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Klesch poised to purchase US container giant for \$1.2bn

By Lina Saigol in London

Gary Klesch, the distressed-debt trader, is set to buy Transamerica Maritime Containers from Aegon, the Dutch insurer. A deal, valued at about \$1.2bn (€940m), could be announced today.

Mr Klesch, chairman of Klesch & Co, which specialises in distressed debt, came to prominence in the UK in the early 1990s when he participated in high-profile corporate restructurings, including that of EuroDisney.

He has teamed up with Jordan Companies of New York, a small private equity firm, to buy TMC. He will become chairman of the new company, which will be named TAL International.

Transamerica Maritime Containers is a subsidiary of Transamerica Financial Corporation, which Aegon bought in 1999 for £9.7bn (€14bn). Since then, Aegon has been divesting Transamerica's non-core assets.

It sold the bulk of TMC's US commercial lending business to General Electric for \$5.4bn last year.

Mr Klesch is planning to bolt on acquisitions to TMC and will invest about \$1bn in upgrading its fleet over the next five years.

He is also likely to securitise future cash flow from the container business in order to finance the deal.

Mr Klesch's company last year acquired Dynegy's European telecommunications business from the US company. In 2000, his firm helped Deutsche Telekom restructure its cable assets and reduce its debt pile.

In 1994, as an analyst, Mr Klesch was one of the first to spot the impending financial disaster at Eurotunnel.

TMC, based in Purchase, New York, is one of the largest container-leasing groups in the world. It manages and provides financing for intermodal transport equipment. Its fleet includes standard containers and specialised refrigerated and tank containers as well as chassis and car-

riages for rail transport.

Booming world trade has led to huge demand for container freight. Most operators report utilisation rates of more than 90 per cent.

TMC operates the equivalent of more than 1m 20ft containers under lease contracts through 20 offices and 225 depots in 45 countries.

Jordan Companies of New York, Mr Klesch's co-investor in the deal, has approximately \$2.5bn of capital under management with a portfolio of about 20 businesses.