market Wrap - Street Talk
HD **AGL Energy** paves way for \$1.2b cash call
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WC 382 words
PD 18 July 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 14
LA English
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Few things excite equities desks like an unexpected profit update from an **equity** raising candidate. So the alarm bells rang when AGL **Energy**, which has flagged a \$1.2 **billion** cash call, pre-released its 2014 financial year profit on Thursday morning.

It turned out to be a false alarm. But hedge funds and bankers expect next time will be a different story, with the groundwork laid for an **equity** offer.

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Sources said AGL, which has signalled the \$1.2 **billion** raising to fund its Macquarie Generation **purchase**, is unlikely to hit the button until the release of its full-year accounts on August 20.

But now the disappointing headline number is in the market, it should make the deal an easier sell come raising day. It also took out the short-term share price reaction, with AGL dropping 5.5 per cent yesterday.

The **energy** giant will find out next Thursday whether the Australian Competition and Consumer Commission has given up trying to block the MacGen **acquisition**. Deal initially rejected

The ACCC initially rejected the deal, before the decision was overturned at the Australian Competition Tribunal last month. The regulator has 28-days to appeal the decision, which falls next week.

Even if AGL gets the green light next week, sources said it would make more sense to raise at the results. Citi, Deutsche Bank and Bank of America Merrill Lynch are on hand to manage the offer.

Rival Origin **Energy** is sitting on a \$1 **billion** cash call of its own which could come with its results on August 21. Elsewhere, the **Chinese** bid for \$1.4 **billion copper-gold** miner PanAust has thrown the spotlight on other Laos hopefuls and ASX-aspirant Zomia Resources.

Zomia, led by Axiom **Mining** founder Jake Gray, is seeking **equity** to restart a 30,000-ounce-a-year **gold** operation in the Asian nation, which it then hopes to increase to 100,000 ounces a year. If the pre-IPO funding round is successful and Zomia gets into production, it could list with a \$50 **million**-odd market capitalisation next year.

Paradigm Securities is advising the **company** through the pre-IPO stage.

CO agkega : AGL Energy Limited | macgen : Macquarie Generation
IN i16 : Electricity/Gas Utilities | i16101 : Electric Power Generation | iutil : Electric Utilities | iutil : Utilities
NS ccat : Corporate/Industrial News
RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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AN Document AFNR000020140717ea7i0002y