

McCabe Group in multi-million Euro debt-for-equity swap

CONSTRUCTION

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WHAT was one of the country's largest construction companies, McCabe Group, has confirmed that it struck a deal with asset management and investment group Western Gulf Advisory (WGA) that will result in WGA assuming about £300m (€360m) of McCabe's debt and investing £40m (€48m) of equity to fund the completion of a number of building projects.

WGA has also signalled that it's prepared to bail out other distressed Irish companies in similar deals.

Switzerland-domiciled John McCabe controlled the building company and has been seeking an outside investor in the firm for some time.

He is closely associated with developer Paddy Kelly and was among the so-called 'Golden Circle' of investors that borrowed money from Anglo Irish Bank to buy shares in the institution that were offloaded by Sean Quinn.

The main lender to McCabe Group is also Anglo Irish Bank. Among the construction firm's Irish developments was the upmarket Abington estate in Malahide, Co Dublin, which was home to former Anglo Irish chief executive David Drumm and is where Boyzone singer Ronan Keating's family lives.

WGA is taking a 50pc stake in McCabe's holding company, J&M McCabe Properties, and has committed to retaining the stake for the long term.

WGA was founded and is headed by Indian entrepreneur Ahsan Ali Syed.

He says the McCabe Group is a "well-managed business with a long track record of success".

"As the economic cycle starts to move into the upturn we believe it has a strong future ahead of it," he claimed.