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# CONVERTIBLE BOND WORKSHOP

## Berenberg & Grand City Properties

Frankfurt, May 2016

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# Convertible Bond Basics



# Convertible Bonds

## Simplified description of a CB



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*Convertible  
bond value*

$\geq$  *maximum ( bond floor , parity )*

Present value of straight  
bond component, without  
any conversion features

Intrinsic value of a bond  
if converted to shares  
at current market price

# Convertible Bonds

## The issuer's perspective (I)



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### Low cost of financing

- ▶ Coupon significantly below cost of straight bond
- ▶ Cost of debt is tax-deductible
- ▶ Ability to monetize stock price volatility efficiently

### Equity raised at premium

- ▶ Potentially raising equity at a significant premium to current market price
- ▶ Flexibility of the instrument helps to establish desired target financial structure

### Access new investor base

- ▶ Diversifies funding sources
- ▶ Increases demand by tapping new class of investors
- ▶ New debt and eventual new equity investors increase capital markets visibility

### Acquisition financing

- ▶ Low coupon reduces cash outflow during period of consolidation
- ▶ Conversion premium mitigates potential dilution

### Stake management

- ▶ Efficient management of a listed stake
- ▶ Alternative funding source

### Execution

- ▶ Quick execution
- ▶ Light documentation

### Positive market reaction

- ▶ Positive signaling effect
- ▶ Significant supply/demand imbalance in the current convertible markets helps issuers achieve favorable pricing terms

### Rating Agency

- ▶ A convertible bond can be a tool to protect or improve the rating

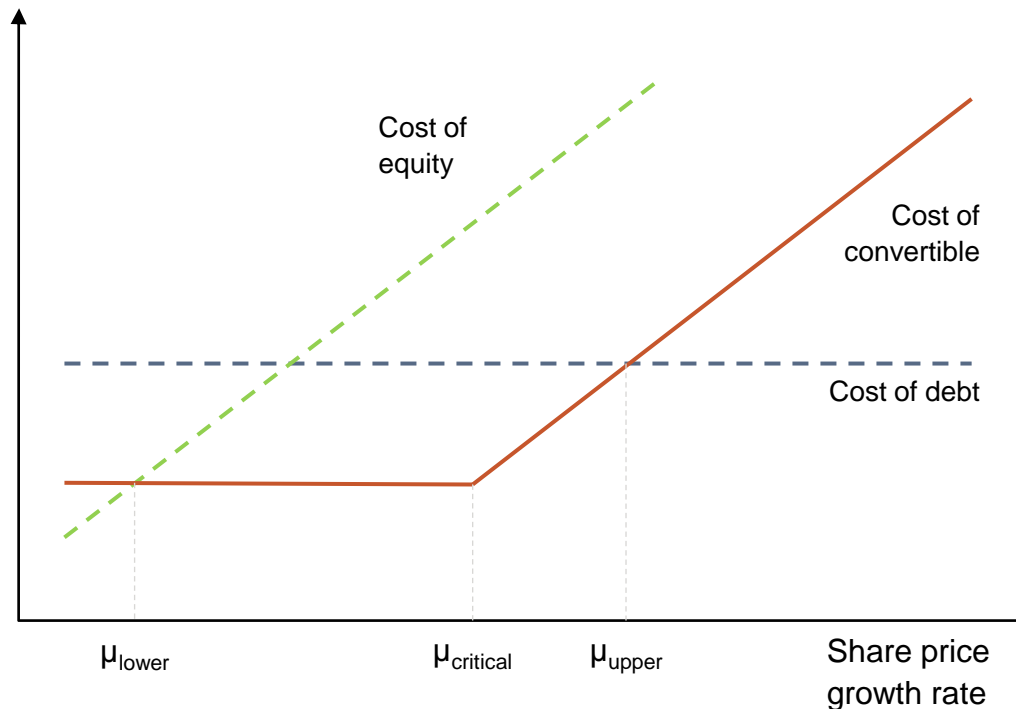
# Convertible Bonds

## The issuer's perspective (II)



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### Reduced cost of capital

#### From the issuer's perspective:

- If a company issues **equity** then its cost is the dividend yield + stock growth rate.
- If a company issues **straight debt**, then its cost is the par coupon rate (yield).
- If a company issues **convertible debt**, then its yield is usually much lower, owing to the built-in equity option. It can be more costly for the issuer if stock price shoots up during bond's life.
- Therefore an issuer would benefit if the stock's growth rate stays within  $\mu_{\text{lower}}$  and  $\mu_{\text{upper}}$  range.
- If the stock growth rate stays below this range, then issuing equity would have been more cost-effective. If the growth rate is above, then straight debt would have been more efficient.

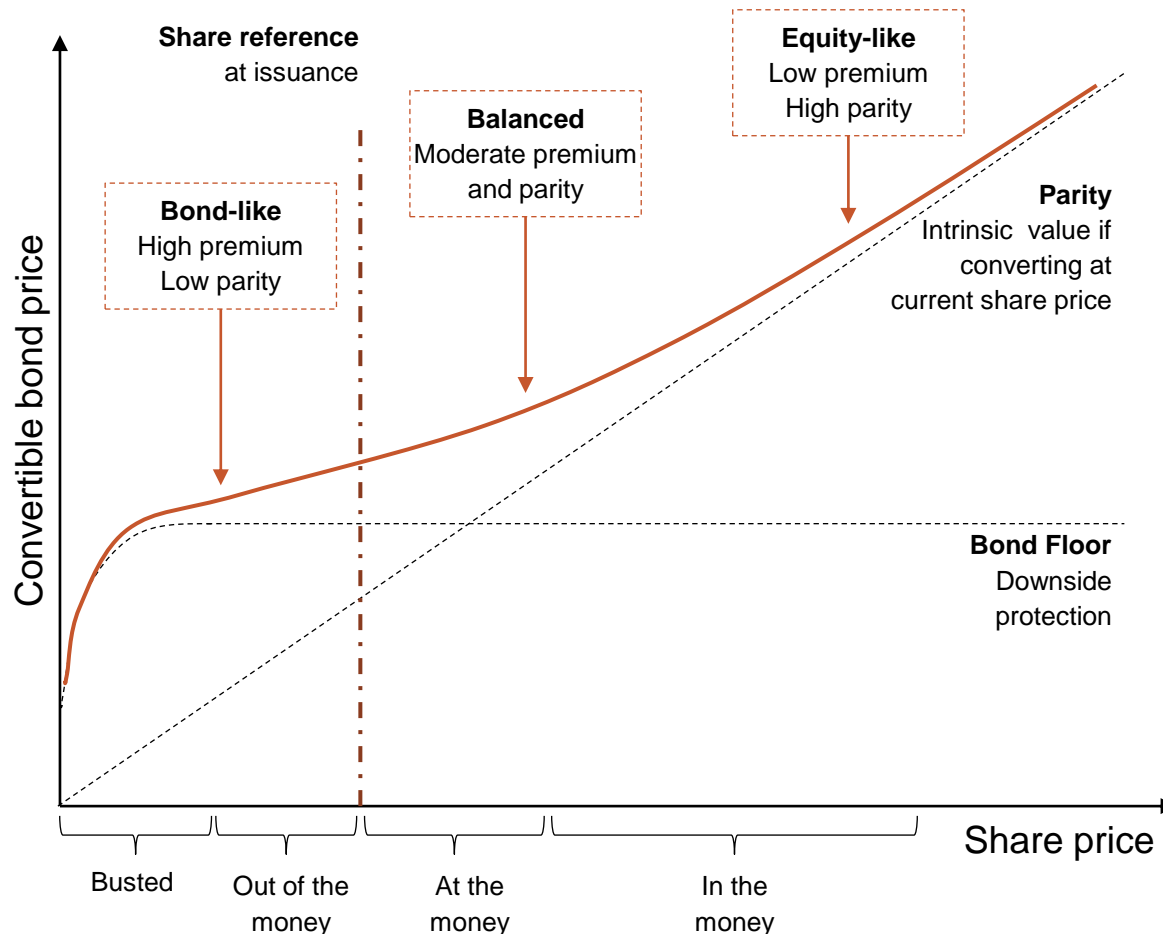
# Convertible Bonds

## The investor's perspective (I)



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### Convertible Bond Advantages

#### Participation in equity upside...

Through the embedded equity call option, CB investors gain equity exposure, enabling them to participate in share price increases

#### ...while having limited downside

A traditional CB is a fixed income instrument with a face value, maturity and regular coupon payments. This provides investors with downside protection in the form of a “bond floor”, i.e. the present value of future cash flows.

#### Positive convexity

The CB investor is more and more exposed to the underlying equity as the share price increases, but suffers less when the share price decreases. This makes a CB less volatile than the shares.

#### Attractive new issue pricing

To attract investors, new bonds are – on average – issued at a discount to their fair value.

