
Drake and Scull buys 82pct of German Passavant Roediger

Sunday, 22 Nov, 2009

Reuters reported that Dubai's Drake and Scull International bought an 82% stake in a German waste treatment firm and said that it expected at least one more acquisition for up to USD 20 million by the end of 2009.

Drake paid AED 145 million for control of Passavant Roediger which specialises in wastewater, water and sludge treatment technologies in what was its first acquisition.

Drake which specialises in mechanical, engineering and plumbing businesses and listed on the Dubai Financial Market in March has been expanding outside its home market as it looks to diversify its portfolio and weather the financial downturn.

Mr Khaldoun Tabari CEO of Drake and Scull said that "I would say at least one by the end of the year in Kuwait or Qatar, close to AED 70 million to AED 75 million. The target would be a mechanical, engineering and plumbing company in Kuwait or Qatar."

Mr Tabari said that outside the Gulf, Drake won its first contract in Thailand in September and also operates in Sudan and is looking to win its first contract in Libya, where it has an office. In Libya we are bidding for 6 or 7 projects. Libya has its own pace. Hopefully we'll have something there sooner rather than later. Less than 30% of homes in the Mena region are connected to water and sewage compared to Europe and the US which is 90% perhaps up to 97%. This gap needs to be addressed.

Mr Roy Cherry VP research, real estate and construction at Shuaa Capital said that the most important acquisitions are the ones that will come in the coming months or so and will bring additional market penetration in the Gulf. This acquisition is more about acquiring know how.

(Sourced from Reuters)

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