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Doubts over price for APN's NZ float APN News & Media executives are expected to meet with Australian institutions in the next two weeks for the planned float of its New Zealand business, which it recently renamed NZME.

But there's some suggestion advisers could get a frosty reception from Australian institutional investors when they reveal how much the deal is likely to set them back.

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On offer in APN's stable are The New Zealand Herald, The Radio Network and the digital business GrabOne.

While talk in the market is that APN is hoping to secure between 6 and 7 times earnings for a float of the division, some question whether a price tag closer to about 4 times earnings before interest, tax, depreciation and amortisation is more appropriate in its attempts to create investor appetite.

Others closer to the business argue the pricing was justified, given APN's more lucrative radio business — New Zealand's largest — had a higher multiple, more like 8 to 9 times earnings, and offset the lower value assigned to print. The introduction of digital subscriptions is also hoped to provide some upside.

APN has appointed New Zealand firms Forsyth Barr and First New Zealand as advisers for the float, which comes after other larger banks such as Deutsche, UBS and Goldman Sachs were said to have lost interest in the process because of the way it was being structured.

Grant Samuel conducted the due diligence, packaging and positioning on the $300m-plus New Zealand business, leaving the advisers the job of selling it down for an IPO.

One option for how the deal could be structured, one source suggested, was as a "bought deal", which is akin to a block trade.

It effectively leaves the banks in a position where they first buy the **stake** earmarked for the IPO then onsell it. However, sources close to APN have said no structure for the deal had yet been agreed.

APN's plans are understood to involve the **sale** of a 60 per cent interest in the **company** to the market, thought to be worth about $150m, with the remaining **stake** likely to be subject to escrow.

Some question whether the transaction could **wind** up in a similar situation to the New Zealand business Hirepool, where Australian investors were favoured over smaller buyers across the Tasman, only for them to show limited interest.

When attempts to secure Australian investor support were unsuccessful, Hirepool suspended its IPO plans.

Meanwhile, it is understood that Mediaworks has accelerated plans for an IPO, with UBS on board and at least one other yet-to-be appointed investment bank.

The business owns New Zealand television channels TV3 and Four and a suite of radio stations, including The Edge, The Rock and More FM.

Inghams' float on track THE Ingham family's modular housing park float, Tasman Lifestyle, is set to have a market capitalisation of between $109 **million** and $129m.

Meetings with institutional investors began last Thursday, ahead of next week's book build, with shares priced at $1 each, in a deal handled by the Commonwealth Bank.

The pricing equates to between 13.5 and 16.5 times net profit forecasted for the 2015 financial year.

The deal would see the Ingham family and its interests stage a complete exit from the business, with gross proceeds to be $72m.

Chief executive Rob Nichols owns about 20 per cent of the **company** and would retain his entire **stake**.

The float would comprise a business owning up to 11 properties that could accommodate 1500 tenants at separate locations in NSW and Queensland.

There would be plans to buy more properties and for some development. Tasman Lifestyle would have a forecasted distribution of 3.9 to 4.8 per cent. It would compete with other groups already invested in the manufactured housing space.

These included the listed retirement operator Ingenia and Alceon, a **company** backed by investment bankers Trevor Loewensohn and Phil Green.

Healthy start for Orion APN is not the only deal that adviser First NZ Capital is focused on across the Tasman — it's also among the firms working on the float of New Zealand-based health software provider Orion Health.

The Auckland-based business, set to list in Australia, plans to expand across 30 countries, providing software that helps hospitals manage healthcare information.

In the **company**'s lodged prospectus, it indicated its shares would be priced at a range between $NZ4.30 and $NZ5.70 ($3.84 and $5.10) each.

Orion Health would raise between $NZ120m and $NZ155m in new shares and an entity associated with founder and chief executive Ian McCrae would sell a **stake** worth up to $NZ5 **million**.

Based on the indicative price range, the **company** would have a market capitalisation between $NZ600m and $NZ795m. The final price and number of new shares to be sold would be determined in a book build on Thursday and Friday next week.

Mr McCrae, who founded the **company** in 1993, will remain the largest shareholder after the float and retain about 50 per cent of the **company**.

First NZ National is joint **lead** manager with Deutsche Craigs and the business is slated to list on the NZX and Australian Securities Exchange on November 26.

Buyers shun port **sale** INDIAN **mining** giant Adani Group outed Morgan Stanley as its adviser yesterday for a potential selldown of its $2 **billion** Abbot Point **coal** port in Queensland.

But few buyers are said to have so far shown interest in the asset, which had been available for **sale** since at least July, as first flagged by The Australian.

One thought was that the group would expand the port and retain the newly developed area, selling off the existing port.

The port is one the nation's most significant for emerging **coal**. Located 25km northwest of Bowen on Queensland's north coast, it is earmarked for expansion.

Mining giants BHP Billiton, Rio Tinto and Glencore Xstrata are its three main customers. Previous options had included a **sale**, partial **sale** or refinancing as an increasing global **coal** supply caused export demand for the commodity to plummet.

Groups such as Brookfield sounded out the asset several months ago, although it is not thought to have netted any prospective buyer.

Logical suitors would include groups that bid for the Newcastle Port such as **China** Merchants and Hastings Funds Management.The asset is on offer at a time **billions** of dollars worth of infrastructure assets are being poured on to the Australian market by governments and the private sector.

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