

Weblink	http://www.sify.com/finance/binani-buys-belgian-fibreglass-company-3b-for-euro-275-mn-news-equity-mccbdDfhfi.html?ref=false
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Binani buys Belgian Fibreglass Company 3B for euro 275 mn

Binani Industries Limited (BIL), the holding company of the \$1.6-billion Braj Binani Group, has acquired 3B, a Belgian fibreglass major, for euro 275 million. This is the third such global acquisition of the group in six years. Last year, the group acquired US-based composite maker CPI Inc.

Binani Industries has acquired the entire equity interest in 3B from private equity investor Platinum Equity. Binani is one of India's leading global diversified business houses, with interests in cement, zinc, glass fibre, composites and ready-mix concrete.

Headquartered in Battice, Belgium, 3B is Europe's leading manufacturer of fibreglass for reinforcement of thermoplastics and thermoset polymer applications, and is a preferred supplier to global leaders in industries, including automotive and wind energy.

Binani will now become a prominent supplier to industries such as automotive, wind energy, electrical, electronics, marine, infrastructure and transportation, primarily in Europe, where approximately 90 per cent of 3B's customers are based. Moreover, the manufacturing plants that Binani Industries will own in Battice (Belgium) and Birkeland (Norway) will help it serve blue-chip customers in northern and central Europe. About 45 per cent of 3B's customers are in the industrially advanced countries.

3B posted net sales of euro 159 million in 2010. It also plans to set up a new expansion facility in Tunisia in 2013. That will raise its capacity to 2,00,000 tonnes per annum (tpa).

"The acquisition will strengthen our group's core operations at a global level. We are among one of the few groups globally that has a robust presence in this niche segment and we are working to accelerate our fibreglass operations further over the coming years. Therefore, 3B is a perfect match. We look forward to leveraging its expertise, strong R&D and excellent customer network," said Braj Binani, chairman, Binani Industries Limited, while explaining the rationale for the buyout.

The group has been looking at ways to expand its footprint in the global fibreglass market. This acquisition gives Binani Industries full ownership of 3B's global operating capacity of 1,50,000 tpa. It also provides access to its established customers, world-class technologies, marketing network, vast marketing geographies and skilled manpower. 3B has an extensive portfolio of products including chopped strands, direct rovings and continuous filament mats.

Goa Glass Fibre Limited, a subsidiary of Binani Industries based in Goa, with a manufacturing capacity of 20,000 tpa, has state-of-the-art operations in similar product categories and exports its products to 15 countries across five continents.

The fibreglass industry worldwide is mainly driven by the composites market, which is set to grow at 4.5 per cent annually. Globally, fibreglass demand is set to post a compounded annual growth rate of 8.2 per cent by 2014. In Europe, applications of fibreglass in automotive and wind energy sectors are likely to grow annually by six per cent and 15 per cent, respectively. The company stock closed marginally up by 0.9 per cent at 111.10 on Bombay Stock Exchange on Wednesday.