

Case Study

Plenary Group Unit Trust



Issue Date	June 2014
Amount	\$35m
Maturity	16 June 2021
Term	7 years
Coupon	7.50%

Issuer Profile

The Plenary Group is Australia's leading independent sponsor, investor, developer and operator of public infrastructure projects commonly known as Public-Private Partnerships ("PPPs"). From inception in 2004 through to June 2014, Plenary had closed 23 infrastructure projects worth A\$12b spanning a number of industry sectors including – defence, education, health, justice, tourism and transport. PGUT is the entity which holds the groups equity in the Australian projects. PGUT is owned by the three founding directors and 20% by Deutsche Bank ("DB").

Issuer Need

At the time of issue, Plenary had ownership interests in eight infrastructure projects valued at approx. \$74m. Given the long dated nature of the PPP's, this equity was effectively "trapped" until 2029 which restricted further investment into new projects.

FIIG Solution

Working with FIIG to determine the most appropriate structure for Plenary and investors, Plenary created a new SPV, Plenary Bond Finance Unit Trust (PBF) specifically to act as the borrowing vehicle for the issuance of bonds, which could then be secured against shares in the eight infrastructure projects. PBF is a wholly owned subsidiary of the Plenary Group Unit Trust. This structure provided a layer of capital into the projects that could not be satisfied by the bank market.

Client Testimonial

Chief Financial Officer Morné Swanepoel said Plenary's decision was not based on immediate need but rather an opportunistic move when they were alerted by FIIG to the option of a bond issue and realised the value on offer.

"When we fleshed it out we assessed the overall cost of capital as attractive and we immediately went into execution mode," Mr Swanepoel said.

"For Plenary's business structure, the banking market was quite uncompetitive and the bond structure that FIIG came up with worked quite well. To develop such a product is quite unique and ground breaking."

FIIG Contact

Andrew McDonnell

Director - Debt Capital Markets

FIIG Securities Limited

Ph. (03) 8668 8856

FIIG provides general financial advice only. Visit fiig.com.au/disclaimer for a copy of our disclaimer.