

## **AMEC CHALLENGED OVER ALLEGED LINK TO AFRICAN BRIBERY TRIAL**

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AMEC'S PROMISE that its acquisition of Spie will not draw it into a bribery trial in southern Africa has been challenged by the French engineering company's former owner.

The British construction group's shareholders have approved Amec's acquisition of the 54 per cent of Spie it doesn't already own, after being told that a subsidiary involved in the controversial Lesotho Highlands Water Project had been wound up.

In a clarifying statement after an extraordinary general meeting on the acquisition last week, Amec said the part of Spie that was involved in the Lesotho dam project had remained with its previous owners, Schneider. Spie's management put together a buyout deal from the French industrial giant in 1997, with Amec taking a minority stake.

Spie Batignolles, the subsidiary involved, is being sued over allegations of corruption, with a trial date set for October. Plans for a network of giant dams in Lesotho, Africa's biggest infrastructure project, have angered environmental campaigners who say it will displace 30,000 people. A local official has been convicted of taking bribes from contractors.

However, Schneider has contested Amec's latest version of events. A spokeswoman for Schneider, one of France's leading companies, told The Independent that it had not kept the Lesotho contract when it sold Spie to management.

"We didn't retain any part of Spie and certainly not the Lesotho contract," said the spokeswoman in Paris, who added that she had checked the issue with Schneider's company lawyers.

The responsibility for the Lesotho contract matters because the case is due to be heard in that country later this year and, in the documents prepared to propose the Spie acquisition for last week's EGM, Amec declared that there was no significant outstanding litigation against Spie.

Spie Batignolles led the international consortium chosen to build the Lesotho giant dam scheme.

Masupha Sole, the former chief executive of the Lesotho Highlands Development Authority, was convicted in June last year on 13 counts of bribery linked to the controversial project and sentenced to 18 years in jail. Acres International, a Canadian company, was fined pounds 1.3m by the court in October for paying bribes to win work on the scheme.

Friends of the Earth raised the Lesotho case at Amec's shareholder meeting last week but was told by an angry Jean Monville, chairman and chief executive of Spie and an Amec board member, that it had "nothing to do with Amec or Spie". After the EGM, Amec said in a statement: "The Spie company that was eventually bought by its management (supported by Amec) from Schneider, did not include the Spie Batignolles contract in Lesotho, along with a number of other international projects. These remained with the former owner. Therefore at the buyout stage in February 1997, Spie and hence Amec, had no liability for the Lesotho project."

Asked to comment on Schneider's denial, Nick Welsh, a spokesman for Amec, said: "I stand by the statement."

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