

corporate financing *week*

Exclusive capital markets news for corporate executives and investment bankers

www.corporatefinancingweek.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

DECEMBER 13, 2004

VOL. XXX, NO. 50

Newbie Player Plucks Pharma Co.

New America Partners, a year-old newcomer into private equity, has added a second company to its portfolio and plans to add four or five next year, according to Thomas Farb, the firm's founder and managing director. It recently took an undisclosed stake worth \$3.5 million in a pharmaceutical company.

The Boston-based firm partnered with a well-known buyout player in acquiring the pharmaceutical services company with roughly \$25 million in revenue and facilities in New Jersey, California and Shanghai, Farb said. He declined to name the acquisition or the other buyout firm because the company didn't want to publicize the transaction yet. New America, a family-office fund, has \$7.5 million under management, including its \$3.5 million stake in the pharmaceutical company.

Farb, the former general partner and cfo of Summit Partners, a \$5 billion private equity firm, launched New America in October last year, one of a growing batch of players specializing in buying American companies and moving their production facilities to China (CFW, 7/11). New America picked up its first portfolio company, ASIMCO Technologies, in a joint venture led by Key Principal Partners.

New America is in due diligence proceedings with two other companies. One is a manufacturer of auto parts and the other makes industrial equipment for the metals industry. Farb is currently touring production plants in China with officials from both companies.

Farb said he's also open to pitches from investment bankers. Especially appealing, he said, are profitable companies with revenues ranging from \$50-\$25 million in industries in which their chief competitors have not shifted operations to China. New America looks for companies that can increase earnings in their first year by 5-10% and, within three years, to 10-20%.