

FINANCIAL REVIEW

SE Market Wrap - Street Talk

HD **Second round bids due for JPMorgan distressed debt unit**

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Second round bids for JPMorgan 's Global Special Opportunities Group, an Asia-based principal investment business worth as much as \$1 **billion**, are due on Monday.

Bain Capital 's debt arm, Sankaty Advisers, is running hard at the deal which would provide the successful acquirer with a significant platform into the Asia-Pacific. More than half of the loans are in the region.

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The **Hong Kong**-based Global Special Opportunities Group, which manages assets worth about \$US2.1 **billion** (\$2.3 **billion**), includes loans out to Metro GlassTech, Griffin's Foods and MediaWorks, all based in New Zealand.

In Australia, it has investments in Peters Ice Cream, Accolade Wines, DFO South Wharf and Townsville-based Domain Central, Queensland's largest bulky goods and outlet shopping centre.

The unit also includes mezzanine loans to US and European companies.

New York-based hedge fund Davidson Kempner and global private **equity** giant KKR have been cited as potential buyers although some argue the latter has dropped out.

Bain's Sankaty may have the competitive edge, given it snapped up the Lloyds' Murray portfolio in Australia last year.

The unit has been seeking to expand in Australia and in 2012 drafted in Mitchell Stack, the Future Fund's former head of fixed debt and alternatives, to spearhead its growth.

Prior to the Murray portfolio **purchase**, Sankaty, which has close to \$16 **billion** under management and recently hired Archer Capital investment associate Chris Coates, had been involved in several Australian distressed debt situations, most notably the \$2 **billion**-plus debt for **equity** swap of Australia's largest **energy** infrastructure **company**, Alinta.

CO grison : Griffin's Foods Limited | rickl : R&R Ice Cream Ltd | sauzuq : Metro Performance Glass Ltd | cnyx : JPMorgan Chase & Co. | jgsum : JG Summit Holdings Inc | paipar : PAI partners | unvrob : Universal Robina Corp

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