# Convertible Bonds

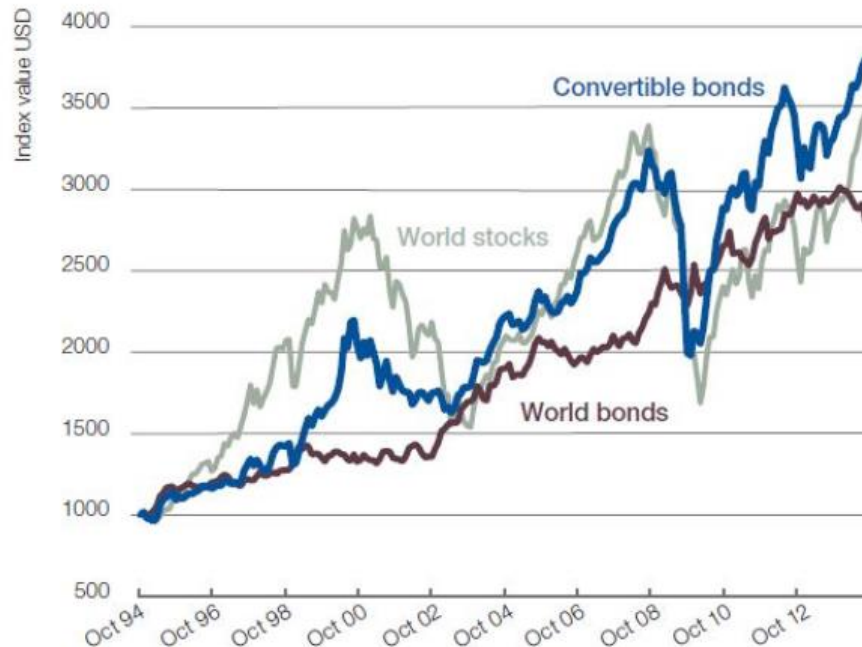
## The investor's perspective (II)



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### Convertible Advantages



#### Positive convexity

- ▶ Convertible bonds participate with a higher rate on a positive equity performance than on declining stock prices (positive gamma)

#### Long term outperformance

- ▶ Across three bear markets
  - 2000-02: dotcom bubble
  - 2008: credit crunch
  - 2011/12: European sovereign

#### Investment case

- ▶ Outright Investors want a solid credit profile combined with a growth story. Hence, why cash generative tech companies frequently issue convertibles

#### Firmin Lambot

- ▶ Wins Tour de France 1936 without one single stage victory





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# Convertible Structures



# Exchangeables

## Forward selling of listed subsidiaries or funding option

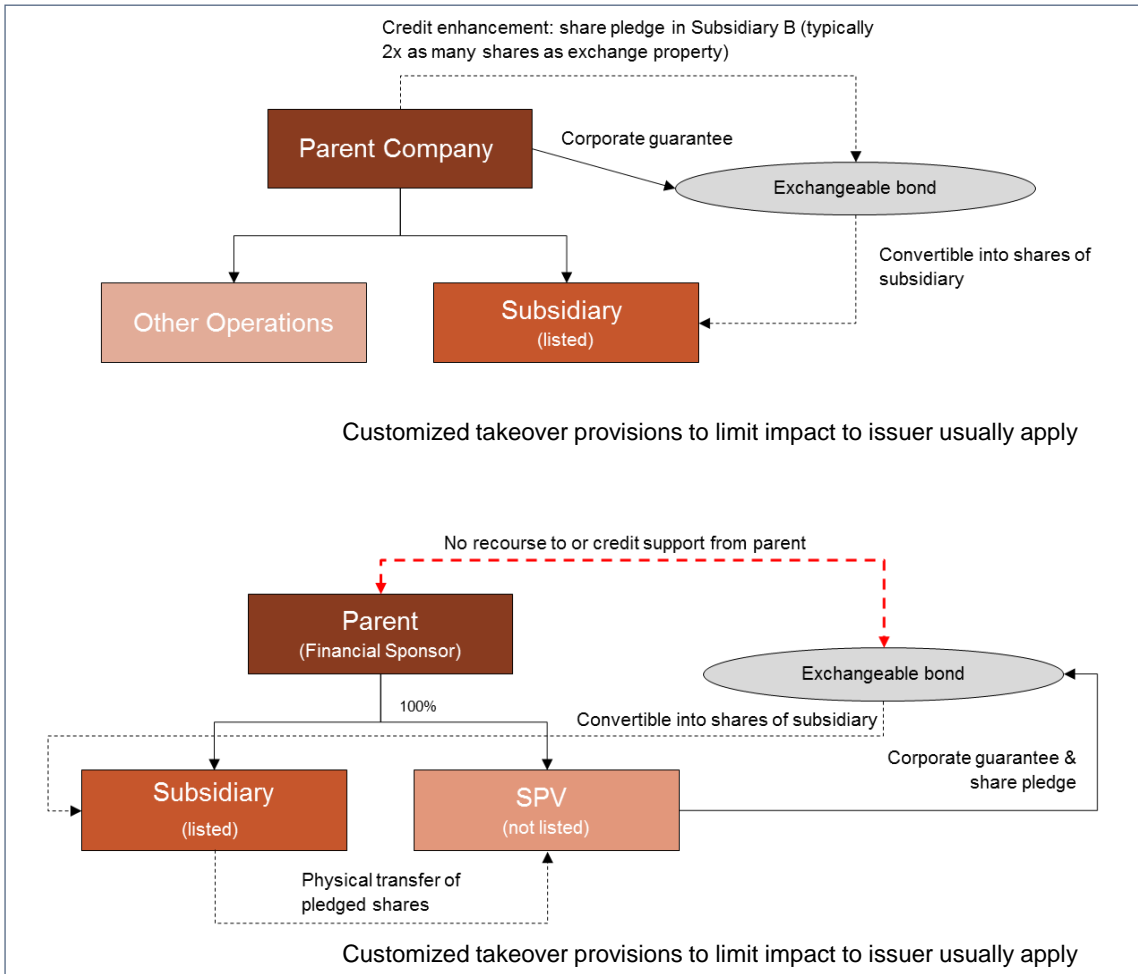


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### Exchangeable

### Comments



#### Classical Exchangeable

- ▶ Bond is exchangeable into shares of a listed subsidiary; further credit enhancement through a ring-fenced share pledge;
- ▶ Equity characteristics are linked to the subsidiary while the credit spread depends on the parent company's creditworthiness
- ▶ Parent can forward sell shares in the subsidiary at an attractive premium
- ▶ Alternative funding option to a margin loan without the disadvantage of margin calls
- ▶ Examples: Aabar into Daimler and Unicredit, Vilmir into OHL, Metro into Haniel, ...

#### SPV Exchangeable (typically with sponsors)

- ▶ Bond is exchangeable into shares of a listed portfolio company
- ▶ Bond secured with ring-fenced (via SPV) shares (typically 2x exchange ratio)
- ▶ No recourse or credit support from parent company
- ▶ Exchangeable trades like a mandatory convertible bond
- ▶ Financial sponsor can already realize a higher selling price without recourse
- ▶ Examples: Gabriel (CVC) into Evonik

\* Issues have to be within or without the criteria for the full 5 days of the review selection period; EOD values are effective

Source: Bloomberg, Berenberg

# Option Strategies

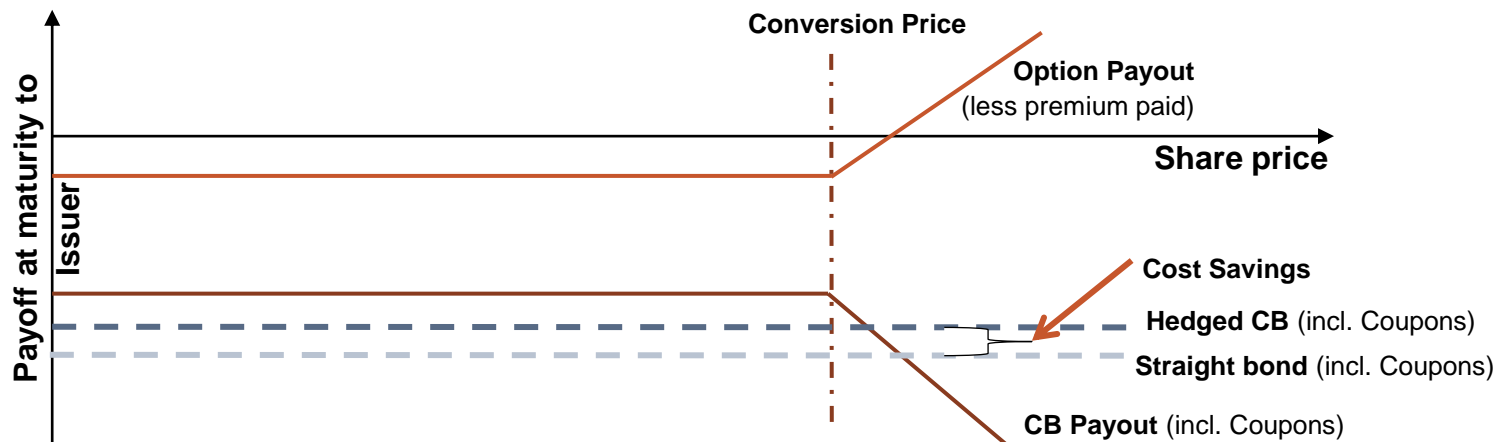
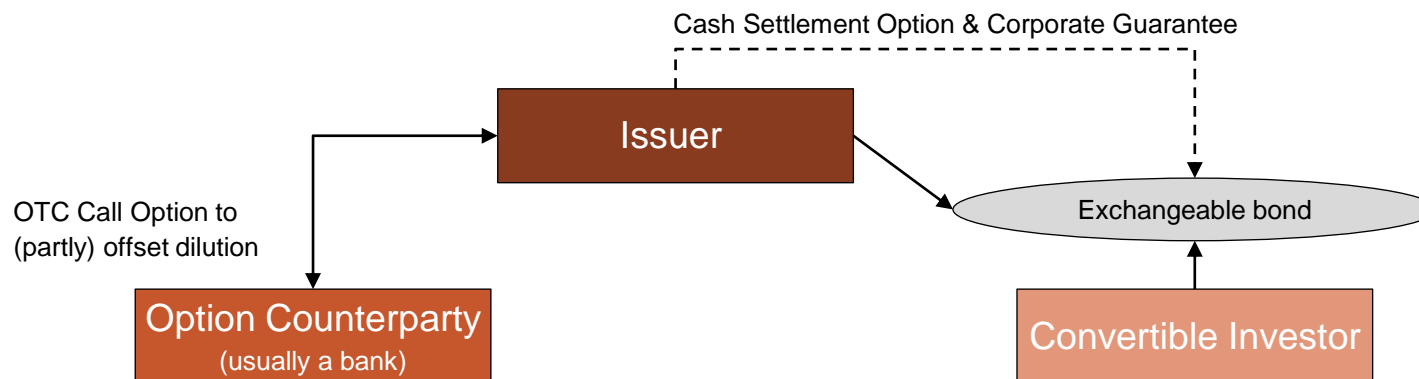
## Combining convertible issuance with option hedging strategy



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### Hedge Convertible Bond (Issuer Perspective)



# Option Strategies

## Combining convertible issuance with option hedging strategy



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### Equity Neutral Convertible Bonds (Fresenius SE)

### Comments

#### EQUITY-NEUTRAL CONVERTIBLE BONDS<sup>1</sup>

<b>Issuer</b>	<b>Fresenius SE &amp; Co. KGaA</b>
Currency	€
Issue amount	500,000,000
Value date	March 24, 2014
Maturity	September 24, 2019
Coupon	0%
Issue price	100%
Rating	BB+ / Ba1
Guarantors	Fresenius Kabi AG / Fresenius ProServe GmbH
Initial conversion premium	35%
Current conversion price	€49.6611
Current conversion ratio	2,013.64851
Conversion period	From March 24, 2017 until 30 days prior to maturity
Conversion	Cash settled <sup>2</sup>
Stock exchange	Frankfurt / Open Market (Freiverkehr)
Denomination	100,000
Clearing agency	Clearstream Frankfurt
ISIN Code	DE000A1YC3T6

<sup>1</sup> Any increase of Fresenius' share price above the conversion price would be offset by a corresponding value increase of the call options; dilution of Fresenius' share capital through issuance of new shares in connection with this transaction is ruled out.

