



assignment | challenge

Phillips Petroleum

Phillips Petroleum's operations span the globe. The company is engaged in 1) petroleum exploration and production, 2) natural gas gathering, processing and marketing, 3) petroleum refining, marketing and transportation, and 4) chemicals and plastics production and distribution. Phillips develops technology for its own use and is recognized around the world as the symbol of a major integrated petroleum company with a world-class work force.

As of 2002, Phillips had 38,600 employees, \$35.4 billion of assets and \$22.5 billion of annualized revenues. In November 2000, Phillips engaged IRES to execute a sale/leaseback of its 684,000 square foot corporate headquarters facility in Anchorage, Alaska.

Specific requirements of this engagement included:

- Perform all transactional due diligence and marketing services
- Utilize the IRES "closed-bid" marketing process to generate the most efficient and competitive cost of capital
- Eliminate re-trading and close the transaction by December 31, 2001

outcome | results

IRES professionals immediately embarked on an aggressive due diligence and marketing campaign designed to achieve Phillips' stated objectives. The critical implementation mechanisms and the results are as follows:

- IRES hired a local real estate agency in Anchorage to lead the sale/leaseback due diligence and marketing tour responsibilities
- All initial and secondary investor marketing packages were developed and published utilizing an electronic format
- IRES issued "closed-bid" marketing solicitations to over 200 public and private institutional capital sources
- IRES closed the sale/leaseback finance transaction and executed post-closing adjustments before December 31, 2001
- The \$104.5 million sale/leaseback transaction was placed at an initial CAP rate of 8.68%

QUICK FACTS

STRUCTURED FINANCE Sale/Leaseback Financing

684,000 square feet
\$104,500,000
Anchorage, Alaska

IRES CONTACT

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