

SE Business Spectator
HD Debt fuels State Grid asset bid
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LP State Grid is believed to be funding its bid for the NSW transmission network with 80% debt.

State Grid is believed to be funding its bid for the NSW transmission network [TransGrid](#) with 80 per cent debt.

TD The company is poised to lob a knockout bid in conjunction with Macquarie's infrastructure arm ahead of today's deadline for final offers to buy the asset.

Other global groups may also use this level of debt funding, which could count against some of the more conservative locally listed funds, which would have about 40 per cent debt capacity.

However, the Foreign Investment Review Board is expected to play a major role in the contest, with some questioning whether the Chinese government-owned State Grid will receive clearance.

State Grid and Macquarie are among the four final parties competing for the asset that is expected to sell for more than \$8 billion.

Elsewhere, [AES Corp](#), advised by [Goldman Sachs](#), is believed to be out of the contest to buy IFM's \$2bn renewable energy business [Pacific Hydro](#), which is up for sale through [Bank of America Merrill Lynch](#) and [Credit Suisse](#).

It comes with suggestions that a trade buyer could still be in discussions with private equity firm Affinity over a sale of its \$NZ700 million-plus poultry producer Tegel. This is despite the theory that the company had abandoned attempts to embark on a trade sale via [Deutsche](#) and [Goldman Sachs](#) and was now proceeding with a public float next year.

The market is betting that the most likely buyer would be Thai poultry producer [Charoen Pokphand](#).

This article first appeared in [The Australian Business Review](#)
[<http://www.theaustralian.com.au/business/dataroom/debt-fuels-state-grid-asset-bid-for-transgrid/story-fnjw8txa-1227618884475?sv=a218153a6f261e95ec740c79e9aecd1e>].

CO aescor : The AES Corp | tastr : TransGrid

IN i1 : Energy | i16 : Electricity/Gas Utilities | i16101 : Electric Power Generation | ieutil : Electric Utilities | iutil : Utilities

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

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