<sup>2</sup> Subject to certain exceptions which would result in delivery of Fresenius shares by a third party.

#### Equity-Neutral Convertible Bonds (Fresenius)

- ▶ Corporate issues a convertible bond with a cash settlement option and simultaneously buys an OTC call option on its own shares to exactly offset dilutive convertible impact
- ▶ Transaction makes economic sense if the coupon savings on the issued convertible (compared to straight bond) are higher than the amortized option premium
- ▶ This is usually the case if implied volatility at the option market is less expensive than at the convertible market
- ▶ This occurs in a supply constrained market for investment grade or good credit issuers
- ▶ Advantages: Alternative funding option and broadening the scope of potential investors

#### Customized Convertible (Qiagen)

- ▶ Corporate issues a convertible bond with a cash settlement option and simultaneously buys OTC options on its own shares to partly offset dilutive convertible impact

#### Qiagen:

- ▶ issued a convertible with 32.5% premium and bought call options with at the same premium and sold a call options with 50% premium
- ▶ Hence, for the corporate the convertible has a 50% premium while it is a more investor friendly 32.5% for the investors. Qiagen is investing some of the coupon savings in hedging options.
- ▶ Advantage: Customize your convertible and match investor perf.

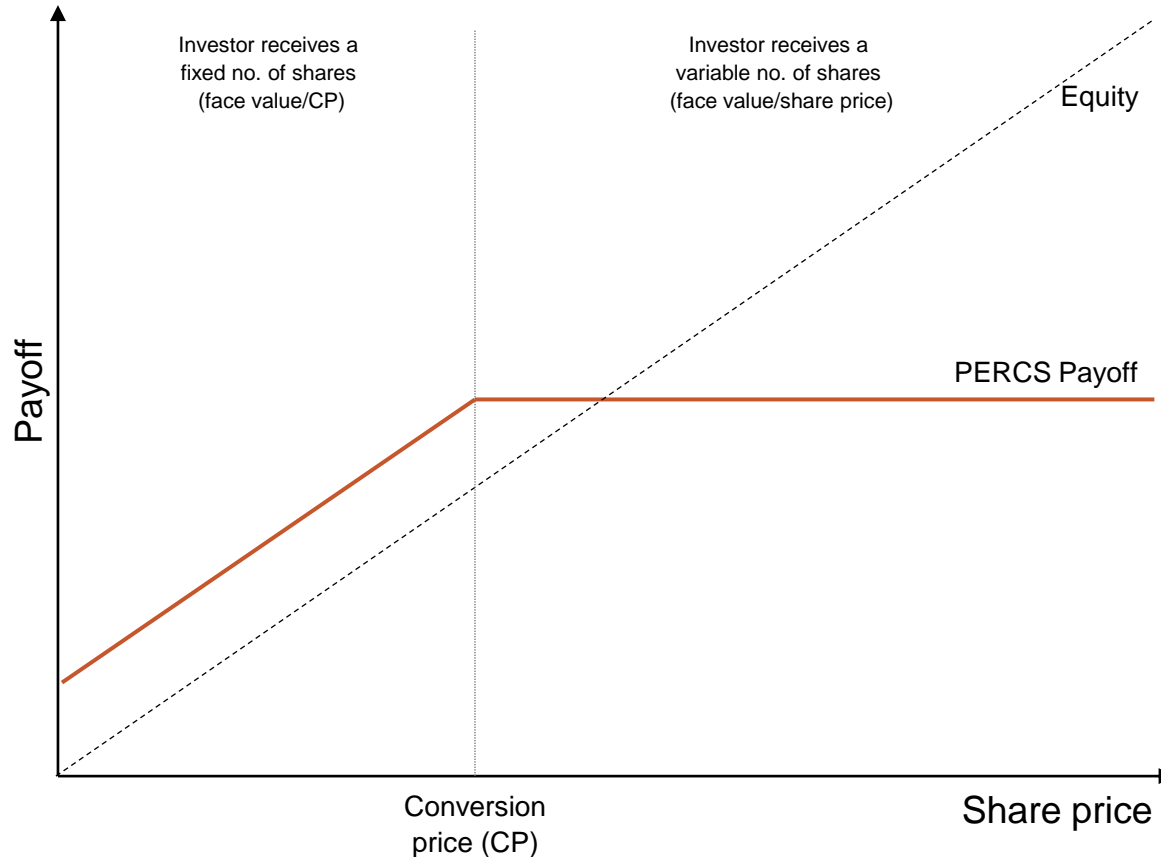
# Convertible Bonds

## Mandatory convertible bonds - PERCS



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### Mandatories - PERCS

#### Mandatory convertible bonds

The difference between 'traditional' and mandates is that the payout of a mandatory will always be in shares – no matter how the share price performed. They can be structured in various different ways. Two of the most common types are PERCS and PEPS.

**PERCS** stands for Preferred Equity Redeemable Cumulative Stock.

It is a mandatory convertible security that has a price cap on the underlying stock. This means that there is no downside protection while the upside is limited. To make it attractive for investors, it usually comes with a higher coupon.

The payoff profile of a PERCS is similar to a covered call (long stock & short call).

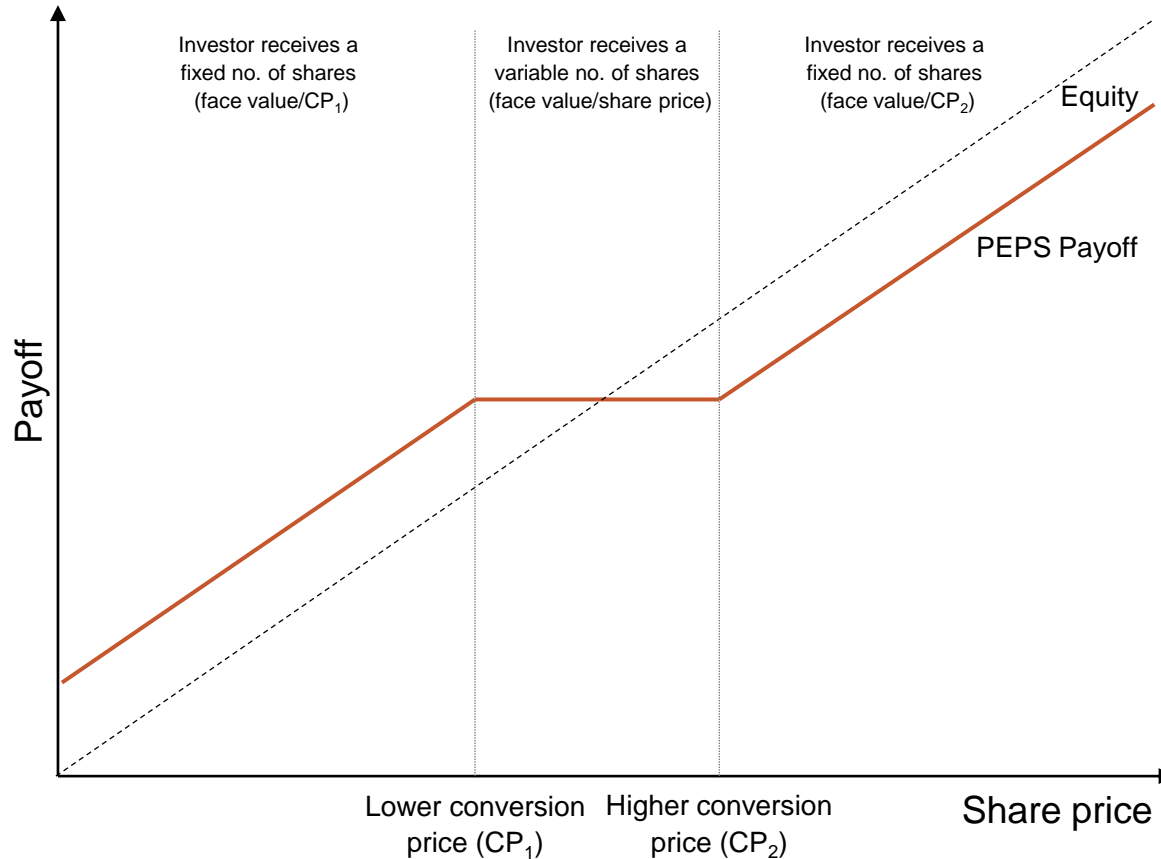
# Convertible Bonds

## Mandatory convertible bonds - PEPS



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- 1) Debt Exchangeable for Common Stock/Dividend Enhanced Stock
- 2) Preferred Redeemable Increased Dividend Securities
- 3) Automatically Convertible Enhanced Securities

Source: Bloomberg, Berenberg.

### Mandatories - PEPS

#### Mandatory convertible bonds

The difference between 'traditional' and mandates is that the payout of a mandatory will always be in shares – no matter how the share price performed. They can be structured in various different ways. Two of the most common types are PERCS and PEPS.

**PEPS** stands for Participating Equity Preferred Stock, also known as **DECS**<sup>1</sup>, **PRIDE**<sup>2</sup>, or **ACES**<sup>3</sup>.

This instrument has two conversion prices and at maturity, the investor always ends up with a certain amount of shares. The two trigger levels determine the fixed amount of shares the investor receives if the share trades above the higher or below the lower trigger.

In between the triggers, the investor receives a variable number of shares depending on the share price.



