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GB Auto Plans to Raise \$182 Million by Selling Five-Year Bonds

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By Haris Anwar

March 3 (Bloomberg) -- GB Auto, the automotive assembler and distributor based in Cairo, plans to raise 1 billion Egyptian pounds (\$182 million) by selling five-year bonds, lead manager Beltone Financial said.

The fixed-rate callable bonds will pay a quarterly rate of return of 12 percent, said Tarek Elalaily, head of fixed-income at Beltone, referring to the term-sheet.

Investors will start getting the principal amount after two years in equal quarterly installments over the next three years, according to the document. The company plans to use the proceeds to fund expansion in the Middle East and repay a 150 million Egyptian-pound bridge loan.

Beltone will start investor meetings in March or early April, Elalaily said.

GB Auto's head of investor relations Bassem El-Shawy said in January the company is close to issuing a 1 billion Egyptian-pound bond.

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