

# FINANCIAL REVIEW

SE	Market Wrap - Street Talk
HD	AGL <b>Energy</b> calls in back-up for MacGen bid funding
BY	Edited by Sarah Thompson, Anthony Macdonald and Gretchen Friemann
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LP	<p>AGL <b>Energy</b> has drafted in Deutsche Bank and Bank of AmericaMerrill Lynch to help fund its Macquarie Generation bid, with the two banks and Citigroup likely to handle a large rights issue should AGL's offer be successful.</p> <p>AGL is one of three bidders expected to lodge a binding offer for NSW's largest power generation <b>company</b> on February 5.</p>
TD	<p>The \$8.5 <b>billion</b> utilities giant has been working on its bid with Citi and Lazard for the past 12-months, but sources said it had recently called in Deutsche and BAML to ensure more sell-side support for the deal and likely share offer.</p> <p>Citi and Deutsche handled AGL's last <b>equity</b> raising in May 2012, when the <b>company</b> tapped shareholders for \$900 <b>million</b> to pay for its <b>purchase</b> of Victoria's Loy Yang A power station.</p> <p>On that occasion, AGL waited for the competition regulator to clear the deal before pushing the button on the <b>equity</b> offer. It faces the same level of competition scrutiny this time around.</p> <p>The ACCC has been considering AGL's MacGen bid since late last year and is due to report its findings on January 30. If AGL bought MacGen's two power stations, Bayswater and Liddell, more than 70 per cent of NSW's generation capacity would be owned by majors AGL, Origin <b>Energy</b> and EnergyAustralia.</p> <p>NSW Treasurer Mike Baird said he would consider offers for one or both of MacGen's power plants, and wants a <b>sale</b> around the \$2 <b>billion</b> book value. Goldman Sachs is running the auction.</p> <p>AGL is up against UBS-advised ERM Power, which is considering a large <b>equity</b> offer of its own, and Marubeni who is working with Credit Suisse. Macquarie Capital and Morgan Stanley had been advising <b>China's</b> Shenhua, but the bidder recently pulled out.</p>
CO	agkega : AGL Energy Limited   macgen : Macquarie Generation
IN	i16 : Electricity/Gas Utilities   i16101 : Electric Power Generation   ieutil : Electric Utilities   iutil : Utilities
NS	c183 : Privatizations/Nationalization   ccat : Corporate/Industrial News   c18 : Ownership Changes   cactio : Corporate Actions   ncat : Content Types   nfact : Factiva Filters   nfcpin : FC&E Industry News Filter
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