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Italian firm buys Lane Industries just as US government prepares big infrastructure spending

BY COLLEEN BARRY, THE ASSOCIATED PRESS NOVEMBER 12, 2015 5:20 AM

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MILAN - Italian infrastructure group Salini Impregilo said Thursday it beat other bidders to win a deal to buy U.S.-based Lane Industries, giving it a bigger presence in the United States just as the government prepares to spend billions on the country's aging infrastructure.

Salini Impregilo's board has approved the \$406 million deal, which creates a group with sales of 6 billion euros (\$6.4 billion), the Italian company said in a statement. The deal is pending approval by Lane shareholders, with closing expected in January.

The deal to buy Lane, one of the top federal contractors for roads and highways, comes days after the U.S. Congress backed a bill to spend more than \$300 billion to repair roads and bridges.

CEO Pietro Salini said the passage of the bill along with plans in Texas to spend \$2.5 billion on roads, "makes us very excited to look at the potential" of the expanded group.

"We have in front of us a very thrilling and exciting market like the United States with the capacity and experience of Lane, which will benefit from the larger footprint in different segments of Salini Impregilo," Salini told The Associated Press.

The Italian group, which is the global leader in dams and water projects and is working on the expansion of the Panama Canal, already gets 20 per cent of its revenue from the U.S. through its West Coast-based subsidiary S A Healy. The addition of Lane will expand its geographic reach into an additional 15 states, including Florida, Pennsylvania and Virginia. Salini Impregilo and Lane are both present in Texas.

Among its previous U.S. projects, Salini Impregilo has drilled an extended metro line in San Francisco and a hydraulic tunnel at Lake Mead near Las Vegas.

Salini said the Lane deal brings the group "to a new, more ambitious level."

The Italian group has more than 35,000 employees in 50 countries and posted 9-month revenues of 3.4 billion euros.

Lane, based in Cheshire, Connecticut, has annual revenues of more than 1 billion euros and employs 4,500 people. It is the largest private producer of asphalt in the United States.

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