

Aveng sells Grinaker-LTA's rand roads and ground engineering business

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Johannesburg, 12 July 2019: Global infrastructure and resources group, Aveng Limited today said it had reached another milestone in its strategy to focus on core businesses with the announcement that it had signed separate binding agreements to sell the Aveng Grinaker-LTA's Rand Roads ("Rand Roads") and Ground Engineering businesses ("GEL").

Subject to certain contractual conditions, the Rands Roads business will be sold for R30 million plus the value of inventory to Ultra Asphalt Proprietary Limited ("Ultra") and the GEL business will be sold as a going concern for R7.5 million to a newly formed special purpose vehicle ("NewCo"), whose shareholders include Wolf Capital Partners Proprietary Limited and the current management of GEL.

Rand Roads is a specialist division within Aveng Grinaker-LTA, whose service offering covers the full supply chain for road rehabilitation and infrastructure, from bitumen binders modification to asphalt production. GEL is a geotechnical contractor based in Johannesburg.

Ultra is a newly formed investment special purpose vehicle whose shareholders have a 100% interest in a leading plant-hire operator in South Africa specialising in mining, heavy plant and equipment, quarries, road development, road construction and rehabilitation and water supply.

The operations of Rand Roads will be sold on a cash free debt free basis and also includes the 15% investment in Specialised Road Technologies Proprietary Limited (SRT) held by Rand Roads.

Grinaker-LTA has a proud South African heritage going back 117 years and both these units have impressive track records of delivering resources, skills and project management capabilities across diverse, multi-disciplinary projects.

Sean Flanagan, Aveng Chief Executive, said: "This is another step forward in the delivery of Aveng's strategic action plan. We are pleased with the increasing progress that we are making in the disposal of non-core businesses and are confident that we have ensured the sustainability of these businesses going forward while generating acceptable value for our shareholders. We remain focused on completing the remaining disposals in the same manner".