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## PRIVATE EQUITY

# US consortium to buy Amoun in \$450m deal

By William Wallis in Cairo

A consortium of US groups including Citigroup and Capital International has agreed to buy a 98 per cent stake in Egypt's Amoun pharmaceuticals for at least \$451m.

The deal would be the largest private equity transaction in Egypt to date outside the privatisation process, with only Heineken's acquisition of Al Ahram beverages, and Italcementi's of Asec, the cement manufacturer, coming close.

Sarwat Bassily, chairman of family-owned Amoun, said the majority shareholders in the company had signed a preliminary agreement with the US consortium, which also includes Concord International.

Subject to approval by the regulatory authorities, this would value Amoun at between E£47 and E£55.63 a share and could go through within two months, Mr Bassily told the Financial Times.

Seven per cent of the company is floated on the Cairo and Alexandria stock exchange.

Shares in Amoun fell by the maximum 5 per cent allowed in a session yesterday, to E£55.63.

The private equity groups involved declined to comment on the deal.

Hassan Tahab of Cairo-based First Capital, which is advising Mr Bassily, said the deal pointed to a growing trend in the region.

"After the bloodbath in the public markets in recent months the next best is to look for private equity alternatives," he said, adding that his own boutique consultancy had another eight smaller private equity transactions in the pipeline.

Mr Bassily founded Amoun in 1999 after selling two previous companies to GlaxoSmithKline.

He launched Amoun with products from his previous company that Glaxo declined to take with it and built it up to become Egypt's largest privately-owned pharmaceutical manufacturer.

The company produces a portfolio of mostly generic products, the bulk of them sold in Egypt, whose population is close to 75m.

Mr Bassily said the investors were looking for growth from exports. He said he had products registered and approved in more than 25 countries in the Middle East, sub-Saharan Africa, eastern Europe and the former Soviet Union.

Amoun made a net profit of E£155m (\$27m) in 2005, up 190 per cent from the previous year.