
IPIC acquires 70% stakes in MAN Ferrostaal

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MAN Ferrostaal has announced that the Abu Dhabi state owned International Petroleum Investment Company has agreed to buy a controlling 70% stake in MAN Ferrostaal from its parent, the Munich based MAN AG Group for EUR 490 million.

MAN Ferrostaal is a provider of industrial services in two major sectors namely projects and services. With 4,200 employees and an annual turnover of EUR 1.4 billion as of 2007, MAN Ferrostaal serves customers in more than 60 countries worldwide.

IPIC's investment in MAN Ferrostaal provides IPIC the capability to access MAN Ferrostaal's leading edge capabilities in the field of petrochemicals, solar power and project construction and management.

Mr Matthias Mitscherlich chairman of MAN Ferrostaal said that "It's an all cash deal. IPIC will get the management control of MAN Ferrostaal when the closing takes place which is presumably going to be end of March 2008." He added that MAN Ferrostaal is worth EUR 700 million.

Mr Mitscherlich also said that MAN Ferrostaal will continue to have its headquarters in Germany, post acquisition, adding that when the new board of the company is formed, there will be 4 members from IPIC and 2 from the MAN AG Group. He also informed that the remaining 30% of MAN Ferrostaal will remain with MAN AG Group.

Mr Khdem Al Qubaisi MD of IPIC said that "IPIC is excited by the potential of this acquisition. We are matching top class engineering, construction and project management skills and know how with a bandwidth of opportunity that is not easy to obtain elsewhere."

Mr Mitscherlich said separately, a JV of IPIC and MAN Ferrostaal, IMF, is being formed in Abu Dhabi which would handle businesses within the emirate and the entire Middle East & North Africa region. IPIC will have a 60% stake in the JV, while MAN Ferrostaal will own the remaining 40%.

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