

## **Isegen South Africa sells equity to a BEE partner**

Imbewu Capital Partners buys shares in Isegen, a wholly owned South African chemical manufacturing company, with factories at Isipingo and Umgeni in Durban and at Germiston in Gauteng, and is the only local manufacturer of phthalic anhydride, maleic anhydride, plasticisers for the PPV industry, and a range of food acidulants. The food acidulants manufactured using a granulation technology that was developed in-house and that is unique to Isegen, are exported all over the world to some 50 different countries.

The business was purchased from Dow Chemicals in 2003. The initial investors and shareholders, Jonathan Goldberg, Robert Fowlds, Paul Tack and Mark Holtes were supported by Brait Private Equity. Recently, Brait sold their shareholding to Nedbank Capital Private Equity for an undisclosed sum. The initial shareholders also sold some of their equity, enabling Imbewu Capital Partners to invest in Isegen as a BEE partner. The original management shareholders are all still heavily invested in Isegen and look forward to growing the business.

Robert Fowlds, the managing director of Isegen, said “Brait believed in us from the beginning and stood alongside the management shareholders and became excellent partners. We worked very well together and I am very pleased that Brait was successful in Isegen.”

The sale of the shares was entrusted to Imara Corporate Finance after they were selected from five financial advisors that were approached by Isegen and Brait. Michael Golding and his colleagues from Imara ran a very competent and proficient operation which covered bids from twenty one different entities that had expressed their interest.

Mark Philips and his team from Read Hope Phillips Thomas & Cadman Inc provided expert and professional legal advice to Isegen and Brait throughout the sale process. Numerous documents had to be drafted and completed to meet various deadlines, which was achieved in all cases.

“Such was Mark Philips’ expertise in bringing the various parties together and finding the right buttons to press to break through impasse that Nedbank have referred him to other parties that they have dealt with subsequent to this transaction. It was a pleasure for us to work with professionals such as these two organisations during the drawn out sale process during the stressful time while we were still having to run the Isegen business as well as undertake a number of expansion programs at the same time. Everything went very smoothly and it is very much business as usual!” said Robert Fowlds.

The sale of a significant portion of equity to Imbewu Capital Partners as BEE partners was welcomed by Jonathan Goldberg, the Chairman of Isegen and one of the leading experts in BBBEE in South Africa and he said that Isegen was looking forward to working with our new partners in the future, especially with the emphasis on growing the business in South Africa and in Trinidad, where Isegen is currently establishing a joint venture to manufacture maleic anhydride and a range of food acidulants.

