

## GE Plastics down to three bidders

Bloomberg is reporting today that Apollo Management LP, Saudi Basic Industries Corp. and Basell NA each bid more than \$10 billion for GE Plastics. The story quotes three unnamed "people with direct knowledge of the auction."

All three contenders have submitted offers and are meeting with GE executives this week to get more information on the Pittsfield, Massachusetts-based division, said the people, who declined to be identified because the process isn't public. The purchase may be announced as soon as this month.

Spokesmen for the companies who could be reached declined comment.

The story speculates that Apollo might have an edge because it bought GE Advanced Materials last year.

Saudi Basic's advantage, should it make the purchase, will stem from the Middle East chemical makers' access to abundant sources of raw materials such as natural gas. Sabic uses petroleum feedstock provided by state-owned Saudi Aramco, the world's biggest oil company, putting its costs lower than U.S.- based and European chemical companies.

Basell, the world's biggest maker of polypropylene, would be able to expand its lines of plastics and benefit from production volume. The Hoofddorp, Holland-based company was acquired by New York-based Access Industries Inc. two years ago.

This story has enough specific information about the deal that it sounds on target. I think Apollo, Sabic and Basell would all be very different owners, although any major changes in strategy could take months or years to develop. Stay tuned.

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Read more at: [http://www.plasticsnews.com/blog/2007/05/ge\\_plastics\\_down\\_to\\_three\\_bidd.html](http://www.plasticsnews.com/blog/2007/05/ge_plastics_down_to_three_bidd.html).