



4 day course

"The course was great training for me as I have gained additional tools that I will definitely use for our future financing."

Past delegate,
Standard Bank

Project Finance Workshop

7-10 December 2009
Central London, UK

A 4 day comprehensive course which will give you the skills and knowledge to better structure your project finance deals.

Topics include:

- Essential credit issues in assessing project finance proposals
- The uses and abuses of financial modelling - forecasts vs. reality
- Funding choices and capital structuring issues
- The perspective of the equity investor
- Risk allocation and mitigation
- Corporate distress and implications for project finance

Course Director:

Malcolm Sullivan
Training Consultant, specialist in project finance

Guest Speaker:

Richard Ingham
Managing partner of Glen House Associates
and Chief Executive of Falco Energy Company

who should attend?

Designed specifically for project financiers wishing to consolidate their knowledge. We strongly advise the following to attend:

- Head of Project Finance
- Head of Corporate Finance
- Head of Structured Finance
- Treasurer
- Project Manager
- Accountant
- Analyst
- Sales Manager

Why not recommend this course to a colleague?

Secure your place!
Register before
9 November 2009 at

www.euromoneytraining.com/uk

Should you miss this booking date
please call +44 (0) 20 7779 8780
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"A course director with profound understanding of project finance"



Enquire or register today!

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course overview

This workshop will provide an intensive structured overview of the core principles and practice of project finance. By the end of the workshop, delegates will have a greater appreciation of project pitfalls as well as a thorough grasp of the crucial actors and techniques used in structuring water tight project financings which meet the requirements of all the parties involved.

You will learn:

- How to assess and evaluate project risk
- Quantitative and qualitative techniques for successful project evaluation
- Selection and structuring of traditional / innovative financial products to specific needs of a project
- How to structure financing to recognise the divergent needs of the parties involved
- Reasons why projects fail

methodology

- The teaching approach combines formal lectures, practical exercises, case studies and group discussions.
- The programme will require a high level of commitment in terms of pre-course reading, evening case study preparation, individual study and group contribution.

prerequisite

Participants are expected to have strong English language skills and knowledge of Microsoft Excel.

Day 1

Registration commences at 8:30
Programme runs from 9:00 - 5:00 daily

Key issues in project finance and risk management

- Introduction
 - Activity in the project finance market
 - Factors driving the demand for project finance
 - Key lessons from the past

Lessons of experience

- An overview of crucial issues in project finance
 - Commercial motivations for project finance
 - Project finance vs. the financing of projects
 - The critical issue in all project financings
 - Risk and return
 - Factors influencing financing techniques and the syndication process
- Qualitative risk evaluation in project financing
 - Country and political risk
 - Understanding the project finance process

Case study: country & political risk - structuring a project finance deal in a developing economy.

- Assessing qualitative risks in a variety of projects.

- Identification and assessment of the key risks
 - Feasibility studies and review of operating assumptions for selected projects, are the assumptions realistic?
 - Review of the key aspects of a summarised feasibility study

Case study: evaluate the underlying operating assumptions for assigned projects.

- An overview of the project financial statements
 - Review of a generic project finance spreadsheet to understand the main influences on the project's viability
 - The impact of capital and operating costs on project viability
 - Using nominal vs. inflation adjusted figures
 - Use of sensitivities and Monte Carlo simulations
 - The relationship between leverage, return, DSCR and project viability

Day 2

Assessing the financial viability

Case study: review of assigned case studies to examine key sensitivities.

- Building and sensitising the operating cashflow
 - Useful Excel sensitivity functions
 - Assessing the financial sensitivity of the assigned projects to key risks
 - Key factors influencing the project IRR
- Sources of debt financing in projects
- Financiers and their objectives
 - Country risk: the use of export credit agencies, development banks and political risk insurers
 - Use of financial instruments: bank vs. bond markets
 - Credit enhancement techniques
 - Interest, FX and commodity price exposures

Case study: debt funding for selected projects. Participants develop the debt structure for their assigned case studies and identify key influences on the debt service coverage ratios.

Biographies

Malcolm Sullivan
Training Consultant

Malcolm Sullivan has an extensive background in banking and real estate financing, gained whilst working for **Mellon Bank, Swiss Bank Corporation** and **Debenham Tewson Financial**. This experience includes long-standing involvement in project financing, primarily in the area of international commercial real estate. He is also an experienced trainer, having undertaken many training assignments in the UK, Africa, the Caribbean, Eastern Europe, Asia and Latin America. He has worked on numerous training assignments covering project finance for clients, including corporates, development and commercial banks.