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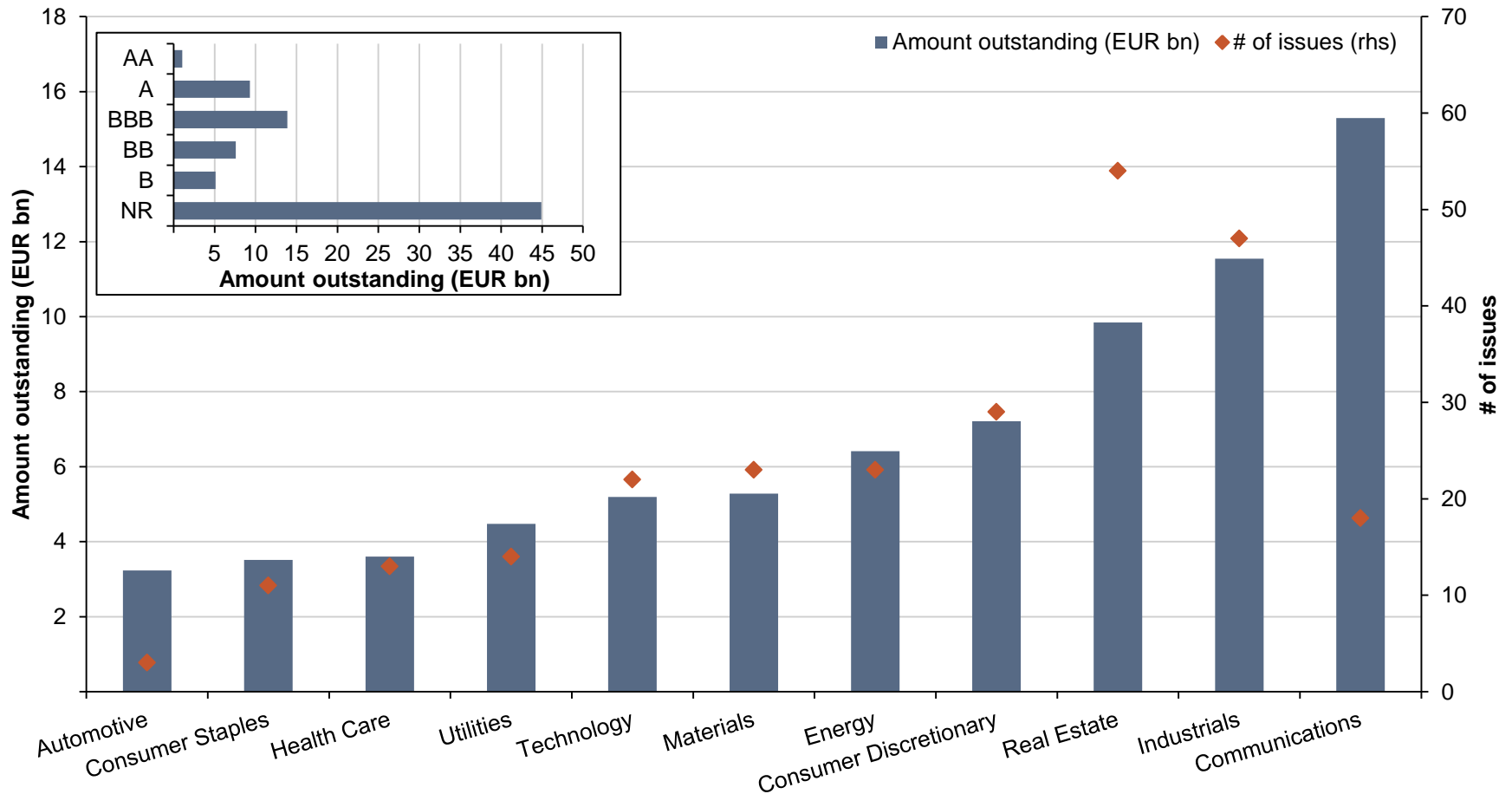
# The European Convertible Bond Market

# The European Convertible Bond Market

## Outstanding volume split by industry and rating

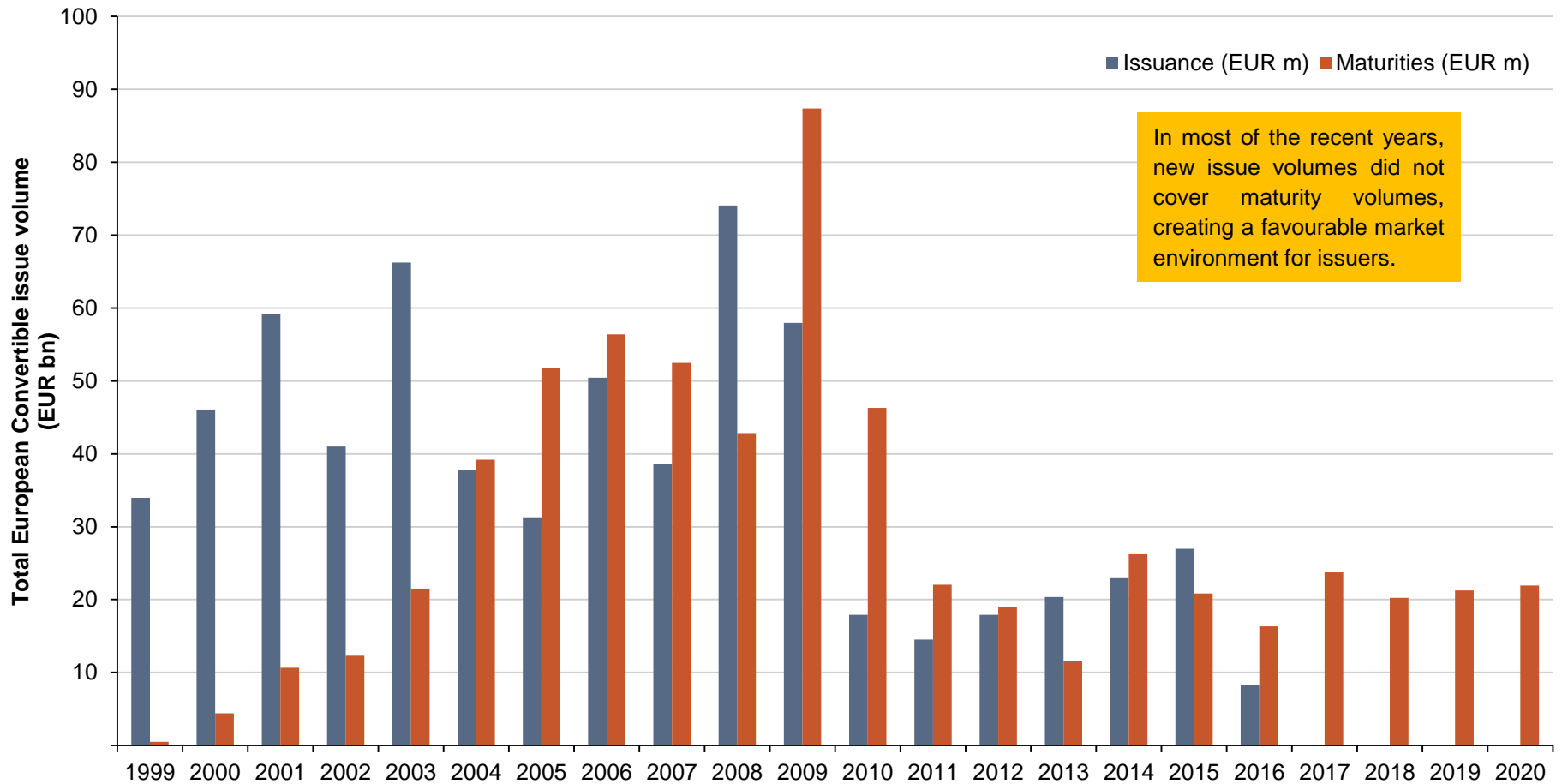


The total outstanding volume amounts to approx. € 80bn.



