

SE Business
HD **DATAROOM**
BY EDITED BY BRIDGET CARTER
WC 1,125 words
PD 7 November 2014
SN The Australian
SC AUSTLN
ED Australian
PG 20
LA English
CY © 2014 News Limited. All rights reserved.
LP

AMP, John Laing in hunt for hospital AMP and Britain's John Laing have been named among the four groups short-listed to buy the Royal North Shore Hospital, likely to sell for up to \$1 **billion**, according to sources.

The groups have made it through to the second round of the bidding process, along with two other unnamed contenders.

TD

However, **Hong Kong**-based Cheung Kong Infrastructure is believed to have been among those that have been left off the list.

AMP has been favoured to win the asset from the start of the process, deterring some advisers to enter the frame on the basis that they believed the financial giant would be tough to beat.

It is thought that AMP could be partnering with a group to buy the hospital that is being sold by Royal Bank of Scotland through advisers Goldman Sachs.

Last year, AMP purchased a portfolio of schools from RBS in Melbourne, triggering speculation it would win the latest process.

RBS was understood to have received indicative bids for the hospital from CKI, Queensland Investment Corporation, InfraRed, Palisade Investment Partners, Capella Capital and John Laing. But it is understood that some of the named bidders could be working in concert.

On offer is RBS's Infrashore, which effectively owns the asset. It has the contract through to 2036 to finance, design and redevelop the hospital through a public-private partnership.

Estia IPO worries AGED-CARE provider Estia, which has been earmarked for a float worth up to \$1.2 **billion**, may deter some investors due to the fact that it has lower occupancy rates than its rivals, sources said.

The business owned by Quadrant Private **Equity**, is being taken to the market before Christmas by advisers Deutsche, Morgan Stanley and UBS, who are presenting the IPO to investors this week.

Morgan Stanley analysts have valued the business at between \$1.05bn and \$1.19bn. It is understood that Estia's current occupancy levels are 90 per cent, which some say are almost 5 per cent less than its listed rivals Regis and Japara Healthcare.

Some have disagreed with sources close to Estia who have argued that its product is superior, given that it had a higher proportion of single rooms with ensuites and was more profitable on a per-bed basis.

There is also the suggestion that the lower occupancy translated into stronger earnings upside for the business.

Apache assets hunt APACHE **Energy**'s impending third-quarter results call last night was driving anticipation that news about its Australian asset sales could be nigh.

The months-long process by Apache to find a new home for its West Australian domestic gas business and its **stake** in the under-construction Wheatstone LNG project — as well as its **stake** in the Kitimat LNG project in Canada — has drawn plenty of interest from parties in that neck of the woods.

The cashed-up, project-hungry Woodside Petroleum has been interested from the outset in the Kitimat **stake**, but is also said to be prepared to make an offer on Wheatstone if Apache is determined to sell the assets together.

Pavilion **Energy**, wholly owned by the Singapore government's investment vehicle Temasek, is also said to still be in the hunt.

At least two Australian players are thought to have taken a look at Apache's domestic gas business. Kerry Stokes's Seven Group is said to have teamed up with private **equity** group KKR with an eye to making an offer, while Fortescue Metals Group is also in a consortium studying the assets.

APN spin-off concern SOME APN News & Media investors may be about to quash the **company**'s plans to spin out its New Zealand assets as part of an initial public offering on the New Zealand and Australian sharemarkets.

As APN released a 22-page presentation yesterday about its recently rebranded New Zealand business NZME, investment **firm** Allan Gray, which holds a 19 per cent interest, raised concerns about the **company**'s potential IPO plans, saying that it could not see how it was going to be a good idea if a strong price was not achieved.

It argued the New Zealand business would be better off being retained, despite the **company**'s debt-heavy position.

APN and its advisers for the NZME business, Forsyth Barr and First NZ Capital-Credit Suisse, are fronting investors this week, testing appetite for a potential sharemarket float estimated to be worth anywhere between \$280 **million** and \$490m.

The **company** says it has not yet committed to any IPO plans. However, given APN wrote down the value of its New Zealand mastheads yesterday by \$54m, some say the chances of securing a strong price for the assets are limited.

According to APN's presentation, NZME's earnings before interest, tax, depreciation and amortisation of \$74.6m this year and \$70.8m the following year, also leaves some questioning about how the business will achieve a high price.

Within NZME's portfolio of print, digital and radio assets are New Zealand's largest newspaper, The New Zealand Herald, and No 1 radio station NewstalkZB.

As well, the **company** hopes to generate earnings upside by introducing a paywall for its digital content.

It is understood that APN was hoping to secure about seven times earnings for the business, but others say a multiple of about four times is more appropriate.

Montara sell-off stalled IT is believed the sales process for the \$1.5 **billion** Montara oilfield off the coast of northwest Australia has stalled, with the asset still in the hands of advisory **firm** JPMorgan, but no buyer yet found.

The vendor, PTTEP, owned by the Thai government, is understood to have had bullish price aspirations for Montara and also its Cash and Maple asset, which was also previously for **sale** for about \$500 **million**. Montara has been on the market since March.

Groups such as KKR and Santos are believed to have looked at the asset, which hit peak production this year, and sources said parties were interested in buying just the **oil** produced, but not the asset itself. It comes as buyers in the **energy** sector are also expected to soon focus their attention on the private **equity**-owned Alinta **Energy**, which is up for **sale** through investment bank Lazard.

Alinta is being sold by TPG Capital, thought to be worth close to \$4.5bn, and was previously a distressed asset.

Some say that the logical buyers for the business are AGL **Energy** and Origin **Energy**, and advisers may have to split the **company**'s east and west coast assets and sell them separately to avoid competition issues with prospective buyers.

carterb@theaustralia.com.au

CO chkinf : Cheung Kong Infrastructure Holdings Ltd | austmp : AMP Ltd | hutwam : Hutchison Whampoa Limited

IN i502 : Heavy Construction | i82 : Insurance | i82002 : Life Insurance | iconst : Construction | icre : Real Estate/Construction | ifinal : Financial Services

NS cspin : Spin-offs | c02 : Corporate Changes | c11 : Plans/Strategy | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | cncc : New Companies Creation | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB News Ltd.

AN Document AUSTLN0020141106eab70005g