

SIG sells scaffolding arm to French group

Altrad, a privately-owned French scaffolding manufacturer and hirer. Sheffield based SIG's strategic development director Andrew Greenaway said the Beaver 84 business has more scope for growth as part of Altrad.

"SIG maintains an active portfolio review process to assess the fit with other parts of the group and SIG's ability to grow and develop each business going forward," he said. "Following this review we believe that Beaver 84 has greater potential for growth within the Altrad Group, which as one of Europe's largest scaffolding businesses, is better positioned to take Beaver 84 forward in its chosen markets."

Altrad said the acquisition is part of its plan to expand in the UK scaffolding market. Altrad is one of the largest suppliers of scaffolding in Europe.

The deal includes 11 distribution outlets across the country from Edinburgh to Beaver 84's head office in Basildon.

Dr Mohed Altrad, the Syrian-born founder of Altrad Group, believes that the UK's heavy use of traditional tube and fitting scaffolding will shift towards more modern types of equipment.

Beaver 84 has 150 employees and a turnover of £25m a year, mostly from sales of scaffolding, fencing and groundworks products, with a secondary hire business. Steve Tysoe will continue to run the business, which will be renamed Altrad Beaver 84 Limited.

The acquisition forms part of a bigger plan to provide the UK market with Altrad's products and services.

The French company specialises in the manufacturing and sales of scaffolding, cement mixers and wheelbarrows.

SIG has been forced to cut hundreds of jobs and trading locations in recent years as the recession pummelled the housebuilding and construction markets.

But chief executive Chris Davies said that now its markets are stabilising, there are no plans for any more restructuring programmes.

"I believe we're right-sized for demand going forwards," he said. "It's been a very difficult couple of years for anyone in construction, but it's clear now our markets are stabilising. We're in good shape and looking forward to making progress this year."

The group said that trading in the first few months of 2011 was well ahead of last year.

The company also cheered shareholders with the news it will return to dividend payments at the half-year stage after a three-year drought.

The group said market conditions improved in the second half of 2010 and coupled with restructuring initiatives, it increased underlying 2010 pre-tax profits by three per cent to £62.5m.

The improvement came despite extreme weather conditions at the start and end of the year, which impacted on demand for SIG's products and services and left full-year turnover down two per cent at £2.7bn.

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SIG expects last year's modest growth in residential building to continue into 2011. Mr Davies said the private non-residential, or commercial, market is lagging behind the residential market by between 18 to 24 months.

No rises for directors

SIG has decided against pay hikes for its directors in 2011 after shareholders voted down its remuneration report last year.

The Sheffield-based company said it had consulted major institutional shareholders about its latest remuneration plans.

The company's investors called for 2011 salary hikes to be restricted, a share of bonuses to be deferred and tougher rules on long-term incentives.

The group said its chief executive Chris Davies' total pay packet in 2010 increased 25 per cent to £867,000, up from the £694,000 he received in 2009.

It included a £314,000 bonus and £533,000 salary.

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