# The European Convertible Bond Market

## Gap between new issues and maturities



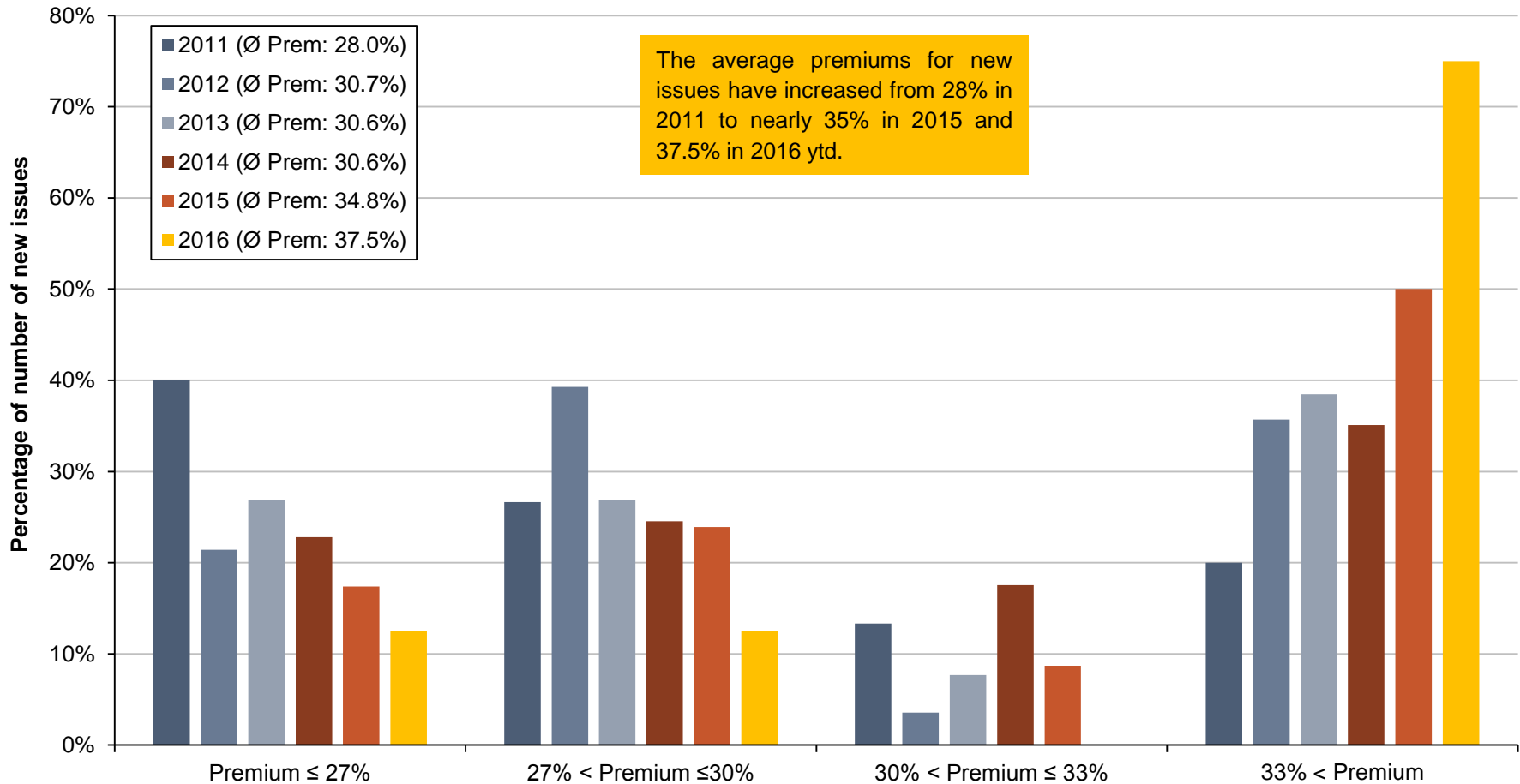


# The European Convertible Bond Market

## Evolution of CB new issue premiums



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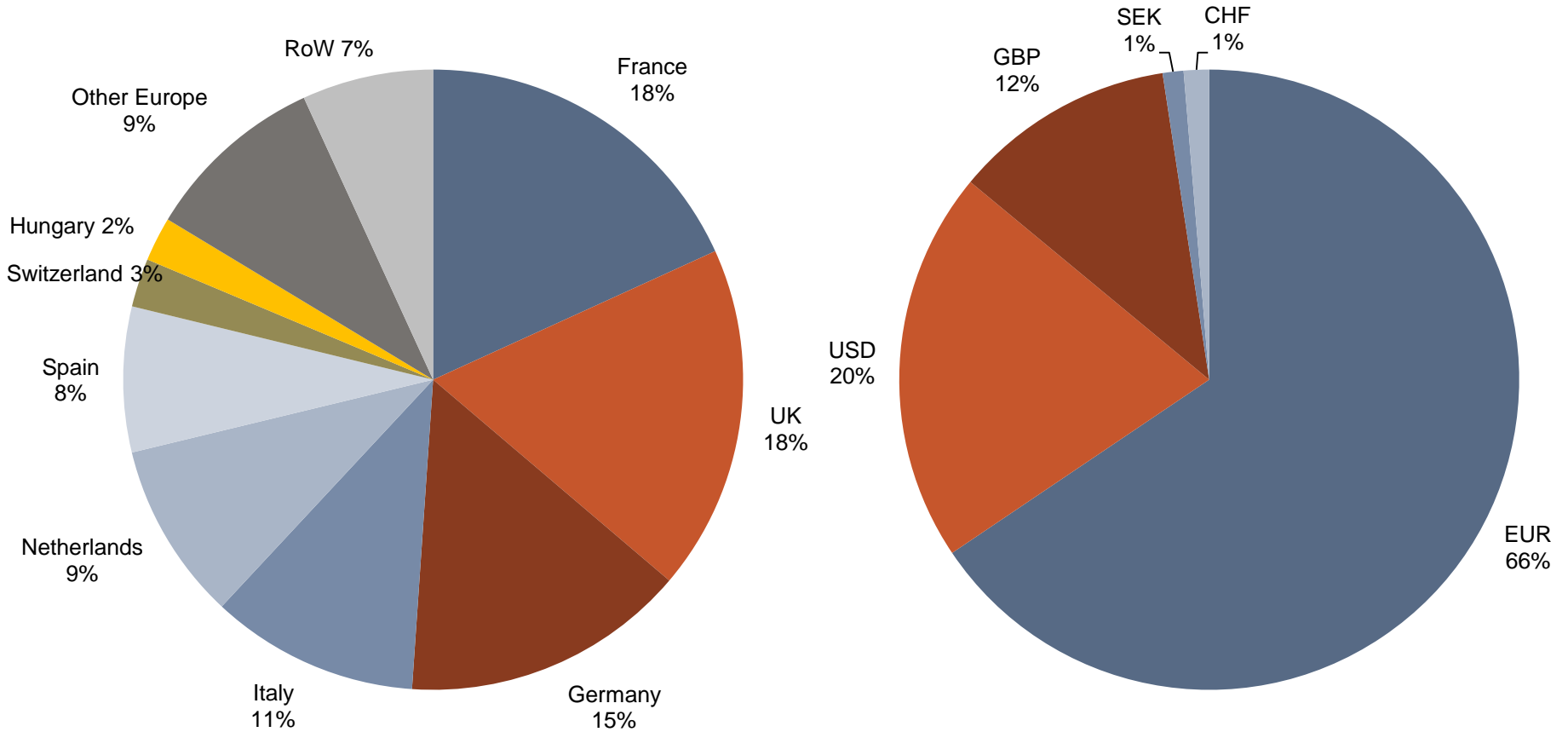
# The European Convertible Bond Market

## Which are the most relevant countries and currencies?



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# Grand City's Footprint in the CB market

# Grand City's Footprint in the CB Market (II)

EUR 150m CB (February 2014), EUR 125m tap (June 2014)



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## GRAND CITY Properties S.A.

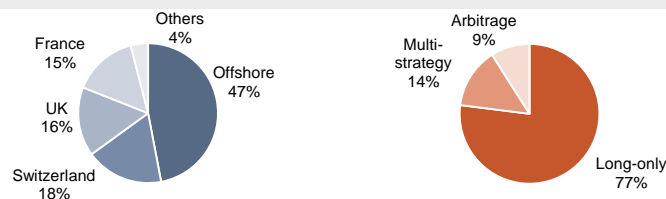
### Terms of the Convertible Bond

Issuer / Underlying	Grand City Properties S.A.
Status	Senior secured
Rating	The issuer is rated BB+
Issue Size	EUR 275m (EUR 150m + 125m tap)
Launch/ Pricing Date	17-Feb-14 (tap: Jun-14)
Maturity	5 years
Issuer Call Option	After year 3 at 130%
Issue Price	100% of par
Redemption Price	106.65% of par
Yield to Maturity	2.75% (indicated range 2.75 – 3.25%)
Coupon	1.50% (indicated range 1.50 – 2.50%)
Conv. Premium at Issue	27.5% (indicated range 22.5 – 27.5%)
Conv. Premium at Maturity	36.00%
Conv. Price at Issue	€ 9.7226
Dividend Protection	Conversion price adjustment for any dividends paid
Listing	Application for listing in the Frankfurt Freiverkehr within one month from the issue date
Distribution	Reg S only
Berenberg's Role	Joint Global Coordinator / Joint Bookrunner

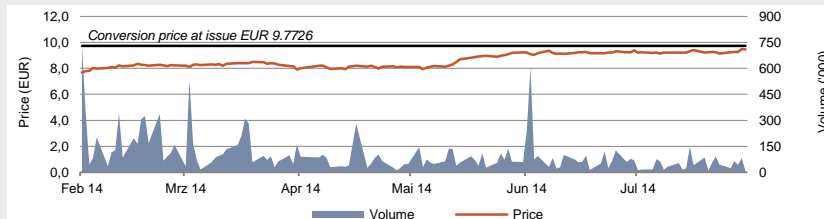
### Transaction Highlights

- ▶ **Grand City Properties ("GCP") is a specialist German real estate company focused on investing in and managing residential assets**
  - The proceeds will be used to fund the company's acquisitions pipeline
  - The convertible bond transaction was GCP's second issuance in 1.5 years, and followed an equity placement in December 2013
- ▶ **The terms came at the best end for the issuer of the three marketing ranges: 1.50% coupon / 2.75% yield / 27.5% conversion premium**
  - Long-only participation was strong, with the books closing at 12 noon UK on the day of launch, despite the fact that 1) stock borrow availability was heavily constrained and that 2) the transaction represented over 180x trading days
  - The reference share price of EUR 7.6256 represents a ~20% premium to NAV and the conversion price represents a ~53% premium to NAV
  - The premium redemption structure allows GCP to reinvest cash coupon savings, as well as to boost the effective conversion premium to ~36%
  - This is the first premium redemption structure in the real estate sector since 2007
- ▶ **Berenberg also acted as Joint Bookrunner on the EUR 125m GCP convertible tap, which was 4x oversubscribed and issued at best terms again with an effective yield of close to zero corresponding to an issue price of 111.25%**

### Allocation split by region and investor type



### Share price performance



# Grand City's Footprint in the CB Market (I)

## EUR 450m CB issued in February 2016



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GRAND CITY Properties S.A.	Terms of the Convertible Bond
Issuer	Grand City Properties S.A.
Status	Unsubordinated and unsecured
Rating	Issuer rating BBB (stable) / Baa2 (stable). The bonds were rated BBB on the issue day
Issue Size	EUR 450m (originally EUR 400m upsized by EUR 50m)
Launch/ Pricing Date	24-Feb-16
Maturity	6 years
Issuer Call Option	On or after 22 March 2018 but before 22 March 2019 @ 140%; at any time on or after 22 March 2019 @ 130%
Issue Price	100.0% of par
Redemption Price	100.0% of par
Yield to Maturity	0.25% p.a.
Initial Coupon	0.250% p. a. - payable semi-annually
Conversion Premium at Issue	45.0% above the Reference Price
Conversion Price	EUR 26.9713
Dividend Protection	Downward adjustment of Conversion Price for dividends paid in excess of €0.20 per share in each financial year
Listing	Application for listing in the Open Market within one month following closing
Distribution	Reg S only
Berenberg's Role	Joint Global Coordinator / Joint Bookrunner



**"The convertible provides us with a new source of unsecured financing at attractive rates from an international investor base."**

*Yakir Gabay, Chairman of the Advisory Board*

### Transaction Highlights

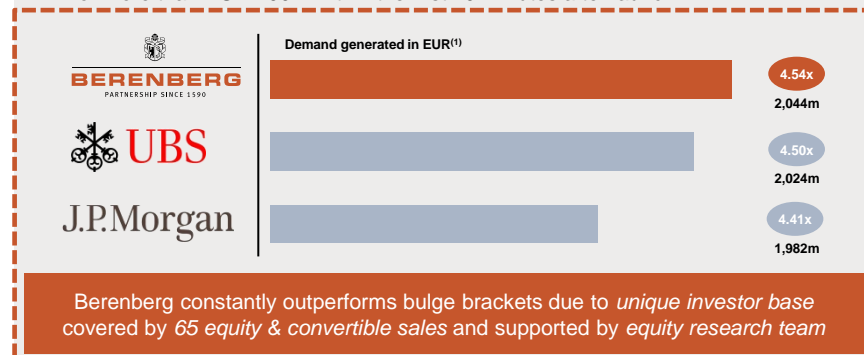
- ▶ **Grand City Properties S.A.** is a leading real estate company specializing in buying, re-developing & optimizing real estate properties in Germany

#### Transaction background / structuring thoughts:

- ▶ Convertible bond proceeds are used to fund the growth strategy and to repay loans with higher interest rates
- ▶ Incorporation of financial covenants such as:
  - Adjusted EBITDA/net cash interest  $\geq 2.0x$
  - Unencumbered assets/unsecured net debt  $\geq 125\%$
  - Total net debt/total assets  $\leq 60\%$  and
  - Secured net debt/total assets  $\leq 45\%$
- ▶ Grand City's focus was to minimize potential dilution, therefore the highest possible premium was selected, despite the opportunity to issue the convertible with a negative yield and a coupon of zero

#### Transaction results:

- ▶ The book was covered within 90 minutes after launch throughout the entire range and closed at best terms 3.5h after launch
- ▶ Due to significant oversubscription, the issue volume was increased by EUR 50m to EUR 450m
- ▶ Berenberg's unique investor base generated strong momentum and placed orders of more than EUR 200m within the first 20 minutes after launch



Note: (1) Excluding demand generated by own institutions

Source: Bloomberg, Berenberg.



