

International review

Corus of approval

The Indian company Tata Steel has had its £4.3 billion offer accepted by the Corus Group — the largest steel maker in the UK. This friendly take-over will see Tata Steel set up a wholly owned indirect subsidiary, Tata Steel UK, for completion of the acquisition. Tata Steel chairman Ratan Tata said: "The two companies have compatible cultures of commitment to stakeholders and complementary strengths in technology, efficiency, product mix and geographical spread."

On completion of the deal, Tata Steel will emerge as the world's fifth-largest steel company (from its current rank of 56th). Corus is Europe's second-largest steel producer with revenues of £9.2 billion and crude-steel production of 18.2 million tonnes, primarily in the UK and the Netherlands. Corus Chairman Jim Leng said: "The combination with Tata, for Corus shareholders and employees alike, represents the right partner at the right time at the right price and on the right terms."

The pricing of the acquisition offers

a premium of approximately 26.2% to the average closing mid-market price of 360.5 pence per Corus share for the past year (to 4 October). Tata Steel has also offered to pay £126 million into the pension scheme immediately and to increase the company contribution to the scheme from 10% to 12% (until 31 March 2009). Corus directors, who recommended that shareholders support the Tata offer, made it clear that they would subscribe to the offer.

Tata Steel is India's largest private-sector steel company, with 2005/06 revenues of US\$5.0 billion and crude steel production of 5.3 million tonnes across India and South-East Asia. It is a vertically integrated manufacturer and is one of the world's most profitable and value-creating steel companies. Tata Sons, Tata Steel and other Tata companies had combined revenues in 2005/06 of approximately US\$22 billion. Tata Sons' current investments are valued at approximately US\$50 billion.

Despite Corus's acceptance of Tata Steel's offer, the Brazilian steel maker Companhia Siderurgica Nacional (CSN) indicated last week that it had the re-

sources to engage in a price war with Tata for control of Corus. CSN argued that its bid would safeguard jobs in the UK, because it could supply Corus steel plants with low-cost iron ore from its Brazilian mines.

New plants in Poland

3M has announced that it will spend \$50 million on building three factories in Wroclaw, in south-western Poland. The three plants will produce optical films for liquid crystal display (LCD) screens, adhesive materials and orthodontic products.

According to 3M spokeswoman Ilona Gajewska: "The optical-film factory, which will produce films that improve the image on electronic screens, is directly linked to the investment projects in Poland of LG-Philips and Sharp." LG-Philips is building an LCD factory in Wroclaw, and Sharp has announced similar plans.

Production at the optical film plant is expected to begin in March or April 2007, and the investment will account for \$30 million. Approximately 100 peo-

Major milestone for machine tool manufacturer

ANCA, the Australian manufacturer of CNC grinding machines, has delivered its 2,000th machine. Company founders Pat Boland and Pat McCluskey presented the TX7+ high-precision grinder to customer OSG Corporation in a traditional Japanese ribbon-cutting ceremony last month at ANCA's plant in Bayswater, Victoria.

This milestone was achieved in just 20 years; in fact, the second thousand machines were delivered over the last six years. The company has achieved an average annual growth rate of 30%, and it is aiming to set new production and sales records for

2006/7. General manager Linsey Siede says that ANCA's journey so far has not been all 'smooth sailing'. "In today's bustling environment, remaining globally competitive has not been a simple or straightforward task, particularly with most of the machine tool industry being in the northern hemisphere and 98% of ANCA's customers being outside Australia.

"We have addressed these challenges in numerous ways, but always with a primary focus of developing in-house world-class expertise, to design, build, sell, service and support an innovative, technologically advanced, leading-edge product range that is driven by customer demand.

"Along the journey to reach this milestone, ANCA has received help and support from many different groups, including a number of key suppliers, the state and federal governments, our valued customers from around the world and, of course, the dedicated members of the ANCA global team."

