

NEWS

# Silver all over for Engineered Linings

In October 2007 PSV Holdings – a mini-industrial conglomerate listed on the JSE – did what now looks like the deal of a lifetime with a specialist engineering company based in Montague Gardens.

PSV – which specialises in pumps, valves and spares – paid R40 million to buy out various shareholders in Engineered Linings.

Engineered Linings is a real niche business, supplying and installing geosynthetic liners for containment, environmental protection and corrosion protection in land-fills, storage dams and mines. The group has been around for more than two decades, and such is the expertise in its project management team – led by Du Toit Viljoen – that contracts have been secured in such far flung markets as Kazakhstan, Tajikistan, Algeria, Uganda and Singapore.

Other notable projects have included work on the



**Du Toit Viljoen, CEO of Engineered Linings.**

Lesotho Highlands tunnels, large resort-type water features at many local casinos and the Katse Dam wall. At the time of the takeover, PSV's directors believed Engineered Linings would enhance their customer base and increase its geographical footprint (especially in Africa).

Engineered Linings complemented PSV's business in the mining sector

and waste management sectors where the latter is mainly involved in installing pumps and valves.

The R40 million paid by PSV for Engineered Linings seems a reasonable transaction considering key management – including CEO Du Toit Viljoen – were issued a substantial parcel of PSV shares as part of the purchase settlement. The only concern at the time was

that PSV was paying a price that was more than double Engineered Linings warranted net asset value of around R18 million. In the first year since acquisition (to end February 2008), PSV's engineering linings and industrial supplies division turned over R90 million and produced gross profits of R21 million.

This division seemed to kick on in financial 2009 with PSV directors reporting that Engineered Linings performed exceptionally over the period and managed to conclude the group's 'largest contract ever' while also completing various contracts both in South Africa and abroad.

PSV's results for the year to end February 2009 showed the engineering linings and industrial supplies division more than doubling turnover to R191 million and generating operating profits of R39 million. It's still early days, but so far it looks like R40 million well spent by PSV...



*A plastic floating cover supplied by Engineered Linings to the City of Cape Town's De Grendel project. The dam stores semi-pure sewage water derived from the Potstam sewage works which is then supplied to grape farmers in the Durbanville area for irrigation purposes. On the picture right the client is on the floating cover on the day of hand-over.*

# Lusitania keeps struggling on

AN inability to eke even a semblance of profitability

# KWV sells fruit juice operation

WITH its strategic focus on building alcoholic beverage brands, Paarl-based KWV Ltd has decided to sell its grape juice concentrate plant in Upington to neighbouring Orange River Wine Cellars

material supply. It was an important mechanism to remove surplus grapes from the wine industry

grape juice concentrate plant in Upington over the past few years. The decision to sell the grape

sell the plant was in the best interest of all stakeholders. KWV's strategic focus is on brands and con-