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## Appendix: Berenberg Corporate Finance

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# Berenberg – The undisputed #1 for European ECM and EQL transactions in 2015/16 YTD



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## Berenberg Corporate Finance

### EQL transactions 2015-2016 YTD <sup>(1)</sup>

Rank	Manager	Vol (MM USD) ↑	Issues	Share (%)
1	Berenberg	583.41	5	14.95
2	Credit Agricole CIB	512.32	4	13.13
3	Deutsche Bank	361.27	4	9.26
4	UBS	309.63	3	7.93
5	BNP Paribas	236.43	3	6.06
6	Societe Generale	226.66	4	5.81
7	ANOVA Capital SA	224.25	3	5.75
8	Oddo Pinatton	222.39	4	5.70
9	JP Morgan	220.85	2	5.66
10	Morgan Stanley	164.54	1	4.22
Total		4,528.71	28	

### ECM transactions D/A/CH 2015-2016 YTD

Rank	Manager	Vol (MM EUR)	Issues ↑	Share (%)
1	Berenberg	2,417.57	23	6.04
2	Deutsche Bank	4,264.48	19	10.66
3	UBS	5,424.85	15	13.56
4	Goldman Sachs	2,785.86	13	6.96
4	Commerzbank	1,333.28	13	3.33
4	Credit Suisse	2,347.48	13	5.87
7	JP Morgan	2,679.51	12	6.70
7	Bank of America Merrill Lynch	3,140.05	12	7.85
9	Morgan Stanley	3,754.94	11	9.38
10	Citi	2,995.42	10	7.49
Total		41,367.80	109	

## The press

*"[Haas from Talanx] praises the bank for its excellent work in the syndicate: We have been surprised how this private bank can achieve something so extraordinary"*

Frankfurter Allgemeine  
ZEITUNG FÜR DEUTSCHLAND

"The Bank from Hamburg is **strongly growing** and thereby **achieving one record after the other**"

Börsen-Zeitung

"Germany's **oldest private bank** [...] **shakes up the European market** [and] **has gained a foothold in some of the largest transactions** [...]"

FINANCIAL TIMES

*"[...] Ahead of big names like Commerzbank, Societe Generale and Morgan Stanley [...] "The guys did a rapid development and achieved an impressive position" says a competitor"*

DIE WELT

"[They are] **going to be competing with Anglo-Saxon rivals**, but also domestic banks **which don't have [their] expertise**"

Bloomberg

"[Berenberg] has a **very good distribution** and when they know something, **they really know it**"

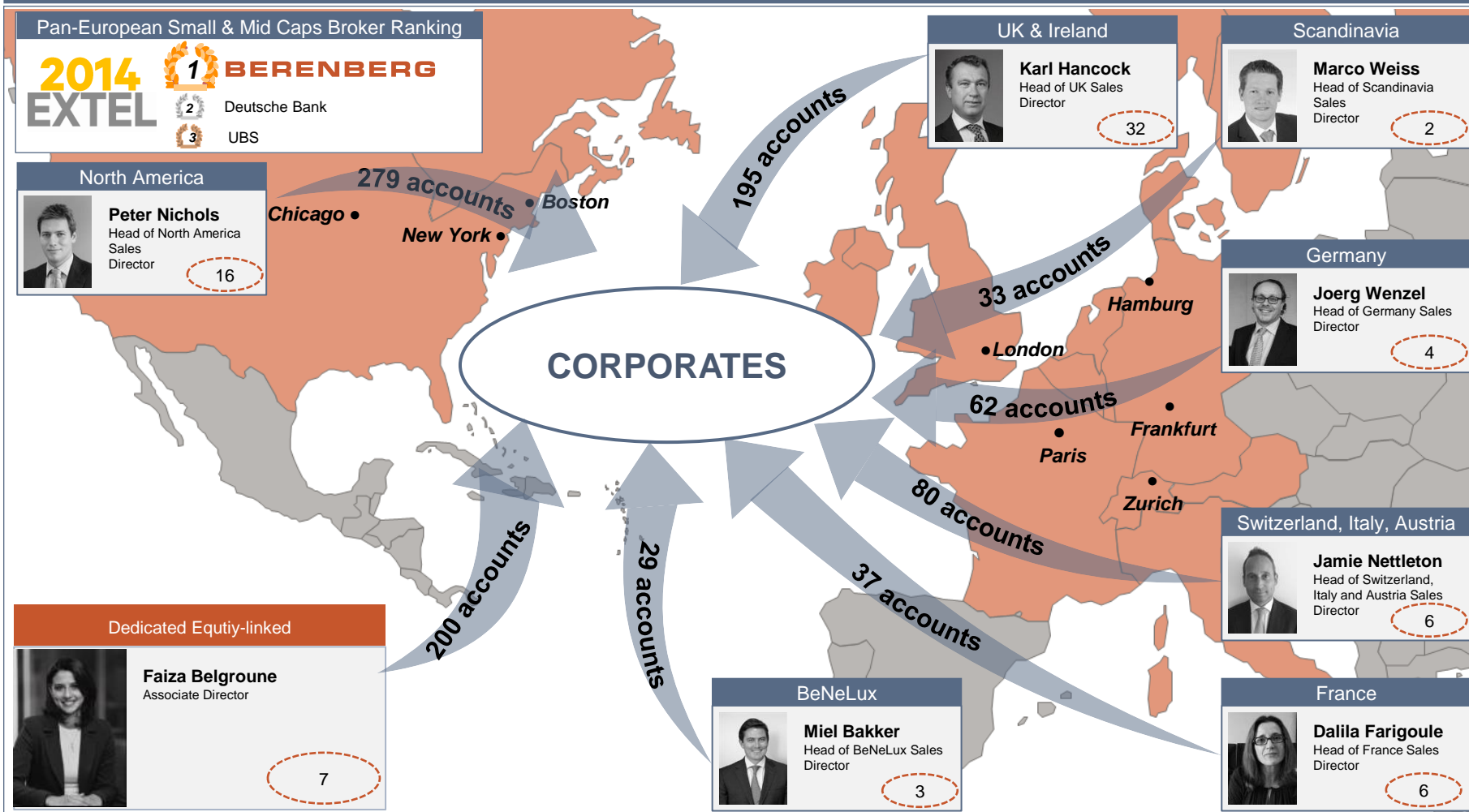
EUROWEEK  
THE REPORTER OF THE GLOBAL CAPITAL MARKETS

# Berenberg is one of the leading global distribution platforms ... ... for European Equities & Convertible Bonds



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## Berenberg's Sales teams cover all major investment centres in Western Europe and North America



Note: • Berenberg Sales Office; ■ number of overall accounts covered by regional sales office; # number of sales including specialist sales and sales trading



# Unique access to complementary investors

## Why Berenberg is the right choice



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Berenberg's accounts

Bulge bracket focus

Selected Tier 1 accounts

- ▶ **Bulge bracket banks only focus on Tier 1 and Hedge Funds**
- ▶ **They normally do not cover the full deal at the beginning of bookbuilding**
- ▶ **Top 30 global investors trying to dictate price on bulge bracket banks leading to weak negotiating position of existing shareholders**

Berenberg focus

Selected Berenberg complementary accounts

### Private Wealth and Family Offices

**Exclusive demand by Berenberg**  
Usually 10-15% of total demand generated in Berenberg IPOs

- ▶ **Berenberg has 78 dedicated specialist sales and sales trading covering >700 mid-market EU & US investors - more than any other bank**
- ▶ **Berenberg is able to partly offset overall price sensitivity by attracting complementary, less price sensitive demand**

