

PPC increases stake in Ethiopian-based cement company to 51%

PPC (PPC) on Wednesday, 5 November, announced that it had successfully acquired the Industrial Development Corporation's 20% stake in Ethiopian-based Habesha Cement Share Company (HCSCo) for a purchase consideration of \$13m.



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The acquisition increases PPC's stake in the company to 51%.

PPC executive chairman Bheki Sibiya said the acquisition would provide further momentum to the company's growth strategy in Africa.

He said HCSCo had already begun the construction of a 1.4-million tonnes a year facility 35km northwest of Addis Ababa.

Project costs for the factory were about \$135m and commissioning of the plant was expected in 2016.

"We are very excited about our increased investment in Ethiopia - a country with a population of 91-million people that is set to reach 100-million by 2018 and ... a growth rate that is expected to remain above 8% in the medium term," he said.

"PPC has, in addition to the HCSCo project, signed engineering, procurement and construction (EPC) contracts for projects in Rwanda, the Democratic Republic of the Congo and Zimbabwe - all with construction under way," said Sibiya.

Financial close of the acquisition is expected in December 2014, once all conditions have been met.

Source: *BDpro*

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