

Ekuiinas divests all KLB shares

RM241M DEAL: Conditional SPA between Ekuiti Nasional and KL Airport Services expected to be completed by year-end

EKUITI Nasional Bhd (Ekuiinas) has divested its entire 61.6 per cent stake in Konsortium Logistik Bhd (KLB) to DRB-HICOM Bhd's unit KL Airport Services Sdn Bhd (KLAS) for RM241 million, or RM1.55 per KLB share.

The execution of the conditional sale and purchase agreement (SPA) between both parties is expected to be completed by year-end.

In a statement yesterday, the government-linked private equity fund management company said the sale represents its first major exit of a

portfolio company after investing in KLB in October 2010.

"The divestment of KLB is in line with Ekuiinas' mandate as a private equity firm to exit from its investment after creating value," said Ekuiinas chief executive officer Datuk Abdul Rahman Ahmad.

"Under Ekuiinas, KLB successfully executed its value creation plans by unlocking balance sheet and expanding operations into new areas such as oil and gas, and fast-moving consumer goods," he added.

Rahman said Ekuiinas had carried

out an exhaustive and targeted sale process assisted by a leading global investment bank, which attracted serious interest from more than five regional and domestic logistic players.

DRB-HICOM Bhd, which owns KLAS, was eventually selected after it submitted the most compelling offer in terms of price, strategic fit and social objectives sustainability.

The sale price translates to 11 per cent premium over KLB's weighted share price over the last three months of RM1.40, and represents 2.1 times of KLB's net tangible assets as at June 30.

The stock, which was temporarily suspended since yesterday, was last traded at RM1.50 a share.

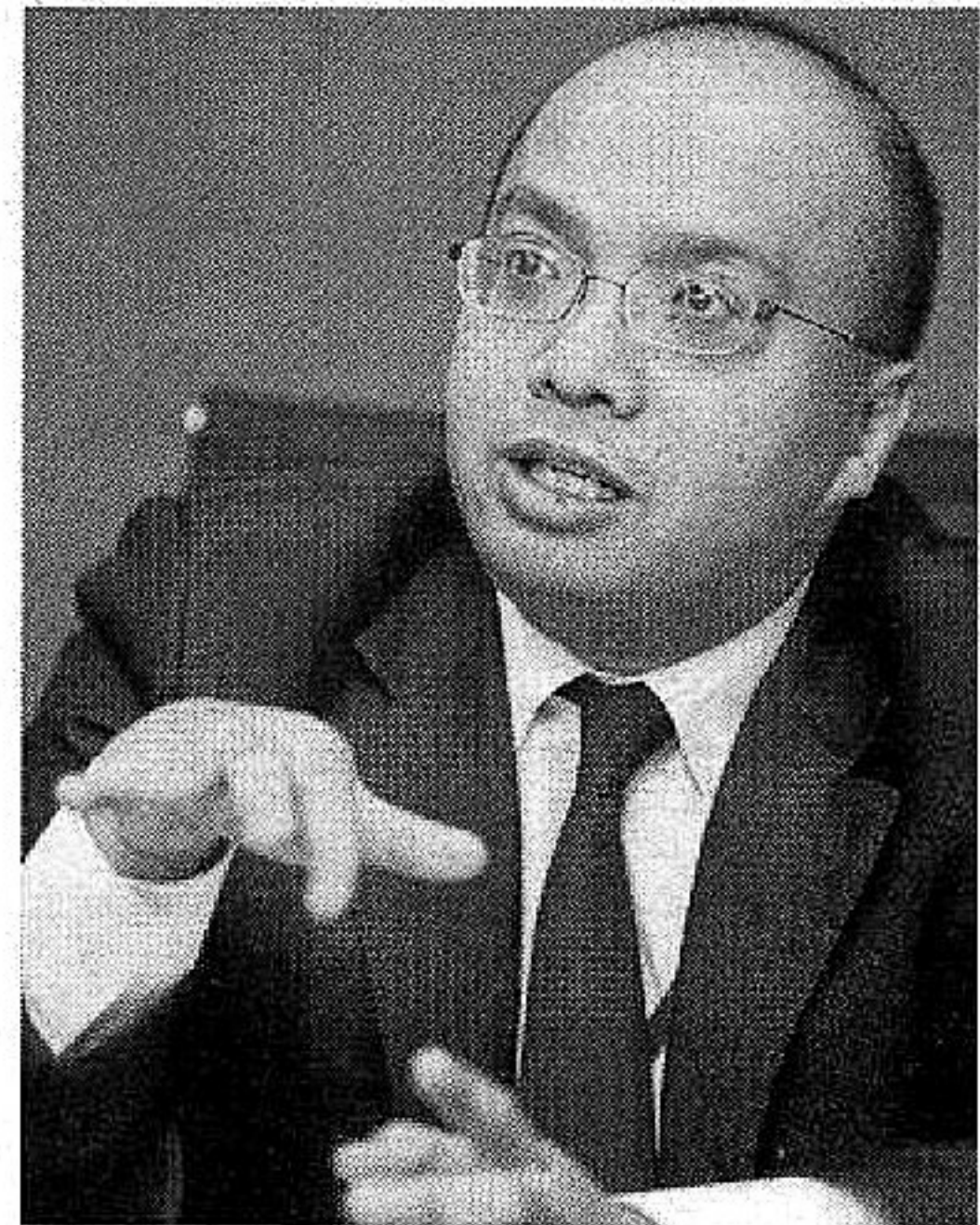
Based on the gross sale proceeds

received, the KLB investment has generated an internal rate of return of 17.6 per cent per annum, or 1.5 times of Ekuiinas' invested capital.

"Through this investment, Ekuiinas has also successfully enhanced Bumiputera equity by RM393.2 million, or 1.6 times of Ekuiinas' invested capital," Rahman said.

KLB represents Ekuiinas' second investment and to date, Ekuiinas has directly undertaken committed investments in 12 high-potential companies and seven companies under its Outsourced Programme — amounting to RM1.6 billion.

Together with private capital, Ekuiinas has facilitated an economic capital deployment of more than RM2.1 billion into the Malaysian economy.



*Chief executive officer **Datuk Abdul Rahman Ahmad** says KLB successfully executed its **value creation plans** under Ekuiinas*