**Berenberg has an unparalleled value proposition not achievable by bulge bracket banks**

# The Pan-European Equities Powerhouse

## Selected ECM transactions in 2015-2016 YTD



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Private Placement

**SENVION**  
wind energy solutions

EUR 598m – 703m  
Joint Bookrunner

Pending

Secondary Placing of

*Berensten*  
for  
**AURELIUS**

EUR 13m  
Sole Global Coordinator/  
Sole Bookrunner

Mar 2016

Secondary Placing of

**alstria**  
First German REIT

EUR 26m  
Sole Global Coordinator/  
Sole Bookrunner

Feb 2016

Stake Building for

**united internet**  
in  
**telecolumbus**

EUR 187m  
Sole Bookrunner

Feb 2016

10% Capital Increase

**WCM**

EUR 24m  
Sole Global Coordinator/  
Sole Bookrunner

Nov 2015

Secondary Placing of

**zooplus.de**  
for  
Burda

EUR 107m  
Joint Global Coordinator/  
Joint Bookrunner

Nov 2015

IPO

**Hapag-Lloyd**

EUR 265m  
Joint Global Coordinator/  
Joint Bookrunner

Nov 2015

Secondary Placing of

**HORNBACH**  
for the  
Hornbach Family

EUR 67m  
Joint Global Coordinator/  
Joint Bookrunner

Oct 2015

IPO

**Intertrust**

EUR 535m  
Co-Lead Manager

Oct 2015

IPO

**CHORUS**  
Clean Energy

EUR 103m  
Sole Global Coordinator/  
Joint Bookrunner

Oct 2015

Rights Issue

**AFG**  
Building the Difference

CHF 207m  
Joint Bookrunner

Sep 2015

Sub 10%  
Capital Increase

**GRAND CITY**  
Properties S.A.

EUR 151m  
Sole Global Coordinator/  
Sole Bookrunner

Sep 2015

Sub 10%  
Capital Increase

**RIB**  
running together

EUR 48m  
Sole Global Coordinator/  
Sole Bookrunner

Sep 2015

IPO

**pbb**  
DEUTSCHE  
PFANDBANK

EUR 1.2bn  
Joint Bookrunner

July 2015

Capital Increase

**AROUNDTOWN**  
PROPERTY HOLDINGS PLC

EUR 320m  
Sole Global Coordinator/  
Joint Bookrunner

July 2015

Capital Increase

**MARKET  
TECH**

GBP 201m  
Joint Bookrunner

July 2015

Rights Issue

**hamborner REIT**  
ZUKUNFT BRAUCHT SUBSTANZ

EUR 102m  
Sole Global Coordinator/  
Joint Bookrunner

July 2015

Rights Issue

**WCM**

EUR 156m  
Sole Global Coordinator/  
Sole Bookrunner

July 2015

Rights Issue

**Deutsche  
Wohnen**

EUR 907m  
Lead Manager

June 2015

Secondary Placing of

**wüstenrot  
württembergische**  
for  
**UniCredit Group**

EUR 117m  
Sole Global Coordinator/  
Sole Bookrunner

May 2015

IPO

**SIXT leasing**

EUR 239m  
Joint Global Coordinator/  
Joint Bookrunner

May 2015

IPO

**windeln**

EUR 183m  
Joint Bookrunner

May 2015

Secondary Placing of

**RIB**  
running together

EUR 23m  
Sole Global Coordinator/  
Sole Bookrunner

Mar 2015

Rights Issue

**Cofinimmo**

EUR 285m  
Co-Lead Manager

May 2015

Secondary Placing of

**LEIFHEIT**  
AKTIENGESELLSCHAFT  
for  
HOME Beteiligungen  
GmbH

EUR 124m  
Sole Global Coordinator/  
Sole Bookrunner

April 2015

IPO

**dfs**

GBP 237m  
Co-Lead Manager

Mar 2015

Sub 10%  
Capital Increase

**ROCKETINTERNET**

EUR 589m  
Joint Global Coordinator/  
Joint Bookrunner

Feb 2015

IPO

**Sunrise**

CHF 2.3bn  
Joint Bookrunner

Feb 2015

IPO

**HSS Hire**

GBP 125m  
Co-Lead Manager

Feb 2015

IPO

**telecolumbus**

EUR 510m  
Joint Bookrunner

Jan 2015

Note: IPOs

# Berenberg Equity-linked Capital Markets

## Strong convertible bond track record



**BERENBERG**

PARTNERSHIP SINCE 1590

### Convertible Bond



**EUR 450m**

0.250%/ 45.0% 03/2022

Joint Global Coordinator/  
Joint Bookrunner

Feb 2016



### Convertible Bond



**EUR 300m**

1.500%/ 42.5% 01/2021

Joint Global Coordinator/  
Joint Bookrunner

Dec 2015



### Convertible Bond



**EUR 166.3m**

1.000%/ 30.0% 12/2020

Joint Global Coordinator/  
Joint Bookrunner

Nov 2015



### Convertible Bond (pre-IPO)



**EUR 450m**

3.000%/ 30.7% 05/2020

Joint Global Coordinator/  
Joint Bookrunner

Apr 2015



### Convertible Bond



**GBP 112.5m**

2.000%/ 16.5% 03/2020

Joint Bookrunner

Mar 2015



### Convertible Bond



**EUR 297m**

0.500%/ 27.5% 11/2019

Bookrunner

Nov 2014



### Convertible Bond Tap



**EUR 125m**

1.500%/ 27.5% 02/2019

Joint Global Coordinator/  
Joint Bookrunner

Jun 2014



### Convertible Bond



**EUR 45m**

0.875%/ 20% 03/2019

Joint Lead Manager/  
Joint Bookrunner

Mar 2014



### Convertible Bond



**EUR 150m**

1.500%/ 27.5% 02/2019

Joint Global Coordinator/  
Joint Bookrunner

Feb 2014



### Convertible Bond



**EUR 150m**

2.000%/ 26% 02/2018

Joint Global Coordinator/  
Joint Bookrunner

Jul 2013



# Debt Capital Markets & Equity-linked

## Strong DCM /EQL track record – Selected transactions



**BERENBERG**

PARTNERSHIP SINCE 1590

<p><b>Schuldschein PP</b></p> <p><b>TBA</b></p> <p><b>Construction materials</b></p> <p>Sole Lead</p> <p>Pending </p>	<p><b>Senior Unsecured Bond</b></p> <p><b>AROUNDTOWN</b> PROPERTY HOLDINGS PLC</p> <p><b>EUR 600m</b> 1.500%, 05/2022</p> <p>Senior Co-Lead Manager</p> <p>Apr 2016 </p>	<p><b>Notes</b></p> <p><b>HYPO</b> LANDESBANK VORARLBERG</p> <p><b>CZK 435m</b> 0.800%, 2016-2021</p> <p>Sole Lead</p> <p>Mar 2016 </p>	<p><b>Notes</b></p> <p> <b>BANQUE ET CAISSE D'EPARGNE DE L'ETAT LUXEMBOURG</b></p> <p><b>EUR 50m</b> 1.520%, 2016-2031</p> <p>Co-Manager</p> <p>Feb 2016 </p>	<p><b>Convertible Bond</b></p> <p><b>GRAND CITY</b> Properties S.A.</p> <p><b>EUR 450m</b> 0.250%/ 45.0%, 03/2022</p> <p>Joint Global Coordinator / Joint Bookrunner</p> <p>Feb 2016 </p>	<p><b>Mortgage Bond PP</b></p> <p><b>HYPO TIROL BANK</b></p> <p><b>EUR 500m</b> 0.500%, 2016-2021</p> <p>Co-Lead Manager</p> <p>Feb 2016 </p>	<p><b>Senior Unsecured Bond</b></p> <p><b>CA IMMO</b></p> <p><b>EUR 150m</b> 2.750%, 02/2023</p> <p>Co-Manager</p> <p>Feb 2016 </p>	<p><b>Convertible Bond</b></p> <p><b>AROUNDTOWN</b> PROPERTY HOLDINGS PLC</p> <p><b>EUR 300m</b> 1.500%/ 42.5%, 01/2021</p> <p>Joint Global Coordinator / Joint Bookrunner</p> <p>Dec 2015 </p>
<p><b>Convertible Bond</b></p> <p><b>AURELIUS</b></p> <p><b>EUR 166.3m</b> 1.000%/ 30.0%, 12/2020</p> <p>Joint Global Coordinator / Joint Bookrunner</p> <p>Nov 2015 </p>	<p><b>Notes</b></p> <p> Province of Lower Austria</p> <p><b>EUR 60m</b> 2.100%, 2015-2035</p> <p>Sole Lead</p> <p>Sep 2015 </p>	<p><b>Schuldschein PP</b></p> <p><b>ALFMEIER</b></p> <p>Sole Lead</p> <p>Aug 2015 </p>	<p><b>Schuldschein PP</b></p> <p><b>HELMA</b> Eigenheimbau AG</p> <p>Sole Lead</p> <p>May 2015 </p>	<p><b>Convertible Bond (pre-IPO)</b></p> <p><b>AROUNDTOWN</b> PROPERTY HOLDINGS PLC</p> <p><b>EUR 450m</b> 3.000%/ 30.7%, 05/2020</p> <p>Joint Global Coordinator / Joint Bookrunner</p> <p>Apr 2015 </p>	<p><b>Mortgage Bond PP</b></p> <p><b>TATRA BANKA</b></p> <p><b>EUR 50m</b> 1.110%, 2015-2025</p> <p>Sole Bookrunner</p> <p>Apr 2015 </p>	<p><b>Convertible Bond</b></p> <p><b>MARKET TECH</b></p> <p><b>GBP 112.5m</b> 2.000%/ 16.5%, 03/2020</p> <p>Joint Bookrunner</p> <p>Mar 2015 </p>	<p><b>Floating Rate Notes</b></p> <p> <b>ČESKA EXPORTNÍ BANKA CZECH EXPORT BANK</b></p> <p><b>EUR 100m</b> 2015-2023</p> <p>Joint Lead</p> <p>Mar 2015 </p>
<p><b>Bond</b></p> <p> <b>Investitionsbank Berlin</b></p> <p><b>EUR 250m</b> 0.000%, 2015-2017</p> <p>Joint Lead</p> <p>Mar 2015 </p>	<p><b>Senior Unsecured Bond</b></p> <p><b>Hapag-Lloyd</b></p> <p><b>EUR 250m</b> 7.500%, 10/2019</p> <p>Joint Global Coordinator/ Joint Bookrunner</p> <p>Nov 2014 </p>	<p><b>Convertible Bond</b></p> <p><b>playtech</b> SOURCE OF SUCCESS</p> <p><b>EUR 297m</b> 0.500%/ 27.5%, 11/2019</p> <p>Bookrunner</p> <p>Nov 2014 </p>	<p><b>Floating Rate Notes</b></p> <p> Province of Lower Austria</p> <p><b>EUR 145m</b> 2014-2019</p> <p>Sole Lead</p> <p>Oct 2014 </p>	<p><b>Senior Unsecured Bond Tap</b></p> <p><b>ADLER REAL ESTATE</b></p> <p><b>EUR 100m</b> 6.000%, 05/2021</p> <p>Joint Global Coordinator/ Joint Bookrunner</p> <p>Jul 2014 </p>	<p><b>Convertible Bond Tap</b></p> <p><b>GRAND CITY</b> Properties S.A.</p> <p><b>EUR 125m</b> 1.500%/ 27.5%, 02/2019</p> <p>Joint-Lead Manager/ Joint Bookrunner</p> <p>Jun 2014 </p>	<p><b>Senior Unsecured Bond</b></p> <p><b>intralot</b></p> <p><b>EUR 250m</b> 6.000%, 05/2021</p> <p>Co-Lead Manager</p> <p>Apr 2014 </p>	<p><b>Convertible Bond</b></p> <p><b>CANCOM</b></p> <p><b>EUR 45m</b> 0.875%/ 20%, 03/2019</p> <p>Joint-Lead Manager/ Joint Bookrunner</p> <p>Mar 2014 </p>
<p><b>Registered Bond</b></p> <p> Republic Slovakia</p> <p><b>EUR 500m</b> 3.600%, 2014-2034</p> <p>Sole Lead</p> <p>Feb 2014 </p>	<p><b>Convertible Bond</b></p> <p><b>GRAND CITY</b> Properties S.A.</p> <p><b>EUR 150m</b> 1.500%/ 27.5%, 02/2019</p> <p>Joint-Lead Manager/ Joint Bookrunner</p> <p>Feb 2014 </p>	<p><b>Senior Unsecured Bond incl. Tap</b></p> <p><b>Hapag-Lloyd</b></p> <p><b>EUR 400m</b> 7.750%, 10/2018</p> <p>Co-Lead Manager</p> <p>Sep 2013 </p>	<p><b>Senior Unsecured Bond</b></p> <p><b>otto group</b></p> <p><b>EUR 225m</b> 3.750%, 09/2020</p> <p>Co-Lead Manager</p> <p>Sep 2013 </p>	<p><b>Senior Unsecured Bond</b></p> <p><b>intralot</b></p> <p><b>EUR 325m</b> 9.750%, 02/2018</p> <p>Co-Lead Manager</p> <p>Aug 2013 </p>	<p><b>Convertible Bond</b></p> <p><b>KUKA</b></p> <p><b>EUR 150m</b> 2.000%/ 26%, 02/2018</p> <p>Joint-Lead Manager/ Joint Bookrunner</p> <p>Jul 2013 </p>	<p><b>Senior Unsecured Bond</b></p> <p><b>STRABAG</b></p> <p><b>EUR 200m</b> 3.000%, 05/2020</p> <p>Senior Co-Lead Manager</p> <p>May 2013 </p>	<p><b>Senior Unsecured Bond</b></p> <p><b>Wienerberger</b></p> <p><b>EUR 300m</b> 4.000%, 04/2020</p> <p>Co-Lead Manager</p> <p>Apr 2013 </p>