Richard Ingham
Training Consultant

Richard Ingham is a managing partner of **Glen House Associates (GHA)**, a corporate finance boutique, and chief executive of **Falco Energy Company**, a start up independent oil company operating in the North Sea. Prior to setting up GHA, he held the position of Senior Vice President, Head of the Special Industries and Project Finance Group at **ABN AMRO** in Amsterdam. He joined ABN from **Chase Investment Bank** where he was the Managing Director and Area Executive in charge of the Utilities Industry Group and the bank's project financing activities in Europe, the Middle East and Africa.



Day 3

The equity investor's perspective, commercial aspects of documentation

- Financial yardsticks used by investors: uses and limitations
 - Project investment appraisal techniques
 - Corporate cost of capital as a basis for evaluating project returns
 - How equity investors seek to mitigate risk in project finance
 - The trade-off between leveraging equity returns and the need to provide credit support
 - Assessing the impact of operating relationships between the project sponsors and the project company on equity returns
 - Subordinated debt vs. equity and factors influencing the choice
 - Determining an exit route, including IPOs
 - Extracting cash from the project company

Case study: structuring project finance from an equity investment perspective.

- Are returns adequate to justify the investment?
- Key influences on equity returns.

Commercial issues in project finance documentation

- Structure of loan documentation
- Key covenants and potential complications
- Concession agreements
- Structuring off-take agreements – dealing with market risk
- Choice of construction contract
- Completion and cost overrun guarantees
- Shareholder lock-ins
- Banking security
- Intercreditor issues

Day 4

Contract structuring and problem projects

Case study: structuring third party credit support and security.
Refine a proposal which includes capital structure, proposed covenants, third party credit support and security.

- Why projects face difficulty
 - Lessons from the past
 - Typical reasons for failure
 - Options for equity investors in problem projects and practical problems
 - Mini case study illustrating some of the potential problems in project finance

Course summary and close

venue

All of our non-residential training courses are held in 4 – 5 star venues throughout central London. The training venues are selected by both their location and training and refreshment facilities, this ensures that you will only learn in comfortable and convenient environments. Due to the variation of delegate numbers, confirmation of the central London venue, full address and details of how to get there can only be sent to you approximately three weeks prior to the course start.

about us

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past clients include:

- Barclays Capital
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- Calyon
- KPMG Consulting
- National Grid
- Samba Financial Group
- Shell Gas and Power
- Texaco



He was also a member of the bank's European management group. Project Finance he has been closely associated with the development of the "BOT" model in Turkey and more recently led the team which completed the \$2bn financing of the first BOO projects in Turkey for InterGen. He was also leading the team advising the Oman Government on the privatisation of the country's electricity sector.

His career at **Chase** has spanned both commercial and investment banking in London and Milan.

He is a regular speaker at a number of conferences and was also invited as a guest lecturer at Henley Business School's MSc programme in Project Management.



Book by 9 November 2009 to secure your place. (Should you miss this booking date please call +44 (0) 20 7779 8780)

Email
info@euromoneytraining.com

Telephone
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Facsimile
+44 (0)207 779 8693



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accommodation

If you require accommodation for the duration of the course, Euromoney Training has negotiated discounted rates on your behalf for standard rooms. We strongly advise you to make your hotel reservation early. To book a room, and for the most competitive rates currently available, please visit our website:

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Registration form

- Yes, please register me for **Project Finance Workshop (EIF2857)**, on 7-10 December 2009, Central London, UK

Can't make this date? We schedule our courses throughout the year. Please contact us to check for alternative dates and locations.

Fees £3,995 + (£599.25 VAT @ 15%)

Total £4,594.25

Fees include tuition, documentation, lunch and refreshments. Delegates are responsible for their own accommodation.

An invoice will be sent upon receipt of registration form. Please note, payment must be received prior to course start.

Payment details (please tick as appropriate)

- VAT exempt EU no. _____
- cheque invoice
- credit card - Amex / Visa / Mastercard*

*For security purposes, we can only accept credit card payments online at:

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First name _____

Position _____ Department _____

Signature _____ Date _____

Delegate details

Mr/Mrs/Ms _____ Surname _____

First name _____

Position _____ Department _____

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I have read and understood the booking terms and conditions

Signature _____ Date _____

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