

Retracked Coffey sheds rail

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Multidisciplinary consultancy Opus International Consultants is to buy Australian-based rail engineering consultancy Coffey Rail and its related company, Asia Pacific Rail, for \$9 million.

"It fits in well with the work we're already doing," said Opus's managing director for Australia, Melvyn Maylin. "We'll be able to offer a more complete package to rail clients."

Before the acquisition, Opus would typically undertake civil and design work, but the addition of 50 staff from Coffey Rail's Melbourne office will enable it to tackle track design and signalling projects.

Besides increasing Australian staff numbers to 370 and the number of offices by one to 14, the acquisition, which is due for completion in early 2012, is expected to contribute \$NZ1 million (\$760,000) to Opus net profit after tax in the first full year.

In calendar 2010, Opus, which is listed on the New Zealand stock exchange, raised profit after tax from \$NZ18.6 million to \$NZ22 million.

More recent figures for the 2011 first half show that net profit after tax for the six months to June 30 increased from \$NZ10.4 million in 2010 to \$NZ11.3 million. The result included the benefit of a \$1.4 million tax credit from the NZ R&D regime.

Opus provides asset development and management services for infrastructure facilities in New Zealand, Britain, Australia and North America and employs about 2400 staff working from 76 offices globally.

Its chief executive, David Prentice, said that the deal would expand the



Coffey will put the \$9 million proceeds from the sale of its rail division towards debt reduction.

Photo: GLENN HUNT

KEY POINTS

- Coffey Rail buyer Opus says it will now be able to offer a more complete package to its rail clients.
- Coffey will focus on its core businesses of geoscience and project management.

company's rail service offering not just in Australia but also globally.

Coffey Rail provides specialist rail advisory services to owners, operators and contractors both in the pub-

lic and private rail transport sector.

"The business is well known for its specialist rail design and project management capability and has a long heritage, stemming from 1992 when Asia Pacific Rail began," Dr Prentice said.

Coffey Rail's senior executive, Andy Nicol, will lead the renamed company, Opus Rail Pty Ltd, and report to Mr Maylin.

Opus Rail will work alongside the other Opus offices in NSW, Queensland, the Northern Territory, South Australia and Western Australia.

"The sale of Coffey Rail completes our strategic review initiatives announced in June this year," said Coffey International managing director John Douglas. "We have refocused Coffey on its core businesses of geoscience, international development and project management, and have resolved the future of those businesses deemed non-core. The sale proceeds will be used to further reduce Coffey's debt."

Before a \$40 million capital raising earlier this year, Coffey's net debt (cash) was \$121.1 million.