# Berenberg is No. 1 for public takeovers in Germany

## Selected public takeover transactions



**BERENBERG**

PARTNERSHIP SINCE 1590

 <p>Public takeover offer for DO Deutsche Office AG by alstria office REIT-AG</p> <p><b>Deutsche Office</b></p> <p>€1,800m</p> <p>Advisor to DO Deutsche Office AG</p> <p>2015</p>	 <p>Public takeover offer for DMG Mori Seiki AG by DMG Mori Seiki Ltd.</p> <p><b>DMG MORI SEIKI</b> AKTIENGESELLSCHAFT</p> <p>€667m</p> <p>Advisor to the bidder</p> <p>2015</p>	<p><b>TOCOS</b></p> <p>Public takeover offer for HAWESKO Holding AG by TOCOS Beteiligung GmbH</p>  <p>HAWESKO HOLDING AG €359m<sup>[1]</sup></p> <p>Advisor to the Management Board of the target</p> <p>2015</p>	<p><b>KUKA</b></p> <p>Public takeover offer for Swisslog Holding SA by KUKA AG</p> <p><b>swisslog</b></p> <p>CHF338m<sup>[1]</sup></p> <p>Advisor to the bidder</p> <p>2014</p>	<p><b>Weidmüller</b></p> <p>Public takeover of R. STAHL AG by Weidmüller Beteiligungsgesellschaft mbH</p>  <p>€296m<sup>[1]</sup></p> <p>Advisor to the target</p> <p>2014</p>	 <p>Merger of Oaktree's office real estate portfolio with Prime Office AG</p>  <p>€2,241m<sup>[2]</sup></p> <p>Transaction advisor</p> <p>2014</p>	<p><b>THE CARLYLE GROUP</b></p> <p>Public takeover of vwd Group by The Carlyle Group</p>  <p>€72m<sup>[1]</sup></p> <p>Advisor to the bidder</p> <p>2012</p>
 <p>Public takeover of CinemaxX AG by Doughty Hanson &amp; Co</p>  <p>€174m<sup>[1]</sup></p> <p>Advisor to the bidder</p> <p>2012</p>	 <p>Public takeover offer for Rhön-Klinikum AG by Fresenius SE &amp; Co. KG</p>  <p>€3,110m<sup>[1]</sup></p> <p>Advisor to the target</p> <p>2012 (lapsed)</p>	<p><b>parcom</b> DEUTSCHE PRIVATE EQUITY</p> <p>Defence advisory regarding portfolio company First Sensor AG</p>  <p>n/a</p> <p>Advisor to Parcom Deutsche Private Equity</p> <p>2012</p>	<p><b>QSC</b> AG</p> <p>Public takeover of INFO Gesellschaft für Informationssysteme AG by QSC AG</p>  <p>€54m<sup>[1]</sup></p> <p>Advisor to the bidder</p> <p>2011</p>	<p><b>Tognum</b> HOME OF POWER BRANDS</p> <p>Public takeover of Tognum AG by a Joint Venture of Daimler AG &amp; Rolls-Royce Group plc</p>   <p>€3,416m<sup>[1]</sup></p> <p>Advisor to the target</p> <p>2011</p>	 <p>Public takeover of HOCHTIEF AG by ACS, Actividades de Construcción y Servicios S.A.</p>  <p>€4,122m<sup>[1]</sup></p> <p>Advisor to the bidder</p> <p>2010/11</p>	<p><b>One Equity Partners</b></p> <p>Public takeover of SMARTRAC N.V. by OEP Technologie B.V.</p>  <p>€297m<sup>[1]</sup></p> <p>Advisor to the bidder</p> <p>2010</p>

Note: [1] Offer price x shares outstanding [2] Control of shares at the date of the publication of the offer document

# Leading expertise with sell-side & buy-side transactions

## Selected private M&A transactions



**BERENBERG**

PARTNERSHIP SINCE 1590

 <p>ND PRESSTEC GMBH</p> <p>Sale of ND PressTec GmbH</p> <p>Advisor to the sellers</p> <p><b>Pending</b></p>	<p>Family-owned consumer goods company</p> <p>Minority participation of a family office</p> <p>Advisor to the seller</p> <p><b>2014</b></p>	 <p>ATS AUTOMATION</p> <p>Acquisition of M+W Process Automation by ATS Automation Tooling Systems</p>  <p>M+W GROUP</p> <p>M+W Process Automation</p> <p>Advisor to the buyer</p> <p><b>2014</b></p>	 <p>T-Systems</p> <p>Sale of rola Security Solutions GmbH to T-Systems International</p>  <p>rola SECURITY SOLUTIONS</p> <p>Advisor to the sellers</p> <p><b>2014</b></p>	<p>THE CARLYLE GROUP</p> <p>Acquisition of Alloheim by funds managed by The Carlyle Group</p>  <p>ALLOHEIM SENIOREN-RESIDENZEN</p> <p>Advisor to the buyer</p> <p><b>2013</b></p>	 <p>Vitakraft</p> <p>Sale of a majority stake in Vitakraft to an investor group</p>  <p>TIERNÄHRUNG DEUERER</p> <p>Advisor to the sellers</p> <p><b>2013</b></p>
 <p>ZIEMANN ZIEMANN GROUP</p> <p>Sale of Indian activities of ZIEMANN Group to a strategic investor</p> <p>Advisor to the seller</p> <p><b>2012/2013</b></p>	 <p>ZIEMANN ZIEMANN GROUP</p> <p>Sale of German activities of ZIEMANN Group to CIMC Enric and sale of French operations in a MBO</p>  <p>CIMC ENRIC</p> <p>Advisor to the seller</p> <p><b>2012</b></p>	 <p>Grünwald Equity mader &gt;&gt;&gt;logistik</p> <p>Sale of a majority stake in Mader Logistik to Findos Investor</p>  <p>findosinvestor</p> <p>Advisor to the seller</p> <p><b>2012</b></p>	 <p>AXA Private Equity An AXA Investment Managers Company</p> <p>Acquisition of Frostkrone Holding by AXA Private Equity</p>  <p>frostkrone THE WORLD OF FINGERFOOD &amp; SNACKS</p> <p>Advisor to the buyer</p> <p><b>2012</b></p>	 <p>TOM TAILOR</p> <p>Acquisition of BONITA International by TOM TAILOR Holding</p>  <p>BONITA</p> <p>Advisor to the buyer</p> <p><b>2012</b></p>	 <p>Metabo</p> <p>Sale of metabo to Chequers Capital</p>  <p>CHEQUERS CAPITAL</p> <p>Advisor to the seller</p> <p><b>2012</b></p>
 <p>AMEOS</p> <p>Acquisition of Salzlandkliniken by AMEOS Group</p>  <p>Advisor to the buyer</p> <p><b>2012</b></p>	<p>THE CARLYLE GROUP</p> <p>Investment in AMEOS Group by funds managed by The Carlyle Group</p>  <p>AMEOS</p> <p>Advisor to the buyer</p> <p><b>2012</b></p>	 <p>RHEINMETALL DEFENCE</p> <p>Sale of Rheinmetall Italia's satellite business to OHB Technology AG</p>  <p>OHB TECHNOLOGY</p> <p>Advisor to the Seller</p> <p><b>2011</b></p>	 <p>Deutsche Beteiligungs AG</p> <p>Sale of a majority participation in HEIM &amp; HAUS International GmbH to the Management</p>  <p>HEIM &amp; HAUS</p> <p>Advisor to the seller</p> <p><b>2011</b></p>	<p>Sale of a minority participation in Goldeck Süßwaren GmbH to DZ Equity Partner GmbH</p>  <p>Zetti</p> <p>Advisor to the seller</p> <p><b>2011</b></p>	<p>AFINUM</p> <p>Sale of d&amp;b audioteknik GmbH to funds advised by Odewald &amp; Compagnie</p>  <p>d&amp;b audioteknik</p> <p>Advisor to the seller</p> <p><b>2011</b></p>