IFR EUROPEAN ECM BRIEFING

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EMEA EQUITIES

BOOKRUNNERS: 1/1/2013 TO 7/6/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Goldman Sachs	25	8,618.4	10.5
2	Deutsche Bank	29	7,566.1	9.2
3	BofA Merrill Lynch	24	6,688.6	8.1
4	Morgan Stanley	22	6,367.8	7.7
5	UBS	25	5,838.0	7.1
6	Citigroup	23	5,636.7	6.8
7	JP Morgan	25	4,639.3	5.6
8	Credit Suisse	23	3,426.1	4.2
9	Barclays	13	3,057.3	3.7
10	Societe Generale	12	2,876.4	3.5
	Total	**298**	**82,460.0**	

Source: Thomson Reuters (SDC code: C4c)

EMEA CONVERTIBLES

BOOKRUNNERS: 1/1/2013 TO 7/6/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Deutsche Bank	9	2,362.8	18.7
2	UBS	7	1,213.2	9.6
3	BofA Merrill Lynch	5	1,041.0	8.2
4	BNP Paribas	8	945.0	7.5
5	Morgan Stanley	4	821.8	6.5
6	Goldman Sachs	4	709.2	5.6
7	Societe Generale	3	692.6	5.5
8	Credit Suisse	3	664.5	5.3
9	Barclays	4	651.8	5.2
10	Mediobanca	4	587.1	4.6
	Total	**27**	**12,656.4**	

Including exchangeables

Source: Thomson Reuters (SDC code: M9)

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Goldman Sachs is in the market tonight with an accelerated sale of 14.4m shares of Legrand, the entire stake of Wendel. Price guidance is €35.90 to market, a 3.29% discount to today's close of €37.12 at the wide end. The sale represents 5.4% of the share capital and is worth around €534.52m, based on tonight's closing price.

Pre-marketing began today on what is likely to be the last major European IPO to launch before the summer break. Private equity-owned residential real estate group **Deutsche Annington** is targeting €400m of primary proceeds and undisclosed selling from Terra Firma Capital Partners, which currently owns 85.33%, and CPI Capital Partners Europe, which holds 14.67%. The transaction size is expected to fetch up to €1bn.

Terra Firma created the business in 2001 when it acquired 10 regional property companies from the German Federal Railways, adding Viterra and its portfolio of homes for around €7bn in 2005. According to Terra Firma documents, Citigroup originally acquired a 17.5% interest in 2006, but this has since been slightly trimmed.

Primary proceeds will go towards partially paying off loans. Deutsche Annington also disclosed a €2.5bn unsecured loan today provided by JP Morgan and Morgan Stanley. Bankers said Deutsche Annington should be attractive as it was the largest privately-held residential real estate company in Germany, focused nationwide unlike some of its peers and with a relatively low loan-to-value ratio of 54%.

However, peers such as LEG Immobilien and GSW Immobilien had LTV's of 47.86% and 53.2% at the end of the first quarter, with likely key peer Deutsche Wohnen not much higher at 54.7%. Gagfah Group is also a potential peer, although recent restructuring meant it had appeared less frequently in pilot fishing discussions.

Post-IPO, Deutsche Annington said it would diversify part of its debt into unsecured investment-grade bonds.

A secondary greenshoe will be included but size is yet to be decided. The free-float is expected to be around 25% on the base deal and scheduling is at present a standard two weeks of pre-marketing and two weeks of roadshows, putting the launch of bookbuilding around June 24 and pricing around July 8.

JP Morgan and *Morgan Stanley* are joint global co-ordinators and joint bookrunners with *Bank of America Merrill Lynch* and *Deutsche Bank*. *Berenberg Bank* and *Kempen & Co* are joint lead managers, with *Commerzbank*, *Erste Group* and *Societe Generale* as co-lead managers.

The Polish unit of **BNP Paribas** launched a secondary share re-IPO today that could be worth up to Z716m (US$223.34m), based on today's closing price of Z83.50. BNP Paribas Bank Polska is offering 8.575m secondary shares to raise its free-float to 15%, allowing it to fulfil a commitment to the Polish financial supervision authority. The bank is almost entirely owned by units of BNP Paribas and currently has a free-float of 0.1%.

Pre-marketing began today and the offering will follow the usual two-plus-two schedule, which means books will open the week beginning July 8.The shares will probably be added to the Warsaw listing the following week.

BNP Paribas acquired the unit in 2009 when took over Fortis. The unit has targeted 6%–8% annual revenue growth for the next three to four years and says it is aiming to reduce its cost income ratio to below 60%, down from 74.0% in 2012. It also plans to push its return on equity above 10%, up from 1.9% in 2012, and to reduce impaired loans in its credit portfolio to around 8%, down from 11.24% in 2012, while maintaining a capital adequacy ratio above 12%.

Citigroup is sole global co-ordinator and joint bookrunner alongside *BNP Paribas*. *ING*, *Dom Inwestycyjny BRE Banku* and *Santander* are co-lead managers.

Firstgroup's £614.43m rights issue opens for subscription tomorrow, having been approved by 96.52% of shareholders represented at today's EGM. The company is offering 722.86m new shares at 85p on a 3-for-2 basis. The subscription period will run until June 25. Proceeds are needed to ensure the company's debt retains its investment-grade credit rating.

The number of shares in issue will be increased by 150% from 491.90m to 1,214.76m, representing dilution of more than 60%. The record date was the close of business on June 7. The rights issue is fully underwritten. *Goldman Sachs* and *JP Morgan* are joint global co-ordinators and joint bookrunners with *Bank of America Merrill Lynch*. *HSBC* is joint lead manager.

