

By John Mulligan

Stormy Siteserv EGM expected as company confirms it has offer from French bidder Altrad

SUPPORT services group Siteserv admitted today that it has received an indicative, nonbinding proposal from French group Altrad to buy the company's subsidiaries for €60m.

Siteserv said this proposal arrived after its announcement on April 3 which stated that it had not received a formal approach from Altrad.

An executive of the UK unit of French group Altrad will attend this morning's extraordinary general meeting (EGM) being held by Siteserv. Shareholders are expected to give a greenlight to the €45m acquisition of the firm by businessman Denis O'Brien.

Ray Neilson, the managing director of Belle Group, which is owned by Altrad, told the Irish Independent that he will be attending the EGM as a shareholder.

He said that while he accepts the takeover deal won't now be reversed, he wanted an opportunity to address Siteserv shareholders. It's likely he'll also put a number of allegations to the board.

Mr Neilson has alleged that his company made a number of informal requests regarding a possible acquisition of Siteserv, but was told as late as January this year that the company wasn't for sale. Earlier this week, the French firm submitted a complaint to the Competition Authority.

Siteserv chief executive Brian Harvey has categorically denied that he told Altrad that the Irish company was not for sale. Siteserv has said Altrad's claims are «*opportunistic and unfounded*» and that the sale to Mr O'Brien's Millington vehicle represents a decision that's in the best interests of Siteserv shareholders

One of the attractions of Millington's offer is that it was prepared to buy Siteserv without engaging in any more intensive due diligence, enabling a more rapid sale it believes helped to secure business and jobs.

Earlier this week, Altrad submitted a formal €60m takeover offer to Davy Corporate Finance and KPMG Corporate Finance for Siteserv.

However, well over the required 50pc of Siteserv shares required to approve the takeover deal by Mr O'Brien's Isle of Manbased Millington vehicle have already been voted in favour of the transaction.

Under its terms, Irish Bank Resolution Corporation, formerly Anglo Irish Bank, will get back less than €50m of the €150m it's owed by Siteserv as full and final settlement of the company's debts with the institution. Siteserv shareholders also will split €5m.

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Mr Harvey will receive about €800,000 of that.

An independent corporate governance group, Institutional Shareholder Services, has also recommended to Siteserv shareholders that having taken into account the «*terms, benefits and rationale of the proposal*», they accept the deal.

In a report, it said that the proposed transaction does not diminish shareholder value.

