

OWEN PUGH

NEWS RELEASE

For immediate release: draft for approval

New £900k depot for Owen Pugh GDC

A LEADING North East construction firm has got 2014 off to an optimistic start with the opening of new £900K depot in Gateshead that will accommodate the expansion of its civil engineering division.

Owen Pugh GDC, a subsidiary of the Owen Pugh Group which delivers civil engineering contracts including drainage, environmental, flood alleviation, coastal and river works and urban regeneration work to local authorities and water utility companies, has acquired the three acre site on Factory Road, Blaydon to support its growth plans.

The acquisition, which was supported by a £750,000 finance package from HSBC's North East Corporate team, was a natural progression for the arm of the business which has seen significant growth from a turnover of £4million per annum in 2008 - 2009 to a projected £13million for this coming financial year.

John Dickson, chairman of the Owen Pugh Group, said: "Owen Pugh GDC had outgrown its existing premises so we looked into a number of options, including the extension and refurbishment of existing facilities, but this didn't offer a long-term solution that satisfied long-term growth plans.

"The acquisition of the Factory Road Depot will provide Owen Pugh GDC with increased space for organising and servicing vehicles and their crews, more room for plant and equipment and for expanding the range and quantity of parts and materials held in stock. Additional office space is also available to support the growth of engineering and project management teams."

The additional space afforded by the river front site, which comprises 15,800 sq ft of office and storage space plus extensive car parking, will also enable HCS Drain Services, Owen Pugh's drainage arm which is headquartered in Stockton-on-Tees, to develop a northern hub

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enabling the business to more efficiently service a growing client base in Tyneside and Northumberland.

The move will enable both Owen Pugh GDC and HCS Drain Services to recruit additional staff across all disciplines and it is expected that up to six new employees will be taken on by GDC within the first three months of 2014.

Longer term plans for the new premises, which were formerly owned by civil engineering and building materials supplier Burdens, include the transfer of the Owen Pugh Construction team, which is currently based at the Group's Dudley headquarters. The site also has the capacity to accommodate future business developments.

Andy Parker, HSBC Senior Corporate Banking Manager who led the deal on behalf of the bank, said: "Owen Pugh GDC is a great business with a highly-experienced management team. It has experienced strong growth over the past five years and we are delighted to have provided this finance package to help it achieve further growth going forward."

The Owen Pugh Group comprises five trading companies operating in the civil engineering industry, undertaking earthmoving and demolition, drainage and groundworks, plant-hire and haulage, quarrying, inert waste and drain cleaning, and CCTV surveys. The group is headquartered in Dudley near Cramlington, with other bases in Blaydon, Sunderland and Stockton-on-Tees, as well as Marsden Quarry. The company employs over 360 staff across its business.

For further information about Owen Pugh GDC call 0191 414 4422 or visit the website www.owenpugh.com

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