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Shareholders of **National Bank of Kenya** have approved plans for a Ksh10bn (US$117.7m) rights issue in 2014. The bank has set out ambitions to grow turnover from Ksh8bn currently to Ksh31bn by 2017, with 30 new branches set to open during the period. Profits in 2012 were Ksh730m, lower than the previous year as a result of high interest rates leading to sluggish growth in retail lending, said the bank.

Emlak Konut cancelled its TL4.03bn (US$2.15bn) marketed follow-on last Friday evening because local market volatility made it difficult to achieve a price that protected the interests of its shareholders.

The offering of 130bn shares at TL2.65–TL3.10 had the misfortune to come to market at the same time as investor alarm over civil unrest in Turkey knocked 12.93% off the Istanbul Stock Exchange's BIST 100 from launch on May 31 to the close of business on Thursday.

A more positive international backdrop on Friday allowed the market to recover some of its losses but the index had still lost 10.14% since the offer was launched. The shares were suspended for the duration of the offering. The shares fell sharply when they resumed trading today, closing at TL2.79, down 9.71% on the May 30 close. *Bank of America Merrill Lynch* and *Halkbank* are managing.

UAE healthcare firm **Al Noor Hospitals Group** launched roadshows today for a US$320m–$390m London IPO, with the bottom of the range offering a 20% discount to smaller peer NMC Health. Books opened with guidance of 525p–725p, representing P/E of 10.3–14.1 on 2014 estimated earnings, compared to 12.8 for NMC Health in the same period. The top of the range is a less attractive 10.15%.

Marketing will be focused largely on capturing UK and US interest, with the roadshow spending the first week in London, with one day in Edinburgh. After that, it will move to Abu Dhabi and Dubai, then on to New York and Boston, before returning to London for the final day.

Pricing should come on Thursday June 20, with a trading debut the following day.

"We are seeing a broader base of investors taking interest than we initially expected," another banker on the deal said. "The usual emerging market funds will probably be the main buyers but the larger healthcare funds and even regular asset managers have set up meetings with us."

Encouragingly, NMC has traded up 10.5% since the beginning of March, although one banker suggested that that was in part due to the growth prospects of the UAE healthcare sector being boosted by Al Noor's launch.

The free-float will be 31%–34%. With primary proceeds fixed at US$150m, the final number of shares and free-float is dependent on valuation. Secondary selling comes from private equity house Ithmar Group and Al Noor's founders. *Deutsche Bank* and *Goldman Sachs* are joint global co-ordinators and joint bookrunners with *HSBC*. *Rothschild* is advising.

THIS WEEK'S DEALS (DEALS OVER US$50M)

MONDAY

Emlak Konut (Turkey – Real Estate): CANCELLED up to TL4.03bn (US$2.15bn) open offer, 130bn prim at TL2.65–TL3.10, subs May31– June 7. *BofA Merrill, Halkbank*
Legrand (France – Electrical): up to €534.52m ABB, 14.4m (5.4%) sec at €35.90–€37.12. *Goldman Sachs*
FirstGroup (UK – Rail and Bus): £614.43m rights issue, 722.86m shares at 85p on 3-for-2 basis, 39.5% discount to TERP based on May 17 close, subs June 11–25. *Goldman Sachs, JP Morgan, BofA Merrill Lynch*

THURSDAY

NBG (Greece): €1.166bn rights, 272.96m shares at €4.29 on a 1-for-2.2 basis,Subs May 30—June 13
Avia AM (Lithuania – Aircraft leasing): up to Z226.9m (US$69.60m) IPO, 13.857m prim. and 323,926 sec. at max Z16.00, books June 12–June 13. *ING*

PIPELINE

- **June 16 – Kuwait Finance House** KD319.5m (US$1.12bn) rights, 639m (20%) at KD0.50. Subs Jun 1–16
- **June 17 – CVC Credit Partners European Opportunities (UK – Fund)** €300m-plus IPO, deal to close week begin June 17. *Goldman Sachs*
- **June 19 – Thomas Cook (UK – Travel Agent)** £305m rights issue, 401.55m (43.8%) on 2-for-5 at 76p (36.4% disc. to TERP), subs June 5–19, result June 20. *Credit Suisse, Jefferies Hoare Govett, Barclays, BNP Paribas, Societe Generale*
- **June 19 – bpost (Belgium – Postal Services)** €587.5m–€840m Brussels IPO, all secondary, 47m base, 9m upsize, 15% greenshoe, 23.5%-35% free-float, books June 6–19. *JP Morgan, Nomura, BNP Paribas, Morgan Stanley, UBS, ING, KBC.*
- **June 19 – Leasinvest Real Estate (Belgium)** €60.66m rights, 0.926m shares (23%) on 3-for-13 at €60.50 (11.6% disc. to TERP), subs Jun 5-19. *BNP Paribas Fortis*
- **June 20 – Al Noor Hospitals Group (UAE – Healthcare)** US$320m–$390m London IPO, fixed US$150m primary, 525p–725p, pricing Jun 20. *Deutsche Bank, Goldman Sachs, HSBC. Rothschild*
- **June 21 – Al Noor Hospitals Group (UAE – Healthcare)** US$360m–$540m LSE IPO, fixed US$150m prim, 30%–45% free-float. Books wk begin June 10. *Deutsche Bank, Goldman Sachs*
- **June 24 – BNP Paribas Polska** up to Z716m (US$223.34m) re-IPO, 8.575m (15%) sec,15% free-float.books June 24. *Citigroup, BNP Paribas*