

# Press Release

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## Novacap acquires a controlling stake in Chinese company Yangzi with the support of AXA Private Equity

**Paris, September 16, 2013.** AXA Private Equity, the leading European diversified private equity firm, announces today that chemicals group Novacap, of which it is the key shareholder, has agreed to acquire a majority stake in Taixing Yangzi Pharm Chemical (“Yangzi”).

Yangzi is located in Taixing Economic Development Zone, near Shanghai, and is one of the leading Chinese producers of Para-Amino-Phenol (“PAP”), a chemical intermediate mainly used for the production of paracetamol. During 2010 and 2011, Yangzi successfully updated its technology from iron reduction to catalytic hydrogenation and its products are widely recognized in the pharmaceutical industry as the benchmark in terms of quality and purity. In 2012, Yangzi employed 375 employees and recorded €71 million of sales.

After its acquisition of Novacyl from Rhodia in November 2011, the Yangzi transaction represents the next step in Novacap's strategy to develop its health and pharmaceutical activities. It also significantly increases the footprint of the group outside Europe, with around 50% of employees now located in Asia.

With this new acquisition, the Novacap group's annual total turnover climbs to €710 million, an increase of 50% in less than three years. AXA Private Equity acquired a majority stake in Novacap from Bain Capital in January 2011.

“Yangzi is a high quality company in a growing niche market and it already has a longstanding business relationship with Novacyl”, said Pierre Luzeau, CEO of Novacap. “This acquisition is a decisive strategic move that boosts our paracetamol business while increasing the potential for the combined group's future growth.”

“This operation represents a great opportunity for Yangzi, as Novacap will provide the company with additional resources to accelerate its development in new geographies and new applications, as well as to pursue its continuous research of best-in-class industrial processes”, commented Zhou Zhao Ming, Chairman of Yangzi.

“Since Novacap's acquisition of Novacyl in November 2011, Yangzi has been on our top-priority acquisition list. This transaction is another example of how AXA Private Equity supports its portfolio companies in ambitious international projects”, said Thibault Basquin, Managing Director at AXA Private Equity.

## ABOUT NOVACAP

Novacap is a leading producer of essential chemicals for everyday use. The group enjoys a leading position in its markets and is organised around four independent business units : Novacarb, Novapex, Novacid and Novacyl. Novacarb produces inorganic chemical products and sells mainly soda ash, sodium bicarbonate and sodium sulphate. Novapex produces organic chemical products and sells mainly phenol, oxygenated solvents (such as isopropyl alcohol IPA) and derivatives. Novacid distributes hydrochloric acid and produces calcium chloride as well as ferric chloride through a joint venture with Feralco. Novacyl produces and markets salicylic acid, aspirin, methyl salicylate and acetaminophen. Yangzi produces and sells Para-Amino-Phenol. Novacap operated nine industrial units located in La Madeleine and Pagny-sur-Meuse (Nancy-France), Roussillon and Saint-Fons (Lyon-France), Grand-Serre and Pont-de-Claix (Grenoble-France), Wuxi and Taixing (China) and Bangpoo (Thailand) and employed ca. 1,230 employees. Novacap is headquartered in Lyon (France).

For more information, please visit [www.novacap.eu](http://www.novacap.eu)

## ABOUT AXA PRIVATE EQUITY

AXA Private Equity is a world leader in private equity, with assets of \$32 billion managed or advised in Europe, North America and Asia. The company offers its investors a wide choice of funds covering the full range of asset classes: Funds of Funds (primary, early secondary and secondary), Direct Funds including Infrastructure, Small and Mid-Market Enterprise Capital, Innovation & Growth, Co-Investment and Private Debt.

With offices in Beijing, Frankfurt, Jersey, London, Luxembourg, Milan, New York, Paris, Singapore, and Zurich, AXA Private Equity is committed to supporting companies in their long term growth by providing access to its international network. AXA Private Equity sets great store by the regularity and quality of its reporting on the performance of its funds and the performance of the companies in its portfolio, as a service to its investors.

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## PARTIES INVOLVED

### AXA Private Equity / Novacap

- Novacap: Pierre Luzeau, Marc de Roquefeuil, Vincent Milhau, Vanessa Chou-Michou, Jennifer Lau
- AXA Private Equity: Thibault Basquin, Arnaud Tardan, Edouard Level
- Legal advisors :
  - Corporate: DS Avocats (Hubert Bazin, Wu Yan)
  - Financing: BDN Associes (Benjamin Dahan)
  - Structuring & Tax: Latham & Watkins (Olivia Rauch-Ravise, Natacha Guelibolian)
- Buyer due-diligence :
  - Market & Strategy : Advancy (Sebastien David, Stepan Wildt)
  - Financial: PWC (Philippe Chavane, Thierry Charpentier, Ken Zhang)
  - Legal : DS Avocats (Hubert Bazin, Wu Yan)
  - Environment: URS (Harvey Liu)

## **Financing**

- HSBC: Pierre Schweisthal, Gregoire Langhade, Sylvain Treilles
- BNP Paribas: Charles-Edouard de Cabrol, Nicolas Benichou
- SG CIB: Frederic Fouillen, Paul-Philippe Bernier
- Legal advisors : White&Case (Julien Chameyrat, Thierry Pujol d'Andrebo)

## **PRESS CONTACTS**

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