

Erste Group & Ceska sporitelna advise buyers of Czech energy network, NET4GAS

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Erste Group & Ceska sporitelna advised the consortium of Allianz Capital Partners and Borealis Infrastructure on the acquisition of NET4GAS, the Czech gas transmission and transit system operator, owned by RWE AG

Erste Group & Ceska sporitelna also acted as Mandated Lead Arrangers for financing of the transaction; the total deal value amounted to ca. EUR 1.6bn

Erste Group and Ceska sporitelna acted as Co-Advisor to the consortium comprised of Borealis Infrastructure and Allianz Capital Partners in the successful acquisition of the Czech independent gas transmission operator NET4GAS. Furthermore Erste Group and Ceska sporitelna also acted as Mandated Lead Arrangers for financing of the transaction and committed a significant part of the acquisition financing club facility.

NET4GAS owns and operates a network of more than 3,600 km of high-pressure pipelines that both supply the Czech domestic market and transit natural gas through the Czech Republic to markets across Europe. NET4GAS is a provider of key infrastructure for the transport of gas in Europe, transporting approximately 35 billion cubic meters of gas each year.

Allianz Capital Partners, which is the captive, alternative asset platform of Allianz Group and Borealis Infrastructure, the infrastructure investment arm of the Ontario Municipal Employees Retirement System (OMERS), will each own a 50 percent stake in NET4GAS.

“Infrastructure funds, pension funds and insurers are now looking for new investment opportunities in infrastructure assets such as transmission and distribution networks, renewable energy assets, water utilities and transportation assets, which provide stable yields in a very low-interest rate environment. The transaction between RWE and the consortium of Allianz Capital Partner and Borealis Infrastructure perfectly fits this trend. We are proud to have worked on the purchase of a significant regulated Czech asset by reliable long-term investors such as Allianz Capital Partners and Borealis Infrastructure”, stated Ingo Bleier, Head of Investment Banking at Erste Group Bank.

“We expect regulated assets of utilities and oil & gas companies in CEE to continue to be an attractive investment proposition for institutional investors”, concluded Ingo Bleier.

Due to its effective mix of strong sector advisory capabilities and unrivalled local presence in the CEE region, Erste Group has managed to build substantial credentials in the energy and infrastructure sector. Erste Group has played a leading role in strategic energy and infrastructure transactions such as: financial advisory to CEZ in relation to the disposal of selected power plants including Chvaletice with regards to ČEZ’s settlement with the European Commission, financial advisory to the City of Prague in relation to the valuation of its stake in the Prague Gas Distribution Company, financial advisory to Unipetrol within the restructuring of its Paramo refinery, financial advisory to Czech energy transmission company CEPS in relation to the financing of the future investment program, financial advisory to GDF SUEZ in relation to its strategic interest in Energie Steiermark.

In addition Erste Group has been recently retained by the Romanian Government to act as Joint Bookrunner in the IPO of Romgaz.