

Mezzanine

The contraction in bank lending has created a vacuum in the financing structure for LBOs. Hitherto the mezzanine market in Australia had been disinter-mediated first by the (now defunct) Note market (e.g. Repco) then later by stretched senior lending from traditional banks. Recently, a number of specialist mezzanine providers have set up their stalls in the hope of igniting the market in Australia. Will they succeed and if so, how will Australian mezzanine evolve; will it follow the European model or the US model or will it develop a specific and unique hybrid-Australian model with the best of all worlds.

- Key characteristics of Mezzanine
- Key components of the return (Cash vs Plk vs Warrants)
- Warranted vs Warrantless
- Secured or Unsecured
- Floating or Fixed
- Avoiding the pitfalls - Lessons from abroad