

# BlackRock closes in on purchase of Thames Water contractor Lanes

An arm of BlackRock, the world's biggest asset manager, is closing in on a takeover of a major contractor to Thames Water even as the utility teeters on the brink of collapse.

Sky News has learnt that BlackRock's private markets division could strike a deal to acquire Lanes Group, which is based in Leeds, within days.

City insiders said that BlackRock had seen off competition from other suitors.

It was unclear on Monday how much the asset management behemoth had agreed to pay for Lanes Group, although Sky News reported last month that the contractor was valued at up to £350m.

BlackRock has begun to play an increasingly active role as a bidder in processes populated by conventional private equity firms.

Lanes Group provides wastewater and drainage services, and generates a significant chunk of its revenues from Thames Water alongside other major water utilities.

The industry is under intense pressure from the new Labour government, industry regulator Ofwat and other stakeholders amid public anger over wastage and pollution levels.

Thames Water is battling to avoid temporary nationalisation as it faces running out of money within months unless it can raise additional funding.

Sky News reported at the weekend that advisers to the utility,

which has about 15m customers, have added Carlyle, the private equity firm, to a list of potential rescue investors.

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Blackrock declined to comment.