

FINANCE EXPERTS ADVISE WESTPAC AND SUPER FUNDS ON A\$150 MILLION LONG-TERM DEBT RAISING

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Deals and cases

Herbert Smith Freehills has advised Westpac, AustralianSuper and IFM Investors on a A\$150 million long-term debt raising for Visy Industries.

The transaction sees Westpac arrange the lending of money by the super funds to Visy over 10 years, where it will be used to refinance existing senior debt.

The transaction comes as liquidity from institutional lenders increases, according to the Asia Pacific Loan Market Association.

“Liquidity from institutional lenders has been a steadily increasing feature of loan markets. Five years ago institutional lenders represented less than 1% of primary syndicated liquidity, growing to around 5% in 2016. However this volume is significantly larger once bilateral and secondary volumes are taken in to account,” APLMA Chair Michael Isaacs said.

“As the peak syndicated loan body in Australia, APLMA has actively sought to engage with these investors to foster their participation in primary and secondary loan markets in Australia, developing a deeper liquidity pool for borrowers.”

The Herbert Smith Freehills team was led by partner Andrew Booth who was supported by senior associate Josie Essery.

“We were very pleased to assist Westpac, AustralianSuper and IFM Investors on this deal and achieve a successful outcome for all parties. Visy was able to diversify its pool of lenders while the funds were able to add another blue chip client to their investments.” Mr Booth said.

Mr Isaacs said the APLMA Documentation Committee was uniquely placed to incorporate the requirements of institution lenders into the association's widely utilised standard form documentation.

"Member law firms, such as Herbert Smith Freehills, are active contributors to the committee and are able to utilise their experience on both the borrower and lender side to develop the documentation framework to facilitate institutional participation in the market," Mr Isaacs said.

Arnold Bloch Leibler advised Visy on the transaction.