

Street Talk

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# Citi, Barrenjoey pop up in Brookfield's \$17b Ausnet deal

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Ausnet's found a \$17 billion bid!



Ausnet owns and operates electricity and gas distribution assets in Victoria. **CARLA GOTTGENS**

The ASX-listed poles and wires company, part owned by Singapore Power and China's State Grid, is in play with a \$2.50 a security offer from Canada's Brookfield.

The bid values Ausnet at \$17 billion including debt or 1.68-times its regulated asset base.

Adara Partners and Citi are advising Ausnet, while Barrenjoey is understood to be on the buy-side.

Allens is doing Ausnet's legal work.

The bid follows earlier offers at \$2.35 and \$2.45 a security, and was enough for Ausnet's board to grant due diligence. Ausnet also said it was willing to recommend a bid at \$2.50 a security, if Brookfield could firm it up during diligence.

The bid's understood to come from Brookfield's "super core" fund, which invests in mature, cash-generative infrastructure assets globally. It has lower return hurdles than some of Brookfield's more traditional funds, which means it can bid up for the likes of Ausnet.

Ausnet's two big shareholders - Singapore Power and State Grid - are understood to be open to offers, which helped spark Brookfield's interest.

The bid is sure to have other infrastructure investors in Australia and offshore thinking about whether they should also join the fray. Every big infrastructure fund and banker in the country has an open file on Ausnet, because of its size and the quality of its assets.