

**7 DAYS**

14<sup>th</sup> April 2008

# Dhs2 billion in the pipeline from IPO



**THINK BIG:** The Makhzoumi family will use the proceeds from the Future Pipe Industries IPO to diversify its investments

Future Pipe Industries (FPI) is seeking to raise as much as two billion dirhams in an initial public offering that began yesterday.

FPI, a family owned, Dubai-based maker of fiberglass pipes used in city infrastructure and industry, has benefited from a surge in Gulf spending on infrastructure and oil and gas in recent years.

"Governments and nations simply do not have a choice but to invest in pipe systems," said FPI chief executive Rami Makhzoumi in a statement.

"The world pipe market in 2006 was estimated to be worth over \$120 billion, 80 per cent of which can be addressed by fibreglass as a pipe material," he added.

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RAMI MAKHZOUMI, FPI

The sale, the first by a family on the Dubai International Financial Exchange (DIFX), is open to nationals of the GCC countries, residents of the UAE, and global financial services companies.

FPI, which is owned by Lebanon's Makhzoumi family, plans to sell as many as 84 million shares, representing 35 per cent of the company, at between five dollars and \$6.60 each. This values the firm at between \$1.2 billion and \$1.5 billion.

The final price will be

announced on or around April 30.

FPI is competing for funds with interiors contractor Depa, which is itself looking to raise as much as \$516 million in an IPO this month. Depa is also seeking a secondary listing in London.

Profit at FPI almost doubled last year to \$69 million on a 57 per cent surge in revenue to \$556.4 million, with proceeds from the IPO to be used to diversify family investments.

The sale to individual investors ends on April 21.