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Jordan's Nuqul to sell 25 pct stake in Fine Hygienic

DUBAI, Jan 21 (Reuters) - Jordan's Nuqul Group is selling a 25 percent stake in FINE Hygienic Holdings, one of the Middle East's largest tissue and paper products manufacturers, in a deal that could be worth up to \$200 million, sources aware of the matter told Reuters.

Details of potential buyers were not available.

The transaction is the latest example of acquisition activity in the region's consumer product industry, as buyers look to tap into the Middle East's increasingly wealthy young population.

In addition, family-owned businesses are looking to offload stakes in assets to raise cash and, in some cases, bring in private equity or strategic shareholders to provide the expertise to expand.

The Nuqul Group, founded in 1952 by Elia Nuqul, who still serves as chairman, operates in 11 mainly Middle East and North African countries.

Nuqul did not immediately respond to a request for comment.

Nuqul has been talking to potential bidders for a number of months but has yet to secure a deal, three of the sources said, speaking on condition of anonymity as the information is not public.

However, the deal structure is said to be the main sticking point, as the 25 percent holding gives potential buyers limited control of the business, which in turn restricts sell-on value, the three sources said.

Samer Katerji, a former head of mergers and acquisitions in the Middle East at Citi, is advising the Nuqul family through a boutique firm he set up after leaving the U.S. lender in early 2013, two sources said.



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The sale of FINE draws comparison with the 25 percent stake sale in Lebanon-based retailer Azadea Group, with the family group which holds franchise rights in the region for brands including Gap, Zara and Superdry, hoping to raise up to \$500 million.

The second round of bidding on that transaction is scheduled to close this week, with KKR & Co, as well as Dubai-based Fajr Capital and shopping mall developer Majid Al Futtaim among the interested parties, according to banking sources. (Reporting by David French; Additional Reporting by Nadia Saleem in Dubai and Suleiman al-Khalidi in Amman, editing by Louise Heavens)