

# Cury Construtora could sell stake; does not rule out opportunistic acquisitions

---

## Merger Market

Cury Construtora e Incorporadora Ltda., a privately held, Brazil-based construction company, could sell a stake and does not rule out opportunistic acquisitions, CEO and shareholder Fabio Cury said.

“We do not rule out selling a stake in the company to a fund or another investor,” Cury told this news service. The company has received some proposals from funds, but declined them, Cury said, without elaborating on the reasons why.

With BRL 400m (USD 248m) in revenues in 2010, EBITDA of BRL 52m, 500 employees and 2,500 under contract, Cury Construtora was founded in Sao Paulo in 1962 as Cury Empreendimentos. In 2007, Cury Empreendimentos formed a joint venture with the Brazil-based construction company Cyrela Brazil Realty, creating Cury Construtora.

The company builds residences in 15 cities in the states of Sao Paulo and Rio de Janeiro, for low-income class consumers. The segment is currently growing in Brazil thanks to the government program Minha Casa Minha Vida, which subsidizes low-income housing. “Our goal is to become a big player in Brazil, expanding our business to more cities and more groups of consumers,” Cury said.

Cury Construtora plans to build residential developments of up to 4,000 residences in the suburbs of Sao Paulo and Rio de Janeiro, and needs capital to finance property acquisitions. “In the city of Sao Paulo it is almost impossible; we need cash to acquire properties,” the CEO said.

The company is considering selling a stake of up to 20%, Cury added. “It could be done now. It only depends on an understanding about the value,” said Cury, who is the son of the company’s founder. He declined to state a valuation for the company.

Cyrela gives the company the financial strength to take loans with Brazilian banks and to raise capital, Cury said.

The company is investing BRL 10m this year in R&D of construction processes, due the lack of qualified workforce in Brazil and the kind of the residential developments it works with, always with more than 500 residences each, Cury said. “The company is not a startup anymore, as it entered in a stage of return on investments in 2010.”

Asked about acquisitions, Cury said it is not the company’s priority to enter new cities. “However we do not rule out making acquisitions in other cities or joint ventures,” the CEO said.

Cury Construtora works with the Sao Paulo-based consultancy Rosenberg Partners as M&A advisor, which advised it in the deal with Cyrela. It works with three law firms, none of which are specialized in M&A, according to Cury. “We already have two or three to choose [from],” he said, when asked if the company could hire a law firm for the potential stake sale.

by Max Gonzales in Sao Paulo