

NEDBANK AND IMBEWU LEAD SECONDARY BUYOUT OF KZN'S ISEGEN

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The business of Isegen South Africa (Pty) Ltd has been successfully acquired in a buyout led by Nedbank Capital Private Equity and Imbewu Capital Partners with the Isegen management team.

Isegen is an integrated manufacturer of speciality chemicals, producing plasticisers, anhydrides and food acidulants for the local and export markets. Isegen's head office is in Durban with manufacturing sites in Isipingo, Umgeni and Germiston.

Nedbank Capital Private Equity invested a total of R141 million to acquire a significant minority shareholding and financed the introduction of black-owned Imbewu Capital Partners as 15% shareholders in the business. Nedbank Business Banking provided R165 million of senior term loans and over R100 million of working capital facilities in the transaction. Both Clive Howell, joint head of Nedbank Capital Private Equity and Brigitte Ryder, regional head of Nedbank Business Banking, agreed that it was the close working relationship between their respective teams that led to Nedbank winning the transaction ahead of stiff competition.

Imbewu Capital Partners is a black-owned private equity and investment holding company based in KZN. Imbewu brings strategic business experience and network as well as strong BEE credentials to the transaction. The Chief Executive of Imbewu, Gcina Zondi said that Imbewu is delighted to work with management of this calibre as well as with Nedbank, with which Imbewu has a long standing business relationship.

Jonathan Goldberg, Isegen's Chairman, commented that "the deal tackles the difficult issue of ownership in Broad Based Black Economic Empowerment transactions and this will allow the company to continue to improve its Broad Based Black Economic Empowerment implementation."

Robert Fowlds, Isegen's Managing Director, said that he was excited at the growth opportunities for the business locally and that, with the new shareholders now in place, management will be able to focus more attention on other new growth initiatives, in particular the project to establish a food acids plant in Trinidad and Tobago. This follows the recent signing of a Memorandum of Understanding between Isegen, Trinidad's National Energy Corporation and the National Gas Company of Trinidad and Tobago. The new plant will enable Isegen to produce food acids closer to the large target markets of North and Latin America, and alleviate capacity constraints at the Isipingo plant.

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