

HD **UPDATE 2-KKR in advanced talks to buy Singapore's Goodpack - sources**

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* Goodpack says in talks with one party on possible transaction

* Goodpack shares are up 25 pct this year

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* Australia's Brambles ended talks in March to buy Goodpack

* DBS says offer price could be in S\$2.50-S\$2.80 per share range (Adds details of Goodpack statement, closing share price)

By Stephen Aldred

HONG KONG, May 19 (Reuters) - KKR & Co is nearing a deal to buy Singapore's Goodpack Ltd, the world's largest maker of intermediate bulk containers which has a market value of S\$1.36 **billion** (\$1.1 **billion**), sources with direct knowledge of the matter said.

If successful, the **purchase** would be the first of a listed **company** from KKR's latest Asia fund, which raised \$6 **billion**. The proposed deal would give KKR access to a niche business, with a global network and supply chain management that is hard to replicate, DBS Group said in a research note.

The U.S. private **equity firm** is working with at least two investment banks on a debt package to buy Goodpack, the sources said. KKR has been in discussions to buy Goodpack for nearly a year, but talks are now at an advanced stage, they said, adding that there was no guarantee a deal would be clinched.

Goodpack said in March it had been in discussions with unnamed parties which might **lead** to a buyout of the **company**, and hired Rippledot Capital to advise on the process.

Goodpack, which makes containers used in the rubber, tyre and food industries, had attracted interest from private **equity** firms Blackstone Group and Carlyle Group, Reuters previously reported. In March, Australian pallet maker Brambles Ltd said it had ended talks to buy Goodpack.

The DBS research note last week said that an offer could range from S\$2.50 to S\$2.80 per share assuming price to earnings ratio of 17 to 19 times. That would value Goodpack at as much as S\$1.57 **billion**.

On Monday, Goodpack shares closed up 0.8 percent at S\$2.47, while the Straits Times Index was flat. The stock is up around 25 percent so far this year, far outpacing a 3.1 percent rise in the benchmark index.

FINANCING PACKAGE

Goodpack's founder David Lam controls around 32 percent of the **company**. KKR's Southeast Asia head Ming Lu is leading the transaction for the private **equity firm**, one of the sources said.

The financing package is expected to feature leverage of as much as six times earnings before interest, tax, depreciation and amortisation (EBITDA), or around \$600 **million**, the sources added.

Goodpack on Monday issued a statement confirming that it is in discussions with one party, without naming the potential investor.

"Discussions are still on-going and there is no certainty whatsoever that these discussions will result in any transaction," the statement said.

KKR declined to comment. The sources declined to be identified as the discussions are confidential.

Goodpack specializes in environmentally friendly intermediate bulk containers (IBCs) that could replace wooden boxes and metal drums widely used in bulk cargo today. The **firm** operates the world's largest fleet of steel IBCs, which are leased to companies operating in the rubber and tyre, food and chemical industries.

Interest in the **company** comes as private **equity M&A** in Asia had its strongest start to the year since 2011, with first-quarter volume up 48 percent on year to \$9.4 **billion**, Thomson Reuters data show.

The **company** previously hired Macquarie Group as it eyed a possible **sale** in 2008, and Brambles and packaging **company** Loscam Ltd were reported as possible suitors at that time. [<http://link.reuters.com/get28v>] (\$1 = 1.2507 Singapore Dollars) (Additional reporting by Rujun Shen in SINGAPORE; Editing by Denny Thomas and Muralikumar Anantharaman)

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