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HD **Devine rises as takeover looms**  
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Queensland-based **residential** developer Devine has hired investment bank Goldman Sachs as its adviser after attracting interest for a full-scale takeover of the **company** rather than a trade **sale** of the 50 per cent stake owned by Leighton Holdings.

Devine could make an announcement this week revealing that it will handle the process for a **sale** of the entire business, rather than Leighton selling just its holding. The **sale** has been triggered by the break-up of Leighton Holdings, announced by its Spanish-controlled owner Hochtief, which this year tightened its grip on Leighton, taking its stake to 75 per cent.

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The assets for **sale** across Leighton's overall business include subsidiary John Holland, Leighton Properties and stakes in a portfolio of companies, including Devine, mining contractor Macmahon Holdings and infrastructure provider Sedgman.

Potential bidders are expecting to receive marketing material this week for Devine, under the guidance of Goldman Sachs.

The latest development comes after The Australian revealed on Saturday that Japanese groups and locally listed rival AVJennings have shown interest in Devine as part of the Leighton sell-off. Sources said last week the parties, thought to include Sekisui House, had been investigating a potential **purchase** of the developer, which has a market capitalisation of more than \$160 million and a \$3 billion pipeline.

Devine's shares rallied by at least 3 per cent yesterday following the reports, closing at \$1.055, up 3.5c.

Last month, it confirmed Leighton had launched an expressions of interest process for its stake. Leighton has been running a process for its Devine stake via its bankers including Macquarie Capital and Bank of America Merrill Lynch. Bank of America is specifically handling the **sale** of Leighton Properties, while Macquarie is handling other assets.

Groups out of Singapore, **China** and Malaysia are expected to show interest in Leighton Properties, with the chance to gain access to an executive team with Australian **property** development expertise.

Sydney's Green Square Town Centre joint venture mixed-use project, which has an end value of \$1.1bn, is thought to be the most valuable asset. French giant Bouygues is believed to be showing strong interest for John Holland.

In a research note, Commonwealth Bank analyst Ben Brownette said an acquisition by Bouygues would enable the French giant to bid for upcoming Australian projects without drafting in partners such as Lend Lease and Asciano. Bouygues had launched expressions of interest on close to \$1bn of NSW government road projects such as the East West Link, North Connex and WestConnex.

Mr Brownette believed John Holland could command a price of \$1bn to \$1.36bn. Shares in Leighton closed up 21c to \$31.

**CO**      hocht : Hochtief AG | leiho : Leighton Holdings Ltd | mcmhn : MacMahon Holdings Ltd | ocisa : ACS  
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