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Sanyati's R220m for Meyker

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ALT-X-listed civil engineering and construction group Sanyati Holdings yesterday announced its R220-million acquisition of Meyker Group.

Rick Jackson, Sanyati's chief executive, said: "This has enabled us to secure a database of leading corporate and public-sector clients, which will further expose Sanyati to this high-growth market segment."

Meyker Group, established in 1996, is a supplier of optical-fibre cable installations to cellular network providers MTN and Vodacom, and to Transtel and Neotel.

Sanyati, which operates mainly in KwaZulu-Natal and Northern Province, recently acquired Ruthcon Civil Contractors and GEM Earthworks, extending its footprint to Gauteng, Mpumalanga and Eastern Cape.

"Our acquisitions have ensured that we are now a broad-range group offering services nationwide to the general construction market, as well as to lucrative niche markets such as road building and telecommunications infrastructure."

Sanyati doubled its profit and turnover for the six months to August thanks to major contracts, including a stake in the R5.6-billion King Shaka International Airport job.

The group's subsidiary, Afriscan, has a 10percent stake in the Ilembe consortium, which was awarded a R1.8-billion contract for the civil works at the airport.

Afriscan will bring in R190-million from the project.

Khaya Gobodo, a director of Renaissance fund managers, said: "We have been seeing a lot of companies doubling profits each year, and this has been the result of the large infrastructure drive by the government."

The Meyker Group is part of a joint-venture recently awarded the contract for the upgrading of the Bloemfontein stadium for the 2010 Fifa World Cup.

Gobodo said: "Though the best of the growth in the construction industry is behind us, there is still a lot of growth ahead."

Sanyati's shares price opened at R3.27 and hit a high of R3.38 yesterday.

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